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添付資料 5: Thurisave-24 Feasibility Study Report final

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添付資料 7

Ministry of Industry and Trade, the United Republic of Tanzania
A template of Industrial Cluster Development Strategy

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Preface

About the Template for Industrial Cluster Development Strategy

In Tanzania's forthcoming **National Industrial Policy 2024**, there are ten priority sectors listed. However, the background for their designation and the developmental impacts of such prioritization are not explicitly outlined. Due to the significant differences in the weighting of resource allocation and the roadmaps required for monitoring among the sectors, managing all ten sectors under a unified approach cannot be considered a rational solution. Consequently, JICA advisors, in their support for creating the Industrial Master Plan, have proposed grouping relatively similar industrial sectors into clusters to enable comprehensive management.

Under this approach, agricultural-related and resource-related industries, being sectors with certain similarities, can be grouped as cluster for management. This grouping is expected to facilitate more efficient resource allocation, meaningful evaluation of inter-sectoral performance, and comparisons for multi-dimensional review.

This template outlines the thought process and steps for devising strategies that respect the actual circumstances on the ground for individual sectors within each cluster and their respective sub-sectors. For agricultural-related industries, current studies on sunflower oil and palm oil are attached. For resource-related industries, perspectives on steel have been summarized. These serve as templates for conducting similar analyses for other sectors, too.

Cluster concept



1 Policy Integration

1.1 Justification for Deploying the Cluster Concept

As mentioned in the concept paper for the **Industrial Development Master Plan**, the ten priority industrial development sectors exhibit significant differences in attributes, such as the scale and timing of resource allocation and methods for measuring outcomes. These differences could lead to substantial difficulties in implementation and management if addressed as is.

To address this issue, sectors with certain similarities were grouped into clusters, streamlining the direction of industrial development and coordinating with relevant government ministries. This approach is expected to create a degree of uniformity in areas such as the anticipated scale of funding, project timelines, frameworks for external coordination, and mechanisms for monitoring and evaluation.

1.2 Agro-based Industries

The first cluster focuses on agricultural-related industries, specifically edible oil, cotton (garment), and leather. If "garment" is limited to cotton products, these industries rely on domestic agricultural products as raw materials, and the scale of enterprises ranges from micro and small to relatively large businesses.

However, if "garment" includes industries closely related to petrochemicals, it would be appropriate to shift such industries to the third cluster, "Other Industries," for a process to validate the appropriateness of their development.

General development approaches for agricultural-related industries include:

1. Ensuring easy access to raw material supplies,
2. Operating close to markets,
3. Initiating projects with minimal initial investment.

The strategy formulation process begins with collecting information about Tanzania's current situation and challenges. Following this, growth strategies and competitive avoidance strategies are developed through SWOT analysis, and the prioritization of individual strategies is performed using PESTEL analysis.

1.3 Resource-based Industries

The second cluster covers resource-related industries, including petroleum, gas and chemicals, coal, and iron and steel. These industries utilize domestic mineral resources as raw materials and are generally associated with large-scale projects. Initial investments are significant, often followed by ongoing substantial capital needs. Due to financial constraints, simultaneous parallel development of all sectors may not be

feasible, necessitating prioritization through coordination with the Ministry of Mines.

To address financial challenges in development investment, the active introduction of foreign capital is essential, highlighting the need for collaboration with entities like POPI and the Tanzania Investment Center.

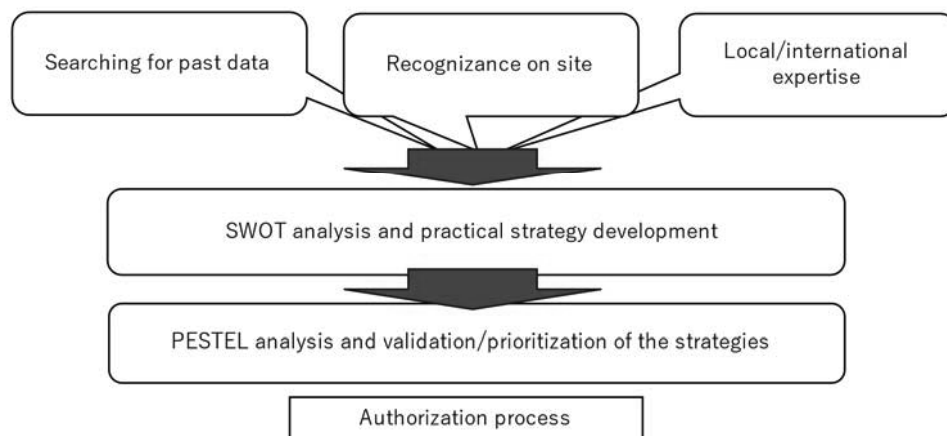
For strategy formulation, the creation of roadmaps and checklists informed by international expertise is key. This document includes reference materials illustrating startup forecasts for the steel industry, including roadmaps and checkpoints. Since this aspect requires input from foreign experts with sector-specific knowledge and data from development finance institutions interested in specific projects, it will be necessary to engage with support organizations to explore possibilities for obtaining such information. Once a development scenario is visualized, the process proceeds with SWOT analysis and PESTEL analysis to finalize individual strategy proposals.

1.4 Other Industries

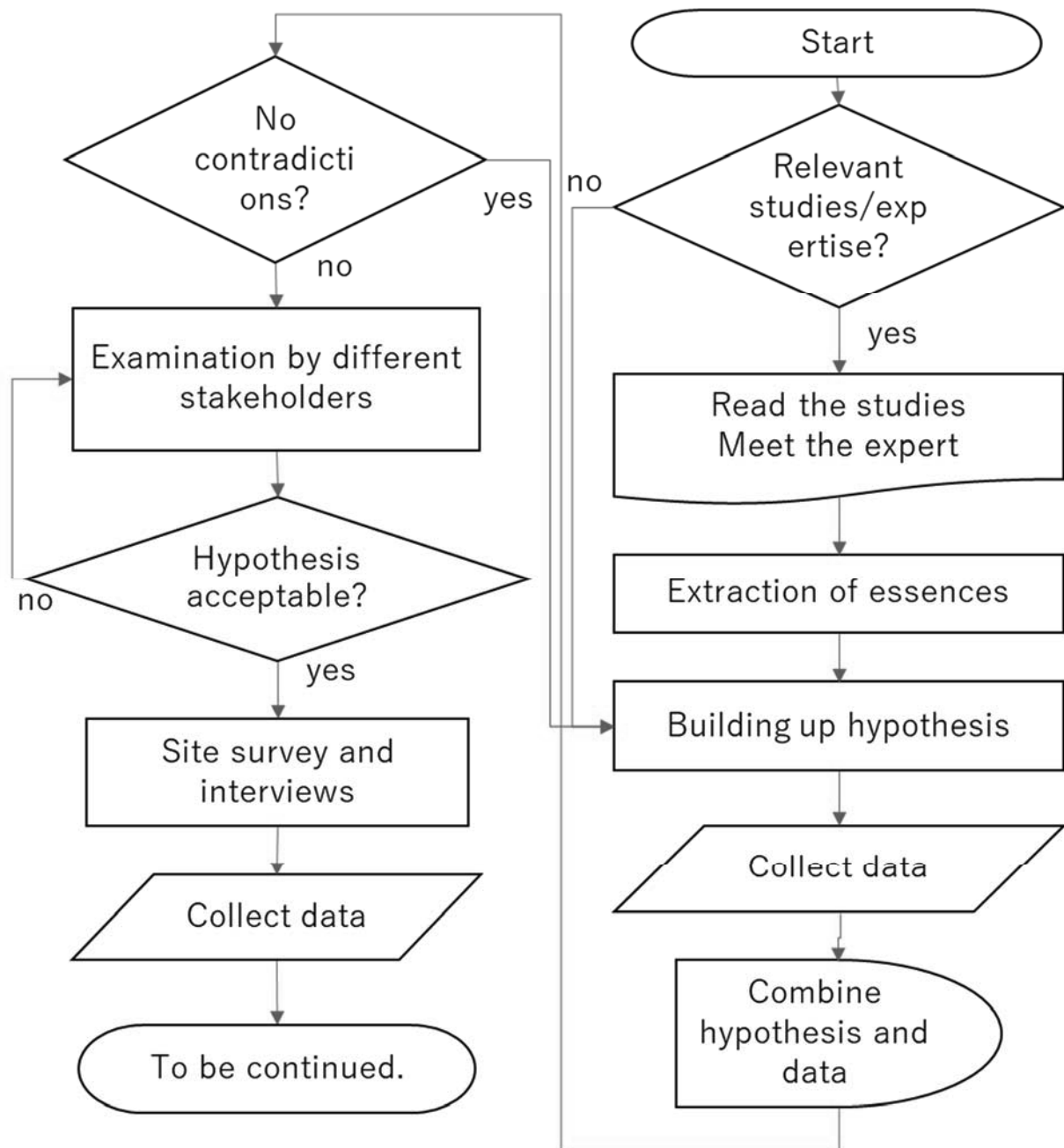
This cluster primarily focuses on validating the feasibility of industries before moving to detailed strategy formulation. After validation, subsequent steps should involve:

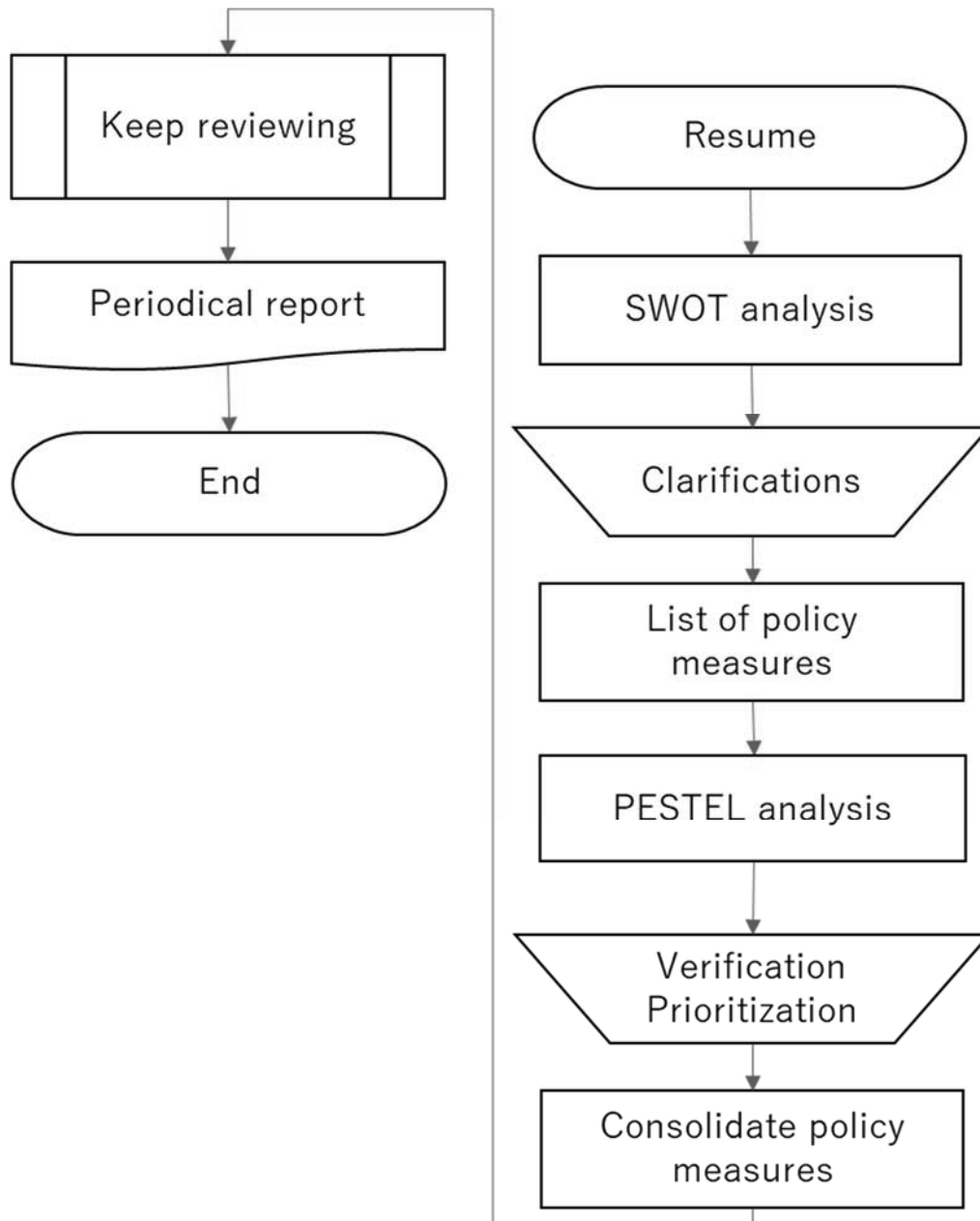
1. Situation analysis,
2. Developing strategy proposals through SWOT analysis,
3. Prioritization through PESTEL analysis.

Process of template development



2. Flow chart of sector development strategies





3. References

3.1 Sunflower Oil Industry (Edible Oil)

Sunflowers are widely cultivated across Tanzania, and there are many small-scale production of edible oil actively conducted from their seeds. Even crude oil extracted and filtered through a simple filter press enjoys high marketability and robust demand. This has made sunflower oil a low-risk, high-return business opportunity, leading to an increase in entrepreneurship by small-scale business operators. However, the management situations post-establishment vary significantly. Some businesses show steady revenue growth, while others face financial challenges due to overinvestment or cash flow problems, hindering production expansion. Education on the fundamentals of business management is an urgent need, not just for sunflower oil but for general enterprise management.

Currently, challenges in the sunflower oil sector include the shift to high-yield hybrid seeds and empowerment of farmers and oil producers including formation of cooperatives to scale up operations. It is hoped that industrial policies address these needs, contributing to the steady development of the sunflower oil industry.

3.1.1 Recognizances

For sunflower oil, reconnaissance proceeded smoothly because the Dodoma region is one of primary production areas and the Sunflower Oil Association's secretariat is located in Dodoma.

3.1.1.1 Meetings

Details of related meetings are included in the annex. A positioning map that outlines the scale and management status of sunflower farmers and oil manufacturers is also attached for reference. The summary indicates that early adopters who made appropriate initial investments have achieved high profits and are aiming for further expansion. Conversely, small late-comers struggling with financial management are losing business opportunities possibly due to insufficient funding.

3.1.1.2 Literature

There is "Business plan for a Sunflower Common Facility" prepared for SIDO Kizota, created by a former JICA expert, Mr. Mizuno. Despite being well-crafted, this business plan was not realized due to any reasons. Understanding the background of the failure could provide insights for future industrial development.

3.1.1.3 Expertise

Mr. Ringo y Ringo from the Sunflower Oil Association provided information on critical business environments for SWOT analysis. He pointed out that despite the presence of resources like climate, land, and labor, social factors such as inadequate collaboration

among businesses, limited hybrid seed adoption, and insufficient human resource development serve as barriers.

3.1.2 SWOT Analysis

Based on interviews and related information, a SWOT analysis diagram was attached which revealed that leveraging strengths like land, climate, and labor toward strong domestic and international demand can outline a viable strategy. Addressing human-related challenges such as cooperative formation and hybrid seed adoption could accelerate industrial development.

3.1.3 PESTEL Analysis

A PESTEL analysis slide is attached. No major hindrances were identified for sunflower oil. However, as mentioned, human-related challenges remain critical. The focus should shift from addressing barriers to earnestly advancing industrial promotion policies.

3.1.4 Deployable Strategies

Promoting industries by leveraging resource strengths can increase supply to the robust domestic market. Specific strategies include regional expansion of cultivation areas, improving productivity, securing and investing in human resources, and market development through marketing initiatives. Additionally, adopting hybrid seeds and encouraging cooperative formation are recommended policies for accelerating growth.

3.2 Palm Oil Industry (Edible Oil)

Palm oil cultivation has a long history in the limited areas around Lake Tanganyika. Kigoma is the central city of the region, and there is growing local interest in the palm oil industry. According to a 2019 report by UNFAO, low productivity and lack of infrastructure posed significant challenges to the industry. However, five years later, improvements such as the adoption of hybrid varieties and the establishment of modern oil processing facilities have increased productivity, fostering good expectations for future development.

On the other hand, public support for small-scale entrepreneurs remains insufficient. Local farmers producing and selling crude oil operate roadside stalls, and small oil processing factories use handmade extractors in open-air facilities. Providing public support to these small-scale operators and expanding the industry beyond the Kigoma region will be future challenges.

3.2.1 Recognizances

As palm oil production is limited to the Kigoma area, a reconnaissance mission, accompanied by a representative from MIT, visited Kigoma for meetings and data collection.

3.2.1.1 Meetings

Details of the meetings with stakeholders in Kigoma are attached. Compared to sunflower oil, palm oil cultivation and processing require larger investments, and as oil palm is a perennial crop, it takes at least three years to retrieve physical returns. Under such conditions, the mission observed that stakeholders in Kigoma are actively engaged in progressive efforts. New entrepreneurs are keenly adopting hybrid seeds, and companies operating modern oil processing facilities are sharing their expertise with newcomers—a development unimaginable during the publication of the 2019 3ADI report.

3.2.1.2 Literature

A 2019 report by UNFAO and UNIDO (3ADI+) on the Tanzanian palm oil industry is attached as reference material. The report provides comprehensive information on the palm oil business in Tanzania with high technical credibility. However, advancements such as the adoption of hybrid seeds and modern oil processing methods occurred after the report's publication. Thus, while using the report's technical information as a foundation, more recent information must be reflected for industrial development.

3.2.1.3 Expertise

Unlike sunflower oil, no professional experts exist for the whole process of palm oil production in Tanzania. According to TARI under the Ministry of Agriculture, there is no knowledge in Tanzania regarding palm tree planting, and they had to rely on insights from local farmers who traditionally cultivated indigenous varieties. Past interactions with South American and Southeast Asian stakeholders seem to have contributed to knowledge acquisition with limited extent. The absence of experts poses a potential weakness for future industrial development. Additionally, palm oil is globally known for its serious environmental burden. Administrative bodies must take responsibility for formulating sustainable industrial promotion policies, and securing expertise has to remain a very high-priority issue.

3.2.2 SWOT Analysis

The presence of motivated entrepreneurs in Kigoma and the gradual adoption of high-yield hybrid seeds are recognized as comparative strengths (not definitive strength due to far better productivity in South East Asia). Meanwhile, steady domestic demand and growing interest in surrounding regions present opportunities. However, unlike sunflowers, oil palm cultivation is geographically limited, making industrial promotion focused on the Kigoma and surrounding regions more viable. Internationally, Tanzania's palm oil productivity remains far below that of countries like Indonesia and Malaysia. Strategically, the focus should be on developing a production system for domestic

markets, leveraging lower transport costs to maintain competitiveness.

3.2.3 PESTEL Analysis

The primary concern with palm oil is its heavy environmental burden, particularly soil management issues. RSPO certification, a standard for international trade, emphasizes environmental considerations. While such regulations are absent in Tanzania's domestic market, proactive measures are needed to propose policy-based industrial promotion. Socially, the challenge lies in reconciling policies to uplift smallholder farmers cultivating low-yield indigenous varieties with broader industrial promotion strategies.

3.2.4 Deployable Strategies

To realize economies of scale, expanding palm oil ventures beyond Kigoma to surrounding areas is essential. Policy support should enable motivated entrepreneurs to establish plantations and manage modern processing facilities focused on hybrid seeds.

3.3 Steel Works (Iron and Steel)

Building and operating steelworks is not a simple business dependent solely on the availability of iron ore. It requires comprehensive management of raw materials, fuel, and ore, as well as a harmonized integration of diverse technical elements such as smelting processes (upstream), slag and impurity recovery/recycling, rolling, and quality control (downstream). Supporting technologies and infrastructure are also critical. The expertise needed spans various fields, and the number of experts required exceeds double digits.

Mobilizing such expertise is a significant challenge. Without participation from experienced foreign companies, industrial development in this sector is unlikely. A roadmap for constructing steelworks is attached for reference.

Last but not least, a PPT slide to explain how to conduct SWOT analysis is also attached for reference.

Annex

1. Positioning map, Sunflower oil
2. Business plan for a Sunflower Common Facility, prepared by Mr.Mizuno
3. SWOT analysis diagram
4. Sunflower SWOT analysis
5. PESTEL analysis
6. 3ADI+ report, 2019
7. A roadmap for constructing steelworks

8. Conducting SWOT analysis, a PPT slide
9. Meetings, Sunflower oil
10. Meetings, Palm oil

添付資料 8

Industrial Development Masterplan / Concept Paper

Ministry of Industry and Trade

The United Republic of Tanzania

Preface

The draft of the Tanzanian National Industrial Policy and Implementation Strategy, published in February 2024, refers to ten industrial sectors as priorities. However, these drafts provide little explanation regarding the relationships between these sectors, the rationale or background for their adoption as priority areas, or the reasons behind their preferential treatment in industrial policy, making it unclear why they were selected.

Priority Sectors: automotive; petrol, gas and chemicals; pharmaceuticals; building and construction; agro-processing (cotton to clothing, textiles and garments, leather, edible oil); coal; and iron and steel.

This concept paper proposes a realistic direction on the role the Industrial Development Master Plan can play under such conditions, and the desirable content and format for its compilation. The content respects the discussions held during the Task Force meetings on November 13 and 15, 2024.

As a conclusion, this paper suggests dividing the priority sectors into three clusters, each requiring a different approach. For more details, please refer to 3. Conclusion.

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Challenges to Address

In the draft of the National Industrial Policy 2024, the most concerning issue is the lack of clear reasoning behind the selection of the ten priority industrial sectors. Moreover, there is almost no description of the relationships between these sectors.

Priority sectors

automotive; petrol, gas and chemicals; pharmaceuticals; building and construction; agro-processing (cotton to clothing, textiles and garments, leather, edible oil); coal; and iron and steel (page 3, NIP 2024)

If anything, it appears that agriculture-related industries are grouped together. However, there is no mention of the relationships among mining resources or distinctions between other mineral resources, such as non-ferrous metals, which were not selected as priority sectors. As it stands, the policy appears to lack justification for the selection of these priority sectors.

At this rate, it must be said that the policy offers little guidance for administrators tasked with its implementation. This concept paper, taking these points into consideration, proposes a practical master plan by dividing the priority industrial sectors into three industrial clusters and suggesting realistic measures focused on their unique characteristics.

2. Suggested solutions

2.1 Cluster Approach

Introducing the cluster concept into industrial policy is expected to have the following benefits:

1. Efficient allocation of personnel by integrally managing similar industrial sectors and subsectors.
2. Prevention of unnecessary confusion by grouping industrial sectors with different characteristics separately.
3. Creation of opportunities to consider cross-sectoral policies by consolidating several sectors into one cluster.

If industrial development is pursued individually for ten different industrial sectors, comprehensive processing of ten separate reports would be required to grasp overall

progress. However, by grouping these into three clusters, it would suffice to review just three reports.

Expecting these advantages, this concept paper strongly recommends adopting the cluster approach.

2.1.1. Agro-based Industries

The first cluster is agro-based industries. This cluster includes four sectors: edible oil, cotton, garment and leather. Edible oil is further divided into sub-sectors such as sunflower oil, palm oil, and other edible oils. Among these, "other edible oils," which includes ground-nut oil, does not currently demonstrate a competitive development advantage as of 2024. Therefore, this concept paper primarily focuses on the two sub-sectors of sunflower oil and palm oil.

Agro-based industries, including edible oil, share a common characteristic: they primarily use renewable resources produced domestically in Tanzania, such as cotton and leather, as their main raw materials. Therefore, projects in this cluster should be executed jointly by the Ministry of Industry and Trade with involvement of the Ministry of Agriculture. As for garment, it can also be integrated into the same cluster if industrial development is centered around domestic raw materials like cotton. Otherwise, it would be appropriate to reclassify it into the "Other Clusters" category for further evaluation and consideration.

In the "Cluster Development Strategy Template," prepared in parallel with this concept paper, the procedural steps for strategy formulation using sunflower oil and palm oil as raw materials are explained. Similar procedures can be followed to formulate development strategies for individual industrial sectors, and readers are encouraged to use this as a reference.

2.1.2. Resource-Based Industries

The resource-based industries cluster includes four of the ten priority sectors: petrol, gas and chemicals, coal, and iron and steel. These sectors share several characteristics: they all rely on Tanzania's valuable mineral resources as raw materials, require large-scale investments for their development, and demand strict environmental considerations.

To implement specific strategies effectively, it is essential to attract foreign investments capable of undertaking large-scale projects. Therefore, projects in this cluster should be executed as national strategies, not solely under the Ministry of Industry and Trade but in collaboration with the President's Office for Planning and Investment (POPI) and the Tanzania Investment Centre as policy partners. Also involvement of the Ministry of Mines should be critical since the ministry is responsible for the development of the mining resources.

Particularly regarding the development of petrol and coal, it is critical to proceed with full awareness of global financial concerns over these resources being classified as "stranded assets" due to environmental considerations.

For the steel industry, the "Cluster Development Strategy Template" includes a draft of recommended development procedures that should be referred to.

2.1.3. Other Industries

Among the ten priority sectors, the "Other Industries" cluster includes automotive, pharmaceuticals, and building and construction. As mentioned earlier, garment manufacturing might also fall into this category. However, these sectors do not rely primarily on domestic resources available in Tanzania as their main raw materials. Additionally, the National Industrial Policy 2024 does not clearly outline specific reasons for their designation as priority sectors.

In the absence of clear justification for their prioritization, decision-making on resource allocation for implementing the policy becomes challenging. This lack of clarity may hinder the effective realization of industrial policy. Therefore, it is recommended that these sectors be subjected to thorough investigation and analysis to evaluate their relevance to a uniquely Tanzanian industrial policy. Based on these findings, further discussions should be conducted.

For this reason, it is suggested that the main partners for this cluster should not be government agencies responsible for policy implementation but universities and institutions engaged in economic development research.

2.2 Direction of Development

The prioritized industrial sectors are largely ones where "Tanzania can provide raw materials." This inevitably results in a development approach reliant on constant supply of the resources. In this context, collaboration with the Ministry of Agriculture is crucial for the Agro-based industries. Similarly, for the resource-based industries, it is not feasible for the Ministry of Industry and Trade to act alone but coordination with the Ministry of Mines is indispensable, as noted in section 2.1.2. Addressing the challenge of inter-ministerial collaboration might involve measures such as mobilizing POPI as a coordinator for cross-ministerial efforts. To achieve this, the Industrial Development Masterplan formulated by the Ministry of Industry and Trade must present a persuasive policy scenario. The idea to utilize domestic raw materials, for instance, can be considered reasonable.

For the sectors classified under "Other Industries" cluster, which require validity checks, the key point will be whether sufficient proposals can be presented as "persuasive solutions." Pharmaceuticals and building and construction sectors, for example, demand significant, sometimes hefty extent of, inter-ministerial coordination. Conversely, the automotive sector may be one that the Ministry of Industry and Trade could potentially promote independently. However, given the extensive range of 30,000 components required to assemble a single vehicle, this sector necessitates a broad industrial foundation. Without a strategic approach to this field, elevating its policy priority could undermine the credibility of the industrial policy as a whole—a point policymakers must be mindful of. Given these circumstances, dividing the Industrial Development Masterplan into three volumes by cluster will be highly meaningful.

2.2.1 Agro-based Industries

For industries using domestically produced agricultural products as raw materials, such as edible oil, cotton (garment), and leather industries, the Ministry of Agriculture (or Ministry of Agriculture, Livestock, and Fisheries) serves as a critical counterpart. Establishing forums (e.g., inter-ministerial councils) to discuss production capacities of raw materials aligned with market needs is a crucial challenge.

Since it is difficult to rapidly increase the volume of agricultural production (either in farming or livestock), a realistic offer of phased production development should be

deployed through consultations with the Ministry of Agriculture. Based on these agreements, industrial promotion plans will be formulated. Specific measures may include allocating prioritized resources to strategies that leverage strengths or reinforce weaknesses, which would be disclosed during formulation of the cluster development strategy.

Compared to manufacturing, agricultural production does not require high-tech or large-scale capital investments, making it a relatively easy area for a quick start. The required initial investment would be moderate, and it might be feasible to cover this initial cost with domestic assets rather than relying on foreign investments. This marks a significant difference from resource-based industries, since smaller investments mean shorter lead times for project startups.

Given the relatively low initial investment costs, engaging local investors is likely to become an important task. While foreign investors should not be excluded, domestic investors should be considered first to ensure timely decision-making and swift implementation.

For monitoring and evaluating the outcomes of the strategies, proactive information-sharing with external counterparts, such as inter-ministerial councils, will be necessary. This ensures that information asymmetry should not hinder the inter-ministerial coordination.

2.2.2 Resource-based Industries

Compared to the Agro-based industries, projects in this category, often involving mineral resource extraction by drilling, tend to be larger in scale. Considering the size of Tanzania's national economy, the burden of initial investments will be significant, necessitating planning for large-scale projects which will mostly be funded by foreign investments.

In the case of oil and gas industries, while they may seem relatively easier to approach due to global examples of successful investments, developers must be aware of growing international criticism over resource development due to the climate change concerns. For example, coal faces severe public criticism, making international financial support and foreign company participation more burdensome.

Steel manufacturing also presents critical challenges, particularly regarding its high greenhouse gas emissions. Measures such as adopting the direct reduction process or using the latest energy-saving technologies may be required, making participation by foreign companies with those technical solutions more essential.

Resource management falls under the Ministry of Mines. The success of the investment promotion depends significantly on coordination with this ministry. Large-scale international projects often require extensive timelines, involving pre-feasibility study followed by full scale feasibility studies, with approval processes taking years. For projects requiring international consortiums, operations may span even over two decades. This sharply contrasts with the agro-based industries, which may be driven by the domestic agricultural capital and have shorter timelines, necessitating distinct evaluation criteria which justifies to divide them into separate clusters in order to avoid unnecessary confusions.

2.2.3 Other Industries

Three sectors—automotive, pharmaceutical, and building and construction—remained undecided for prioritization during the Ministry of Industry and Trade task force meetings. Tanzania has almost no technical or resource advantages in these fields, raising questions about why the National Industrial Policy 2024 prioritizes these sectors.

To formulate a master plan, understanding the background and processes behind the selection of these sectors, as well as verifying their technical validity, will be essential. While stakeholder interviews may clarify the former, the latter requires objective third-party analysis.

For the automotive sector, it is noteworthy that Tanzania lacks manufacturing capacities to handle the 30,000 components needed for vehicle assembly. Import reliance undermines competitiveness. Historical examples, such as Proton in Malaysia, illustrate the challenges of establishing domestic car manufacturing capacity, despite significant investment for years.

The pharmaceutical sector may be driven by needs related to addressing endemic diseases, reducing infant mortality, or improving reproductive health. Building and

construction could be justified by low-income housing needs, rural road networks, or infrastructure development. However, the task force meetings lacked sufficient information to substantiate these priorities. Technical validity assessments are therefore recommended for all three sectors.

Additionally, consideration should be given to including garment industries in the same cluster and creating opportunities to evaluate the technical validity of these prioritized sectors. Partnerships should involve both of research institutions/universities and the Ministry of Health for pharmaceuticals, and the Ministry of Construction for building and construction.

If the studies can reasonably be concluded to justify the sectors to be prioritized, then the industrial development can be extended to cover the sectors for which a consistent strategy should reasonably be incorporated.

3. Conclusion

The concept for the Industrial Development Master Plan, as proposed in this paper, suggests that a tripartite division, taking into account the characteristics of each sector, will be desirable. Particularly for agro-based industries and resource-based industries, the substantial differences in the scale of expected projects, the time required for administrative preparation for industrial development, and the scale of investment make it more efficient to address them as separate groups (clusters).

For the Tanzanian government, industrial development is a high-priority issue, yet it is also challenging to determine how to allocate limited investment funds to achieve the highest impact. Moreover, the criteria for making such decisions are not always clear. While utilizing domestic resources is undoubtedly desirable, if the initial investment required is immense, should it still be prioritized?

In this regard, development economics does not provide a universally and objectively correct conclusion. While scientific analysis can help ensure objectivity, it does not guarantee final success of the choice.

Ultimately, it comes down to the decisions made by policymakers. The strategy for effectively utilizing limited resources should be "choice and concentration." Avoiding this by adopting an indecisive stance and spreading limited resources too thinly is the least effective approach for creating success opportunities.

3.1 Composition of the Industrial Master Plan

The clusters are divided into three groups, each linked to specific strategies and projects. The critical point is how persuasive the scenarios provided can be. Industries that exhibit strong objective validity and stable strengths are more likely to attract human resources, making the implementation of the Master Plan less problematic.

By introducing the cluster system, the overall policy can be viewed comprehensively, and considering project implementation status from three perspectives instead of ten, which is a clear improvement.

3.2 Monitoring and Evaluation

The implementation status of the Master Plan should be monitored and evaluated for each cluster. While the development of specific evaluation indicators should be left to individual plans, for agro-based industries, it should align with the agricultural calendar. For resource-based industries, monitoring and evaluation should be conducted based on long-term development roadmaps. For other industries, monitoring and evaluation would likely be conducted based on each plan created through consultations with partner

research institutions and relevant government agencies.

The above shares the conceptual approach to consolidate the Industrial Development Master Plan.

2024.12.20

Jun Nishida

JICA Advisor

Industrial Promotion (Tanzania)

添付資料 9



SEZ Advice to Government of Tanzania



United Republic of Tanzania
Ministry of Industry and Trade and President Office-Investment & Planning

JICA Advisors for Industrial Development and Investment Promotion

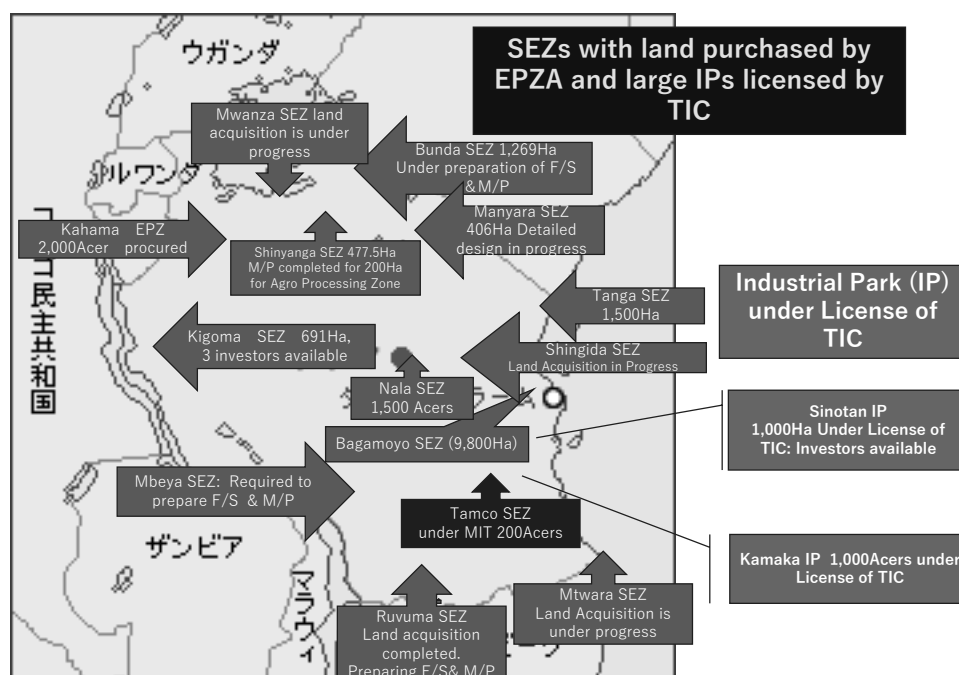
(1st Dispatch: 28 June – 21 July 2022) and
2nd Dispatch: 1st October – 30th of October 2023

October 2023

アジア共同設計コンサルタント
Asia Engineering Consultant Co., Ltd.

SEZ under
EPZA

Source: Based
on the interview
with EPZA



Flow Chart of Investment License Application/Approval Procedure for EPZ/SEZ

Advance Preparation

- 1 Business Plan
- 2 Environmental Impact Assessment
Certificate issued by NEMC
- 3 Architectural Drawings
- 4 Land Lease Agreement and Title
Deed
- 5 Certificate of Incorporation issued by
BRELA
(NEMC : National Environment
Management Council)
(BRELA : Business Registration &
Licensing Authority)

Application of Investment

- In addition to the documents as shown
on the left 1-5
- 6 Article of Association
 - 7 Application Form
 - 8 Receipt of Site Inspection Fee
 - 9 Receipt of Initial Application Fee
 - 10 Bank Certificate

Evaluation and Approval of Investment

The process of Evaluation takes a
maximum of 14 working days and
Investment License shall be issued by
DG.

If it is judged by DG, the final decision
of License shall be made by the Board
of Directors of EPZA

添付資料 1 0



United Republic of Tanzania
Ministry of Industry and Trade and President Office-Investment & Planning



JICA Advisors for Industrial Development and Investment Promotion

(1st Dispatch: 28 June – 21 July 2022) and
2nd Dispatch: 1st October – 30th of October 2023

October 2023



Advice of Review

Contents:

- ◆ Reform of SEZ ACT and SEZ Agency
- ◆ Function of SEZ Agency
- ◆ Ideal Case of Bagamoyo SEZ Development (Discussion Purpose Only)
- ◆ 100 Hectar Phase-1 Bagamoyo SEZ Development plan

Reform of SEZ Act and SEZ Agency

- **SEZ ACT might be considered to be amended or re-enacted since SEZ ACT may supersede EPZ Act against the current regal structure that EPZ Act supersedes SEZ Act in Tanzania.**
- **SEZ Agency might be considered to be newly established instead of existing EPZA.**
- Definition of the Board of Directors of SEZ and the function of SEZ & SEZA might be clearly specified on **New (Amendment of) SEZ ACT.**
- Director General of EPZA might be replaced by DG of SEZA.
- The concept of SEZ includes the wide range of activities such as Industrial Park, Free Port, Information communication and Technology Park, Free Trade Zone, Science and Technology Park, Tourism Zone, Business Service Center, Residential Zone and EPZ as well.

Function of SEZ Agency

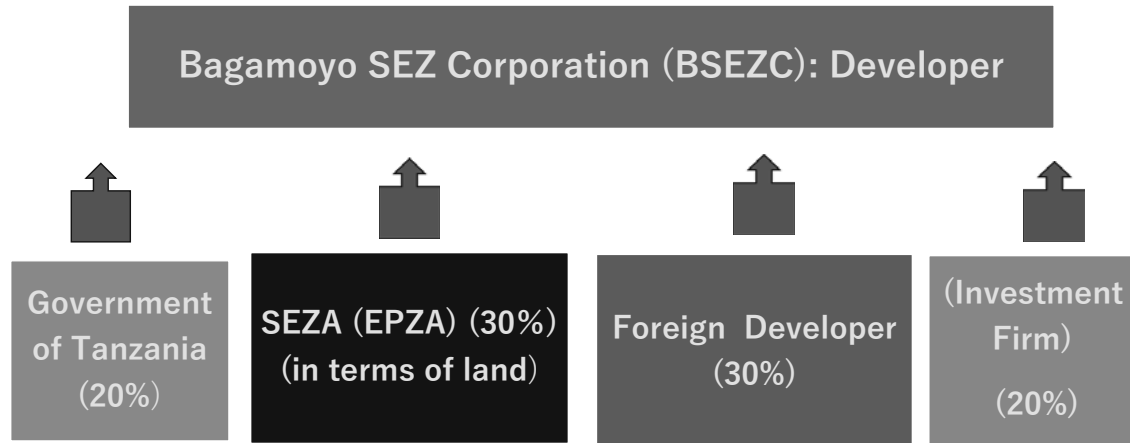
SEZ Agency (SEZA) could be considered to be the governmental regulatory body and play a major role for directing and coordinating the evolution of the regulatory framework instead of development and management of business company as a developer.

In case that SEZA could be considered to make an investment in the position of developer, SEZA might be minor investor/shareholder of developer.

Ideal Case of Bagamoyo SEZ Development

Investment Structure of Bagamoyo SEZ Corporation

(Discussion Purpose Only)



Phase 1 : 100 Hectare of Bagamoyo SEZ Development

With Minimum Infrastructures inside SEZ:

Roads
Drains
Electric Sub Station
Electric Underground Cable
Water Reserves with Booster Pumps &
Pipe Distribution System
Sewages Treatment Plant

Flat Land Levelling Construction with 2~3m higher elevation against surrounding Area



添付資料 1 1

産業・投資ベースライン調査結果概要及び対応

JICAタンザニア国産業開発・投資促進アドバイザー業務

2023年12月4日（月）

株式会社アジア共同設計コンサルタント
業務主任者 田中裕子

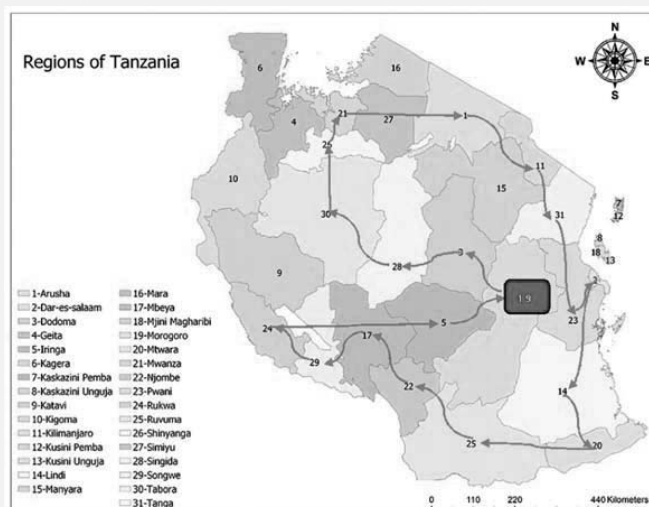
アドバイザー業務の紹介



1. C/P機関： 産業・貿易省（MIT）産業開発局及び大統領府・計画投資（PO-PI）
2. 場所： ドドマ
3. 期間： 2022年6月～2025年5月
4. チーム構成： 田中裕子（産業開発/投資環境）、西田純（産業振興）、田淵秀樹（投資促進①）、牛腸純和（経済特区整備・運営/投資促進②）、Lydia Wangwe（現地アシスタント）
5. 主たる活動内容：
 - 職員の能力強化： 産業開発・投資促進関連の施策・戦略の円滑な実施支援
 - ベースライン調査の実施による現状・課題把握と提言
 - 産業開発・投資促進関連の施策策定・実施支援
 - 産業開発のための情報センター設立支援
 - 工業団地・経済特区の開発支援
 - インフラ触媒ファンドのモデルデザイン
 - 日系企業との関係構築： ビジネス環境の課題・改善、産業・投資関連情報の提供

ベースライン調査概要

- 実施期間： 2022年8月～12月
- 実施機関： Mzumbe大学
- 調査目的： タンザニアの産業開発・投資環境の現状に関する情報の収集・取り纏め、産業投資振興上のボトルネックと改善領域の特定、課題解決に向けた提言。
- 調査手法： 1) デスク調査による既存の情報収集・取り纏め、2) 地方政府及び民間セクター（商工会議所）へのアンケートの実施、3) 実地調査（31州のうち東西南北を網羅する19州）



出所：大統領府地方自治庁（PO-LARG）にMzumbe大学が加筆

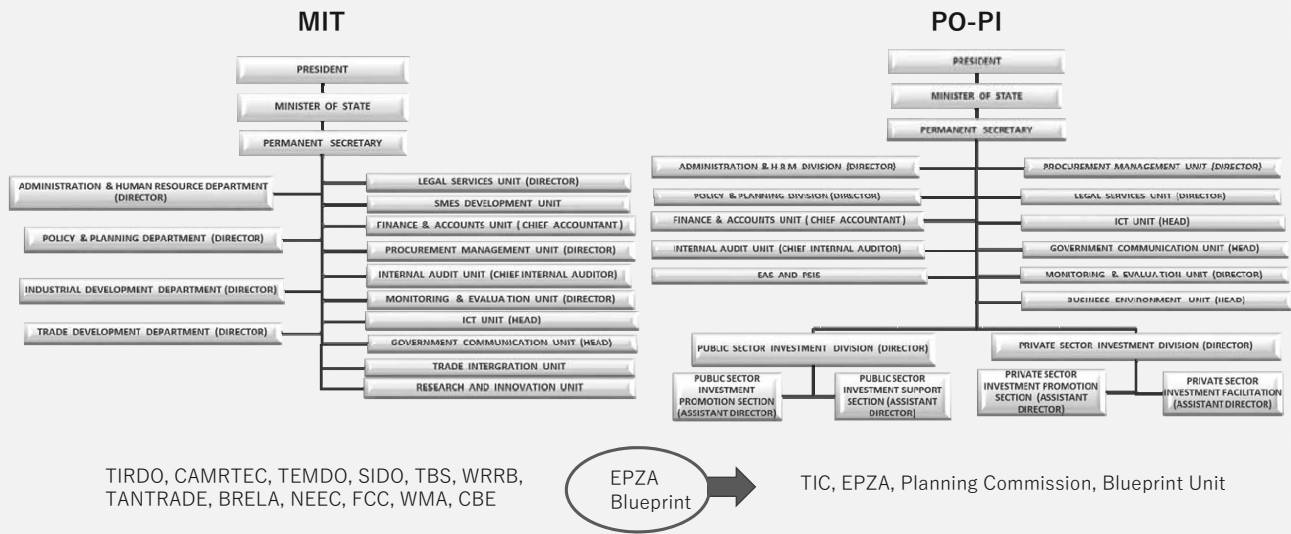
Dodoma, Singida, Tabora, Shinyanga, Mwanza, Arusha, Kilimanjaro, Tanga, Coast Region, Dar es Salaam, Lindi, Mtwara, Ruvuma, Njombe, Mbeya, Rukwa, Iringa, Morogoro, Zanzibar

ベースライン調査報告書の構成（収集情報一覧）

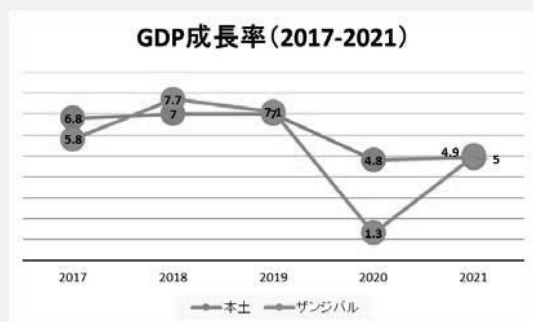
- Implementation Structure of Industrial Development and Investment Promotion (MIIT)
*現在はMITとPO-Planning and Investmentに改編
- Key Performance Indicators of Economy, Industrial Development and Investment Environment in Tanzania:
GDP, Consumer Price Index, Consumption Expenditure, Foreign Trade, Agriculture and Livestock, Mining, Manufacturing, Electricity, Transport, ICT, Public Finance
- Public Private Partnership (PPP)
- Current State of the Industrial Development and Investment Environment in Tanzania:
Relevant Policies, Business Environment, Taxation with applicable rate table, Legal Reference of Depreciation, Procedure of Company Registration, Investment Promotion, Types of Investment Supported, Incentives, Laws, FDI Trends
- Industrial Development:
Growth of Industrial Sector, Industrial Establishments, HR engaged in Industries, EPZ/SEZ (Mapping, Licensing Procedure)
- Bottlenecks and Areas for Improvement
- Conclusion and Recommendations
- Annexes: Result of Questionnaire

赤字の項目を本プレゼンで紹介

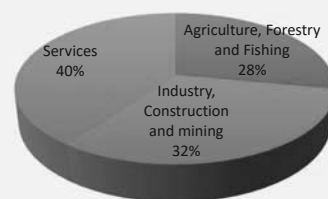
産業開発・投資促進の担当省庁（当業務のC/P機関）



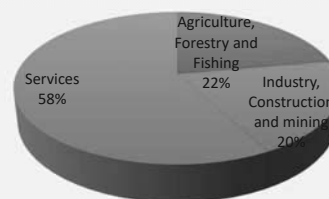
経済概況：主要経済指標



GDP産業別割合：タンザニア本土



GDP産業別割合：ザンジバル



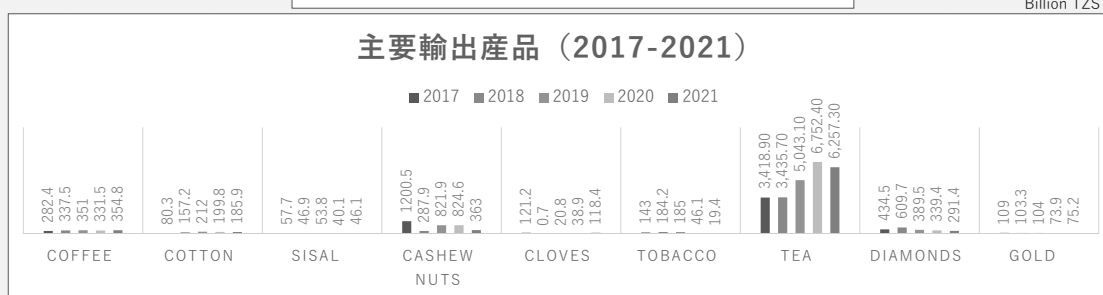
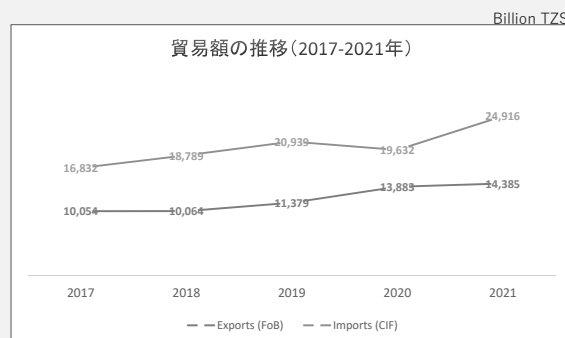
[ご参考までに]

出所：世銀（2022年）

Country	Tanzania	Kenya	Pakistan	Bangladesh
Land area	945,087km ²	580,370km ²	796,100Km ²	147,570Km ²
Population	66 million	54million	236million	171million
GDP	75.71 blnUSD	113.42 blnUSD	376.53 blnUSD	460.20 blnUSD
GDP per Capita	1,192USD	2,099USD	1,597USD	2,688USD
GDP Growth rate	4.6%	4.8% (2022)	6.2% (0.3% 22/23)	7.1%

出所：
本土：National Bureau of Statistics (NBS)
ザンジバル：Office of the Chief Government Statistician

貿易動向

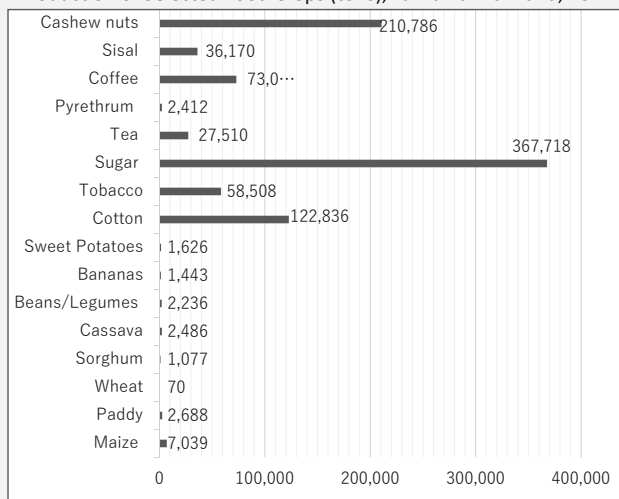


出所：NBS

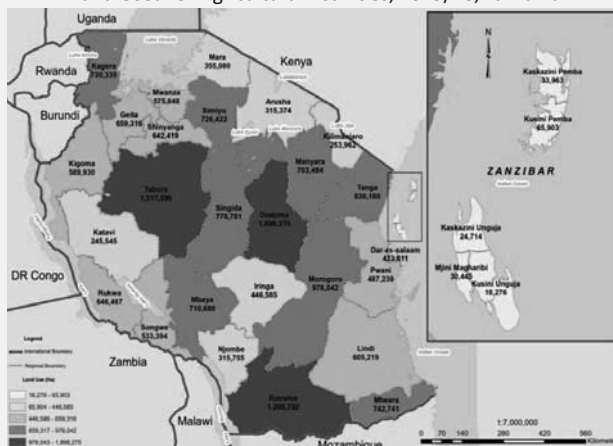
農業①

農業・畜産業は経済に大きく貢献する重要セクター
 主な作物は穀物（トウモロコシ、コム、小麦など）、根菜類（キャッサバ、サツマイモなど）、換金作物（コーヒー、紅茶、タバコなど）、園芸作物（フルーツ、野菜）、香辛料など

Production of Selected Food Crops (tons), Tanzania Mainland, 2021

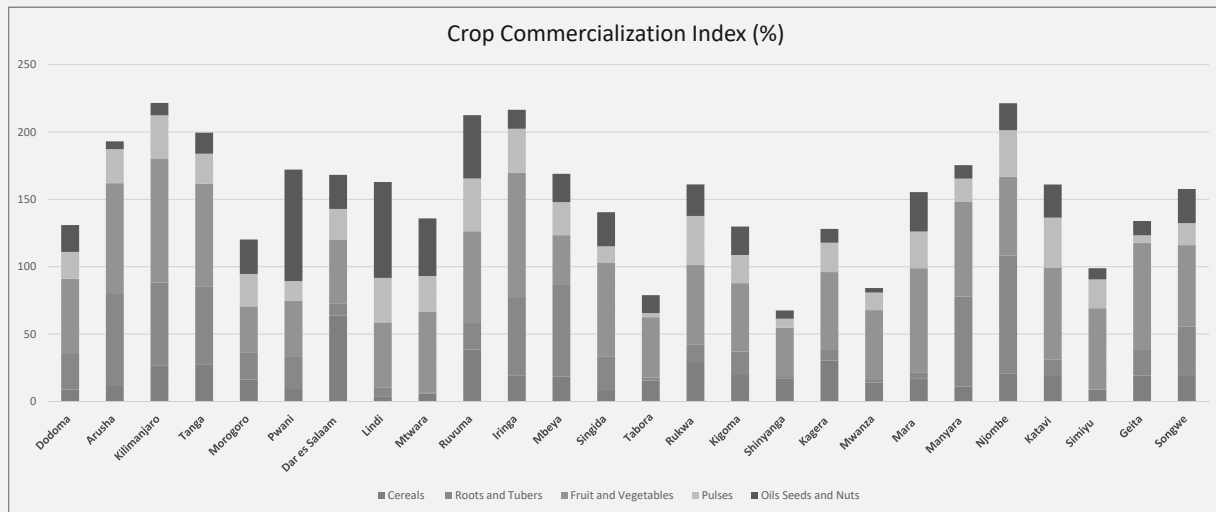


Land Used for Agricultural Activities, 2019/20, Tanzania



農業②

- ・ 園芸作物は80%、それ以外は20%前後が商業用農作物
- ・ 農地面積の割合が高く、農業が盛んなドドマは商業用農作物比率が低い。ひまわり、ぶどうなど加工用の園芸作物の生産が多い。

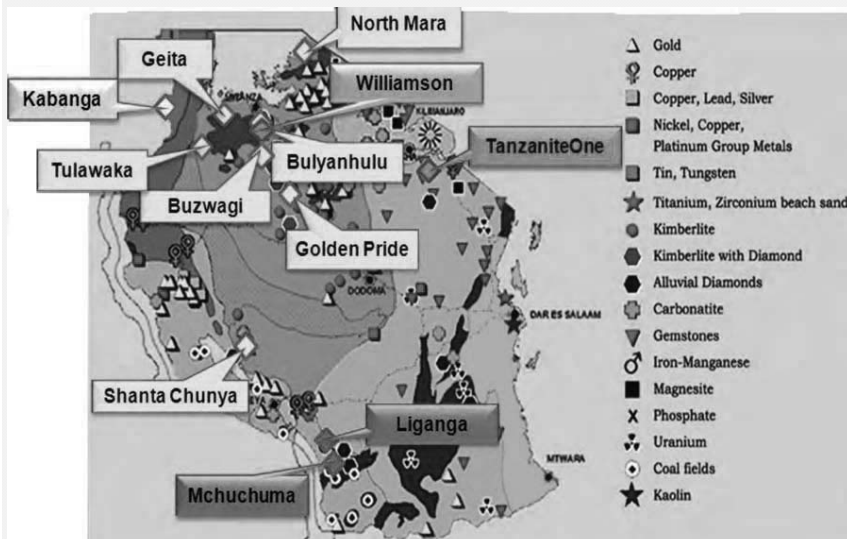


*ザンジバルは生産量が非常に少ないため本スライドでは割愛

出所：NBS (National Sample Census of Agriculture-2019/20)

鉱業

- ・ 鉱業セクターは、2021年のGDPに4.2%寄与
- ・ Barrick Gold、Acacia Mining、AngloGold Ashanti) などの大手多国籍企業が進出
- ・ タンザニアは南アフリカ、ガーナ、マリに次ぐアフリカ第4位の金産出国
- ・ タンザナイトの世界唯一の産出国



出所：Tanzania Chamber of Mines

インフラ開発

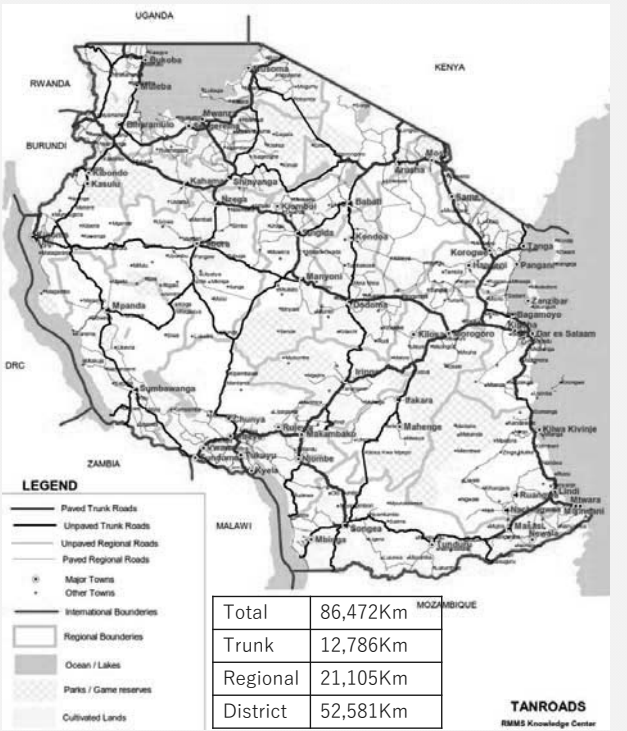
- 電力： タンザニアの2021年の発電容量は約2,200MW。送電ロスが課題。 Julius Nyerere hydroelectric power plant（容量2,115 MW）を建設中。

道路

空港



出所： Maps of the World



産業・投資関連政策①

国家政策

政策・戦略	略語	和訳	策定年・期間	位置付・関連	備考
Tanzania Development Vision 2025	TDV 2025	タンザニア開発ビジョン	1999/2025	最上位文書	中所得国への移行、農業経済から工業経済への転換
Long-Term Perspective Plan 2011/12-2025/26	LTPP	長期展望計画 2011/12-2025/26	2012/2025	TDV2025の下位	タンザニア開発ビジョン 2025 (TDV 2025) を実施するための中核となる手段を示す
Five Year Development Plan III	FYDP III	第3次国家5カ年開発計画	2021/2025	LTPPの下位	Competitive and Industrial Economy LTPPを3分割。各5カ年計画 FYDP III：競争力ある産業経済

産業開発

政策・戦略	略語	和訳	策定年・期間	位置付・関連	備考
Sustainable Industrial Development Policy	SIDP	持続的産業開発政策	1996/2020	TDV2025の下位	タンザニアの産業開発政策として1996年に制定された
Integrated Industrial Development Strategy 2025	IIDS	統合産業開発戦略 2025	2011/2025	SIDPの下位	TDV2025、SIDPを達成するための具体的戦略として制定された
Sustainable Industrial Development Policy（策定中）	NIP2022(仮)	持続的産業開発政策	2022/2025	TDV2025の下位	SIDPの改訂版。National Industrial Policy, 2022 として改訂中（政府承認待ち。2024年に承認見込み）
Implementation Strategy For National Industrial Policy, 2022（策定中）	NIPIS(仮)	産業開発政策実施戦略	2022/2025	NIP2022の下位	NIP2022を達成するための具体的戦略。（政府承認待ち。2023年11月末に承認見込み）
Cotton-to-Clothing Strategy 2016-2020	—	優先産業クラスター開発戦略（綿花及び衣類）	2016/2020	SIDPの下位	優先産業クラスターを開発するための戦略であったが、期限切れ。現在、MIITのWebsiteから参照不可（以前は掲載されていた） Cotton-to-Clothingは更新の動きあり。
Leather Sector Development Strategy 2016-2020	—	優先産業クラスター開発戦略（皮革）	2016/2020		
Sunflower Sector Development Strategy 2016-2020	—	優先産業クラスター開発戦略（ひまわり）	2016/2020		

出所：専門家チームで作成

産業・投資関連政策②

投資促進

政策・戦略	略語	和訳	策定年・期間	位置付・関連	備考
National Investment Promotion Policy 1996	NIPP	国家投資促進政策	1996/	—	レビュー中、NIDPとして更新
National Investment Development Policy 2022（策定中）	NIDP	国家投資開発政策	2022/2025	TDV2025の下位。投資促進に係る政策	NIPPの更新版。TDV2025の目標達成の加速のため、NIPPをベースに策定。Facilitation等も含むためPromotion→Developmentに名称変更
Implementation Strategy for NIDP（策定中）	NIDPIS	国家投資開発政策実施戦略	2022/2025	NIDP2022の下位。NIDPを達成するための戦略	上記NIDPの実施戦略として、現在策定中
Roadmap for Improving Business Environment, 2010	Roadmap	ビジネス環境改善ロードマップ	2010/	—	DB課題対応ロードマップ（2010）ビジネス環境改善に関してはBlueprintに移行。改訂は見合わせ
BluePrint for Regulatory Reforms to Improve the Business Environment 2018	Blueprint	ビジネス環境改善にかかる規制改革のためのブループリント	2018/	ビジネス環境改善に関する調査・提言	ロードマップの一部。TNBCの成果物規制上の課題分析結果に基づくビジネス環境改善に係るフレームワーク

その他 関連施策

政策・戦略	略語	和訳	策定年・期間	位置付・関連	備考
Small and Medium Enterprise Development Policy, 2016	—	中小企業開発政策	2016/	TDV2025の下位	中小企業開発に係る政策。MITのHPに掲載されている文書は2003年版
National Trade Policy, 2003	—	国家貿易政策	2003/	TDV2025の下位	貿易に係る政策。多国間貿易システム（MTS）へのスムーズな統合を促進
Enterprise Wide Risk Management Policy and Framework	—	企業のリスク管理政策と枠組み	2011/	—	リスクの理解と管理を効率的かつ効果的に支援し、意思決定の向上に貢献することを目的とするリスクを特定、評価、対処し、レビュー、報告するためのプロセス
Agricultural Marketing Policy	AMP	農業マーケティング政策	2008/	—	国内、国際的に農産物の効率的なマーケティングを促進
National Economic Empowerment Policy	—	経済成長の加速と有効な投資環境の構築	2004/	—	国民が経済活動に参加する機会を確保するためのガイドライン

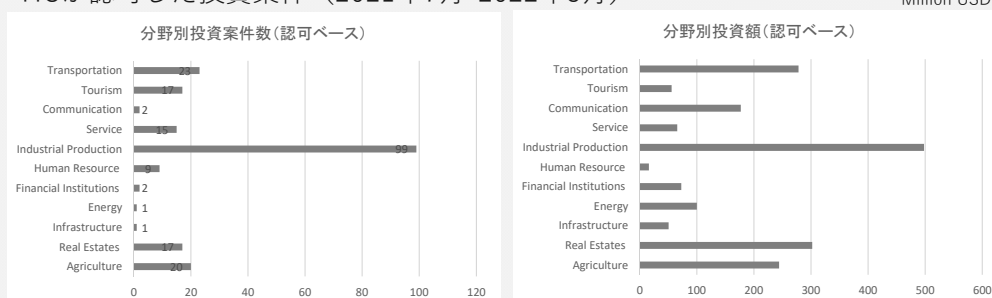
投資動向

FDI流入額推移（2017年-2022年）

	2017	2018	2019	2020	2021	2022
World	1,632,639	1,448,276	1,480,626	963,139	1,582,310	1,294,738
Africa	40,176	45,384	45,678	38,952	82,991	44,929
Tanzania	938	972	1 217	685	922	1,111
Tanzania's share in Africa (%)	2.3	2.1	2.7	1.8	1.1	2.5

出所：UNCTAD World Investment Report (WIR) 2022
* 2022は専門家チーム加筆

TICが認可した投資案件（2021年7月-2022年3月）



認可案件数：206
認可投資額：
1,859.4百万ドル

ワールドツアー

出所：TIC, 2022

投資環境: 税制

No.	TAX SOURCE	RATES	
		RESIDENT	NON RESIDENT
1.0	Corporation Tax:		
(a)	Tax rate on total income of a corporation	30%	30%
(b)	Corporations with perpetual unrelieved losses for 3 consecutive years excluding corporation conducting agricultural business, provision of health and education services	0.5% of annual turnover	N/A
(c)	Newly listed corporation in the Dar es Salaam Stock Exchange (DSE), with at least 30% of its equity ownership issued to the public for three consecutive years from the date of listing	25%	25%
(d)	A corporation with a newly established plant for assembling motor vehicles, tractors, fishing boat or out-boat engine and having a performance agreement with a Government of United Republic of Tanzania (URT) for the first five years from commencement of production.	10%	N/A
(e)	A newly established entity dealing with manufacturing of pharmaceuticals or leather products and having a performance agreement with the Government of the URT shall be taxed at reduced corporate rate for five consecutive years from the year of commencement of production.	20%	N/A
(f)	Total income of a Domestic Permanent Establishment	N/A	30%
(g)	Repatriated income of a domestic permanent establishment	N/A	10%
(h)	Digital Service Tax (DST) Payments received by a non-resident person who renders electronic services consumed in the URT	N/A	2%

報告書では以下の直接税もカバー

- Withholding tax
- Gains on Realization of an Asset
- Exemption on realization of Investment asset
- Resident Individual Income Tax (Tanzania mainland and Zanzibar), with effect from 1st July 2021
- The rates of income tax for a resident individual engaged in transportation of passengers or goods
- Skills Development Levy (SDL)
- The Individual Presumptive Tax Rates
- Electronic Fiscal Receipts
- Submission of returns and payment of Income tax
- Depreciable assets, allowances and the applicable rates
- Depreciation allowances for mineral or petroleum operations

更には、間接税 (VAT, Stamp Duty, Import Duty, Excise duty, etc)も含めたロングリストを添付。

出所: Tanzania Revenue Authority (TRA)

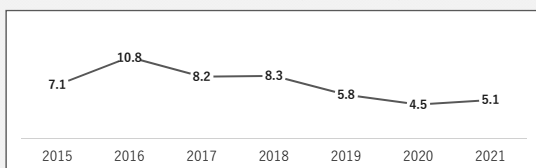
産業開発・製造業

産業開発はスロー：金融アクセス、インフラ整備、産業人材に課題

Contribution of the industrial sector to GDP (2016-2021)

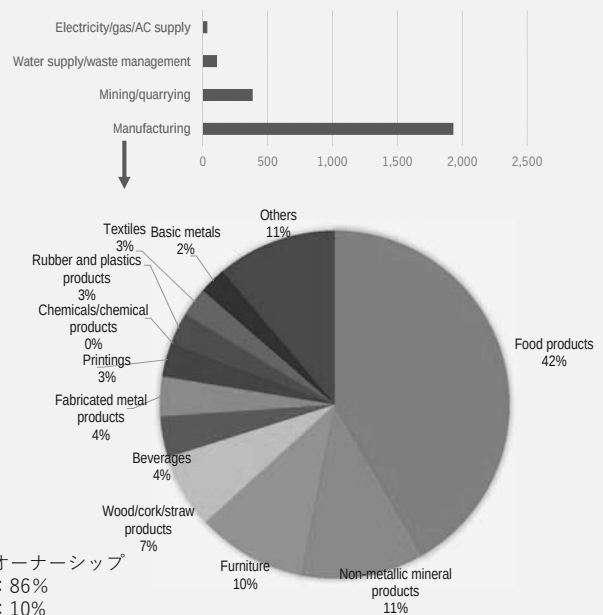
	2016	2017	2018	2019	2020	2021
Ratio (%)	7.81	7.67	8.05	8.5	8.4	8.0

Growth of the Industrial Sector (2016-2021)



課題：データが古く、現在の状況が把握し難い
現在の製造業の実態についてはMIT/TIRDOが調査中！
バーチャル情報センターを開設予定

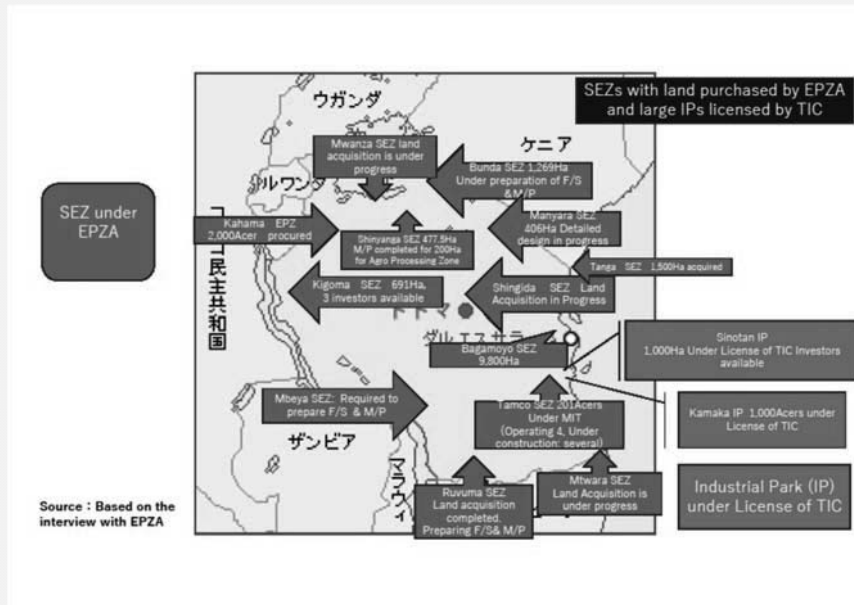
工業系企業：2,389社(2015年)→2,462社(2016年)



製造業のオーナーシップ
現地企業：86%
外国企業：10%
合併企業：4%

出所: NBS

SEZ開発



SEZ開発もスロー

開発プランの策定前に整地作業に入る等、課題が散見。EPZAの財政・人材のキャパシティが課題。

アンケート実施：概要

- ・ サンプルング：19州政府、19州の民間団体（商工会議所の州支部）にMzumbe大学がアンケートを実施。17州、13民間団体から質問票を回収。
- ・ 13州：Iringa, Arusha, Mwanza, Mtwara, Moshi, Tabora, Songea, Pwani, Lindi, Mbeya, Njombe, Tanga, Shinyanga分をMzumbe大学から入手し、当チームが取り纏めた。
- ・ 質問への回答はYes、Noか、度合（1から5の5段階。1が低く、5が高い）を尋ねたものが中心。
- ・ お願い： 回答は内部資料としてお取り扱いください（アンケート依頼時に、回答はコンフィデンシャルである旨を記しているため）。

地方政府アンケート結果①：地域特性

各州投資ガイド

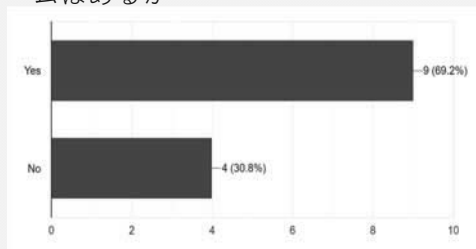
<https://www.undp.org/tanzania/regional-investment-guides>

	Main Products	Export product	5 Sectors for Investment
SINGIDA	Sunflower , maize and onions	Onion, cotton and cashewnuts	1. Agro- Industries 2. Natural resources based products 3. Furnitures and garments 4. Livestock 5. Fishing
NJOMBE	Avocado, Tea, Maize and Forest products	Avocado , Forest products (timber & wood)	1. Agriculture 2. Forest and forestry products 3. Minerals 4. Livestock and dairy products 5. Tourism
MBEYA	Maize, Pad rice, Sunflower, Tobacco, Cocoa and Avocado	Rice and Avocado	1. Agriculture 2. Transportation and logistics 3. Livestock and dairy products 4. Processing and Industries 5. Beverages
LINDI	Cashewnut and sesame seeds	Cshew and sesame seeds	1. Agriculture 2. Livestock 3. Fishing 4. Business and Trade 5. Oil and Gas (Kilwa , Songosongo)
DODOMA	Sunflower, Grapes and Livestock	Sunflower	1. Agro-Industries 2. Food and beverages 3. Education 4. Health care and medical equipment's 5. Others (Livestock- Skin products)
PWANI	Cashewnuts, veg etable, fruits (pine apples) cassava	Cashewnuts, pineapples	1. Fishing 2. Agriculture 3. Livestock 4. Real Estate

	Main Products	Export product	5 Sectors for Investment
SONGEA	Maize, coffee, cashewnuts , soy beans	coffee and maize	1. Agriculture 2. Industrial Investment 3. Tourism 4. Minerals
TABORA	Tobacco, Cotton, Pad-rice , livestock	Tobacco	1. Agriculture 2. Livestock , bee keeping 3. Forest and forestry products
MOSHI	Coffee , Horticulture	Flowers, Coffee and Green beans	1. Tourism 2. Industry 3. Transportation 4. Agriculture 5. Education
MTWARA	Cashewnuts, groundnuts, art & craft, tourism	Cashewnuts and Fishing	1. Cashew processing 2. Deepsea fishing and processing 3. Salt harvesting 4. Sea weed farming 5. Agriculture
MWANZA	Industry, Fishing and Trade	Fish and their products	1. Fishing 2. Tourism 3. Real estate 4. Construction 5. Agriculture
ARUSHA	Hospitality, tourism, minerals and agriculture	Livestock, tourism, hospitality, minerals	1. Tourism 2. Hospitality 3. Mining 4. Agriculture
IRINGA	Forestry, Avocado, Maize, Sunflower, Pad-Rice	Not answered	1. Forest and forestry product 2. Tourism 3. Livestock and products 4. Sugar industry 5. Agriculture

地方政府アンケート結果②：事業・サービス

1. 産業振興・投資促進・SEZ開発プログラムはあるか



2. Good Practiceと言えるプログラムは何か

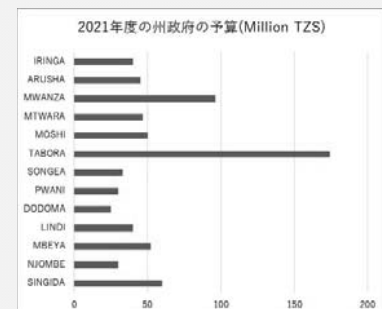
- 若手起業家への啓蒙活動 (SIDO/TBS)
- 工業団地開発 (土地取得)
- 若者と女性へのMunicipalローンスキーム
- 小規模企業への支援 (標準化)
- 市場の建設
- 貧困削減 (UNDP)
- KAIZEN(2)
- KCB自営業支援プログラム

1.1.どのようなプログラムか

- トレード・観光フォーラム(2)、投資フォーラム(2)
- SEZ用の土地 (買収済み)
- 農業・農産品専門のビジネス・カウンスル
- 若者や女性が事業を始めるための資金の10%融資
- 投資ガイド (UNDP)、蜂蜜バリューチェーン (Bevaki)
- 起業支援 (KCB)、KAIZEN
- SIDOとの協業による工業団地整備

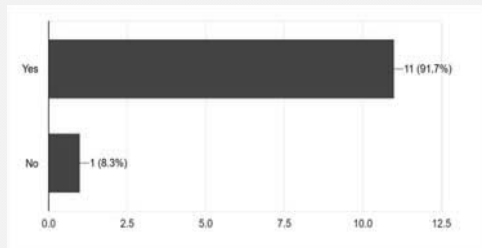
1.2.プログラムの資金について

- 中央政府 (フォーラム開催資金)
- ドナー (EU、Enabel、KBC、UNDP)
- Municipal (SEZ用の土地、10%融資) Pwani
- 州政府とステークホルダー

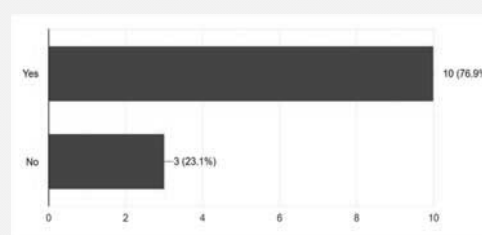


地方政府アンケート結果③：FDI

3. FDIを受け入れているか



4. 投資家への州インセンティブはあるか



FDIの一例：

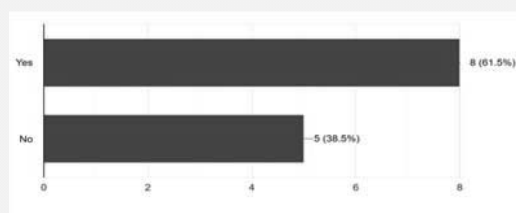
SINGIDA	米国企業がカシューナッツ分野に投資。現在立ち上げ段階。
NJOMBE	ケニヤ、中国、スイスからの投資
MBEYA	ジャガイモ生産に豪州の企業が投資
LINDI	グラナイトやLNG分野にFDIあり
DODOMA	Itracom Fertilizers Ltd
PWANI	中国系のタイル製造者
SONGEA	イスラエル企業がコーヒーに投資
TABORA	SGR Construction（トルコ）、Oil pipeline（ウガンダ）、たばこ分野にも投資あり
MOSHI	セメント（JUN-Tu）、モシセメント、砂糖（TPC）、Africado（アボカド輸出）
MTWARA	カシューナッツ分野
MWANZA	水産系
ARUSHA	不明（投資関連の情報は中央が把握）
IRINGA	中国系

インセンティブの種類：ファシリテーション、土地取得支援

- 土地の取得、インフラ整備の支援
- 土地探しの支援
- ステークホルダーとのネットワーク構築支援

地方政府アンケート結果④：政策について

5. 政府の政策はビジネス環境に適合しているか



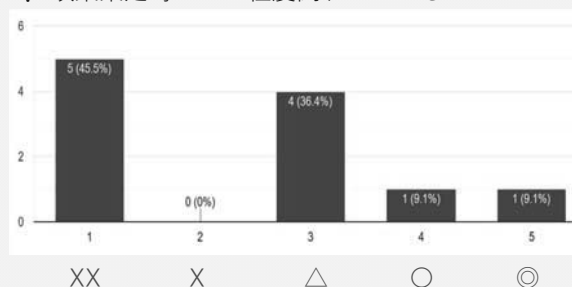
Yesの理由：

- 政策策定にかかわったのでニーズが反映されている。
- 改善の余地はあるが、ニーズには合致する。
- 概ね妥当だがリソース不足で実施ができない。

Noの理由：

- 産業・投資担当省との距離。コミュニケーションやリンクなし。
- 地方政府との連携不足により、地方のニーズを反映したインクルーシブな政策になっていない。
- 過去10年間、産業・投資担当省は一度もガイダンスや指導の会合を開催していない。

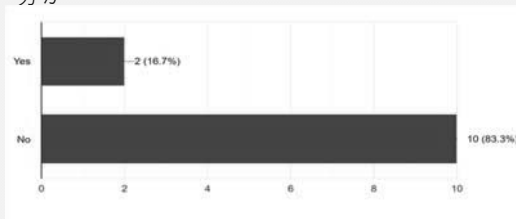
6. 政策策定時にどの程度関わっているか



← 1が最も低く、5が最も高い

地方政府アンケート結果⑤：政策実施体制

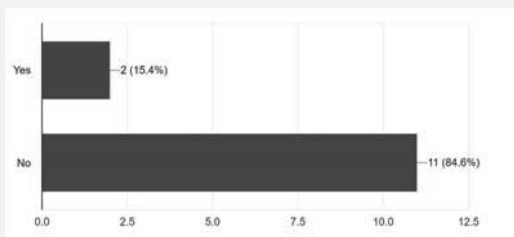
7. 産業開発・投資促進の政策実施体制は明確で十分か



コメント：

- 産業・投資担当省のリーダーシップが必要。
- 担当省と貿易・投資ユニットの連携強化
- 担当省は、現場で制作を実施する貿易・投資ユニットとの連携・調整・ファシリテーションをすべき
- 関連省との実施体制の強化や省のスーパービジョン
- 担当省の改編による実施体制の強化を期待

8. 担当職員は政策実施に必要な知識やスキルがあるか



必要なスキルは何か：

- ソフトスキル：** ビジネス・マネジメント、ビジネス・プランニング、プロポーザル作成、ネゴシエーションスキル、カスタマーサービス、マーケティング、コミュニケーション
- 投資促進分野のキャパビル、新設されたユニットなので、貿易・投資振興に係る包括的な知識やスキル。
- AIなどテクノロジーの活用
- 持続可能な開発に係る知識
- 多分野の専門知識を必要とする実施に関する特別なスキル

地方政府アンケート結果⑥：課題

9. 産業開発・投資促進上の課題は何か

- 製造業の技術向上支援
- 道路網整備(2)
- 空港のリハビリ・拡張
- 農地の開発
- インフラ整備
- 担当省と地方の政府系機関との連携（2）
- 資源不足（予算附則）
- 投資促進上のスキル不足
- 活用できる土地不足
- 財政難(2)
- 農産品の付加価値化(2)
- SEZの開発(2)
- 電力不足、水不足
- インフラ整備と鉄道システム
- データセンター
- 職員の能力強化（2）

10. 地元企業から出されたビジネス上のクレームは何か

- インフラの未整備(2)、電力不足(3)、不十分な水の供給(2)
- 税制(3)、ホテル ルビー
- 国境通関
- 工業用の空地
- 高い税金(2)
- ビジネス側がホストしなければ手数料・税金の多さ（2）
- 契約関連の法整備と運用
- 電力に課される税金の高さ
- サービス及びホテル税がの高さ
- VAT
- 税制と徴税システムの使い勝手の悪さ

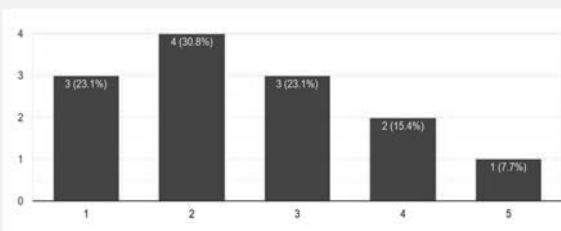
民間団体アンケート結果①：概要

・ 13TCCIAの概要

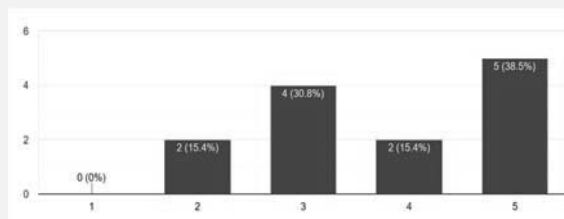
	会員数	主な産業部門	予算(Min TZS)
SHINYANGA	980	軽工業、鉱業	15
TANGA	83	農業、製造業（大規模・小規模）	45
NJOMBE	300	貿易・商業、農業、製造業	4
MBEYA	208	軽工業、農業	48
LINDI	350	軽工業（製粉）、農業	50
PWANI	400	農業、商業、金融	100
SONGEA	598	製造業（小規模、製粉中心）、加工業	8
TABORA	4,000	製造業、農業・農産品加工	2.5
MOSHI	1,675	農業、商業、工業	45
MTWARA	732	貿易・商業、農業、工業	240
MWANZA	231	貿易、製造業(水産品加工)、農業、飲料	100
ARUSHA	608	観光、工業、運輸、園芸作物	50
IRINGA	350	乳製品(ASAS)、木材・製紙、食品加工（シリアル）、ヒマワリ油	123

民間団体アンケート結果②：事業・サービス（情報）

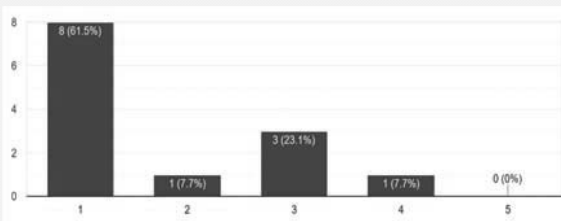
1. パンフレット等の広報資料はあるか



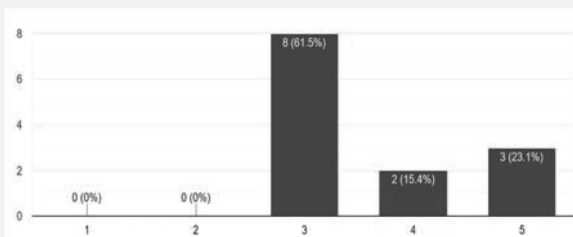
3. 展示会出展・ミッション派遣を実施しているか



2. 電子データは作成・アップデートしているか



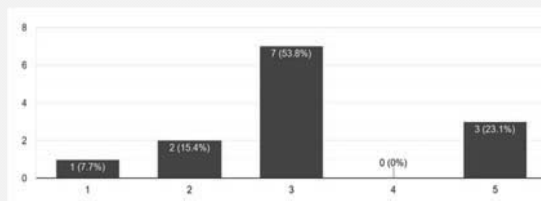
4. 展示会出展・ミッション参加への補助金制度はあるか



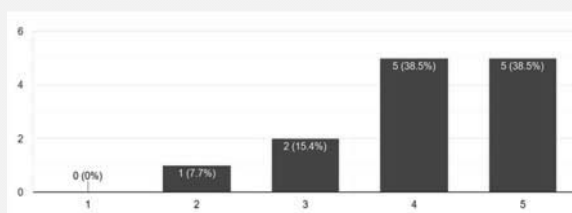
民間団体アンケート結果③：事業・サービス

5. リンケージ組成

5.1. ガイドラインがあるか

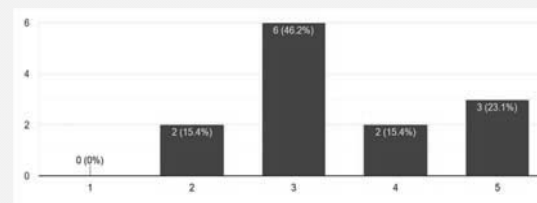


5.2. 投資促進イベントを開催しているか

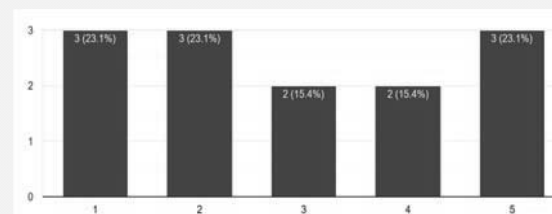


6. 会員企業のキャパビル

6.1. 研修・メンタリング等のサービスはあるか

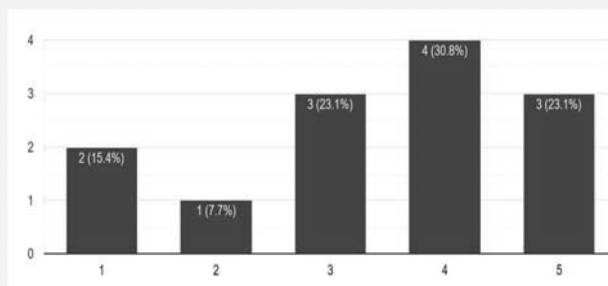


6.2. 契約書作成指導等のサービスはあるか

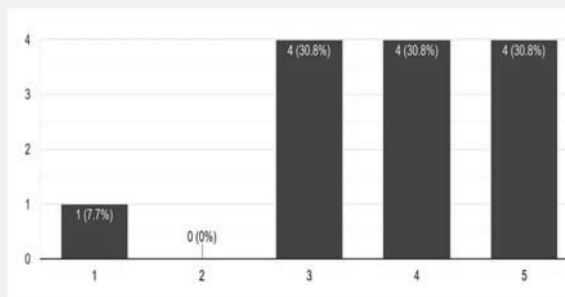


民間団体アンケート結果④：事業・サービス（国際協力）

7. 外国企業とのリンケージ組成を模索しているか

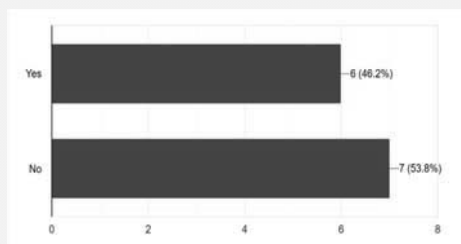


8. 国際機関との協働はあるか



民間団体アンケート結果⑤：官民連携

9. 会員企業は州のインセンティブを受けているか



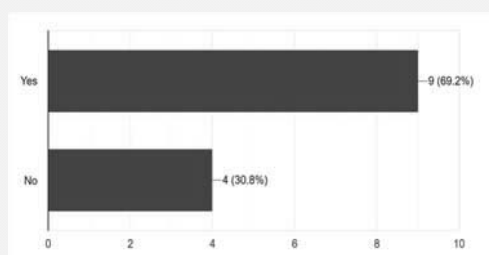
6.1. インセンティブの種類

土地の斡旋（4）、新ビジネスに対する納税猶予期間の付与、インフラ整備、ファシリテーション

6.2. 必要なインセンティブは何か

スタートアップへの設立支援（財政面）、ローカル製品の振興・マーケティング支援、必要インフラへのアクセス支援（2）、土地の斡旋・リースサービス、産業開発・投資促進の理解促進、ワンストップサービス

10. 州の開発をサポートするプログラムはあるか

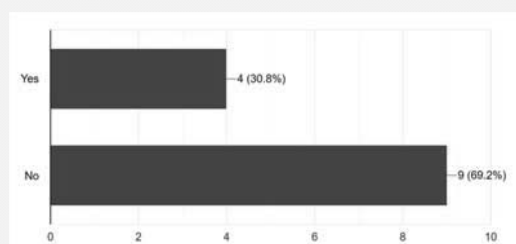


州レベルの官民連携

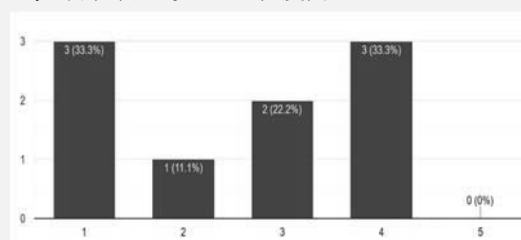
ビジネス・カウンスル（官民対話のプラットフォーム）を通じ、州政府とは密に連携をしているとの回答多数。しかし、州政府担当者の変更によるビジョンの相違、District・Municipalレベルとの連携不足などの課題もある。

民間団体アンケート結果⑥：政策実施と実施上の課題

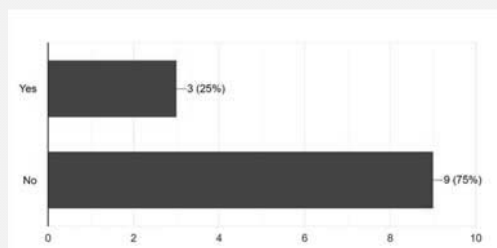
7. 政府の政策はビジネス環境に適合しているか



9. 政策策定時にどの程度関わっているか



8. 産業開発・投資促進の政策実施体制は明確で十分か



Noの理由：

汚職と官僚主義（4）、各種手続き（特にTBS・NEMC）が煩雑（3）、担当省庁との連携が難しい（2）、省庁や政策が産業開発を妨げている（例：Blueprint開発に20年を要した）、政府の産業開発への取り組みは十分でない、手続きに時間を要する、税制が不透明、政策文章を共有されない、土地へのアクセスなど政策実施を妨げる要因がある、技術革新と政策に隔たりがある

ベースライン調査により指摘された課題

- 課題： 11分野（日本タンザニアビジネス環境改善委員会での提案内容と多くが類似）
 - ① Governance：汚職、説明責任の弱さ、公共サービスの質、脆弱な公共システム、不十分な財政管理システム
 - ② Coordination of Efforts: 省庁間や地方政府との連携不足
 - ③ Subjectivity of Laws and Policies：投資や産業関連法規の一部が時代遅れ
 - ④ Regulating and Enabling Institutions Policing/Nurturing：TCCIAの8割以上が、現場には規制機関が多すぎると回答。さらに、規制機関はビジネスを育成より徴税・手数料に関心が高い。
 - ⑤ Changes in Political Leaderships：地方行政を含め、主要ポスト人材（大統領による任命）の異動が多く、安定した施策実施が行えない。
 - ⑥ Lack of Monitoring and Evaluation：計画や戦略の実施を成功させるために必要なモニタリングと評価の要素が欠けている。
 - ⑦ Skills and Competence 地方行政官（投資貿易担当）：新設された投資貿易担当官は、ビジネスや投資促進に関する適切な知識・経験不足。研修も提供なし。
 - ⑧ Poor Technology：企業の高度化、多角化、付加価値化が必要
 - ⑨ Availability and Cost of Energy：高い電気料金と不安定な電気供給による生産性への影響
 - ⑩ Data Management：データの質、アクセスに課題。意思決定やデータの有効活用を妨げる。
 - ⑪ Financial & Capital constraints：中小企業にとって金融アクセス、金利の高さが課題。

結論・提言

結論： 第3次国家開発5カ年計画（FYDPIII）の実施と実施を通じたタンザニア長期展望計画（LTTP）の実現 FYDPIIIが適切に実施されれば、抽出課題を含む改善が必要な多くの領域に対処できる可能性あり

実現に向けたMzumbe大学による提言

提言	対応課題	備考
外国人専門家の雇用プロセス簡素化 産業人材のスキル不足に対処、企業の生産性向上	③⑧	TIC登録案件では外国人10人まで雇用可
VETAや大学の活用（職員・社員・既卒者向けのコースの充足・拡充）	⑦⑧	JICAの新案件
リーズナブルな価格で安定した電力供給の確保 生産コストの削減による競争力強化	⑧⑨	ケニアでは優先産業に低価格で電力提供
透明性の確保	①	
MITとPO-Planning and Investmentによる業務実施時の連携を促進するための枠組みの策定	②⑥	モニタリング・評価の枠組み策定支援、F/Sエコシステム構想
納税の簡素化を含むブループリントの実施加速、官民間の相互不信	①③④	BlueprintはEUが実施支援（10 million Euro）
通関の迅速化のためのグリーンレーンの導入など戦略的な投資誘致のためのインセンティブ見直し	投資環境	
SEZや工業団地の整備	投資環境・産業振興	各種課題への対応策提案
施策制定のプロセスに地方政府・民間の参加機会を確保し、現地企業がFDIから利益を享受できるように、介入を行う。	①②⑦⑧	
中小企業のキャパビル ビジネス・マネジメント・スキルを習得し、金融機関が参照できる財務等の事業実績を記録する商習慣を浸透させ、金融アクセスの拡大に貢献する。また、貸出金利を引き下げるために重要な信用リスクの低減に向けた取り組みの強化も含む。	⑧⑩⑪	F/S人材の育成
政府の予算を開発事業に投資する。管理費の減少。	①	

*備考欄は専門家チームによる加筆

指摘された課題への本業務による貢献

- 本業務のスコープ（主にC/P機関の能力強化）を考慮し、以下の形で貢献する

本業務で介入を行う分野：C/P機関職員のスキル向上 + α ①②⑥⑧⑩⑪

+ 仕組構築

- FYDPIII実施のためのモニタリング・評価の枠組み策定支援（課題②⑥⑩）
- 枠組案のレビュー（MIT/PO-PI政策計画局）
- モニタリング・評価のコンセプト（MIT・PO-PI・関連機関職員向けF/Sワークショップ）
- モニタリングツールの習得（職員向けプロジェクトモニタリング・ワークショップ）
- 苦情対応ワークショップ・苦情対応仕組みの構築支援による公共サービスの向上（課題①）

+ 関連プロジェクトとの連携

- 中小企業の高度化に資する行政官の能力強化研修（F/S、標準化、スペアパーツ管理システム等）+ JICA関連プロジェクトとの連携（課題⑧）

+ パイロット事業

- FSエコシステム構築によるC/P機関と関連機関の連携強化（課題②）
- 投資案件のF/S実施支援による金融アクセス向上（課題⑪）

情報収集を中心とする分野
③④⑤⑦⑨

- Blueprintユニット及び同実施支援を行うEUとの連携（課題③④）
- C/P機関との密な連携による組織改編・人事異動情報の入手（課題⑤）
- JICA地方行政専門家との連携による地方行政官（投資・産業担当）のキャパビリティの情報収集（課題⑦）
- 日本企業へのニーズ聞き取り、発電所建設の進捗等の情報収集（課題⑨）

その他実施中の活動

産業投資関連政策レビュー、SEZ法のレビュー・提言、バーチャル情報センターのデザイン、投資触媒ファンドのモデルデザイン、対日投資セミナー・個別面談/フォローアップ

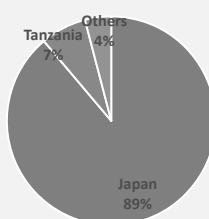


FYDPIIIの実施支援

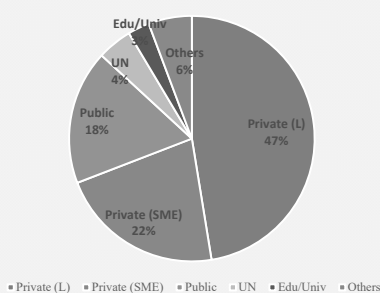
タンザニア投資ウェビナー

開催日：2023年5月18日
参加者：197名

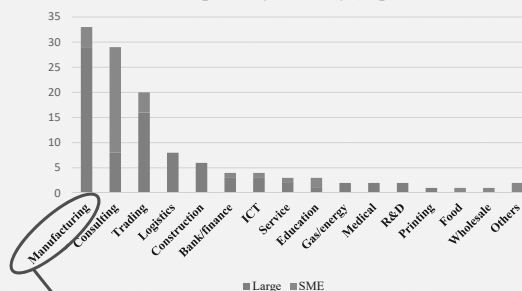
Participants by Country



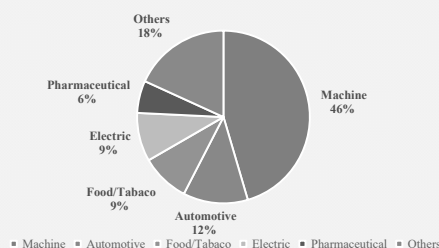
Participants by Sector (Japan)



Participants by Industry (Japan)



Manufacturing sector: Breakdown



添付資料 1 2

投資・産業振興フォーラム報告書

JICA 産業開発・投資促進アドバイザー業務

業務主任者 田中 裕子

2025 年 3 月 10 日

1. 開催日： 2025 年 2 月 20 日(木)
2. 開催場所： Rafiki ホテル（ドドマ）
3. 主催者： 産業貿易省（MIT）、大統領府計画・投資（PO-PI）
独立行政法人国際協力機構（JICA）
4. 参加者： 登録者 81 名
5. 内容：

(1) 開会の辞

産業貿易省（MIT）の Needpeace Wambuya 次官代理は、冒頭の挨拶で、JICA 産業開発・投資促進アドバイザー業務の終了前に、大統領府計画・投資および JICA アドバイザーと連携し、政策に関わる様々な課題について協議をし、またフィージビリティ・スタディの専門家が調査結果を発表するために、この重要な会合を開催したと述べた。また、各種政策や戦略の策定については、JICA アドバイザーや各方面のステークホルダーと連携しながら、準備を進め、多大な進歩を遂げてきたが、まだ完成には至っていない。したがって、これらの政策や戦略が完成するよう、引き続き取り組んでいく所存であることや、参加者の積極的かつ生産的な議論と貢献を通じて、国内の産業、貿易、投資の発展がもたらされることを確信していると述べると同時に、JICA を通じた日本政府の協力について、謝意を表した。

(2) 産業貿易省の発表：産業政策の開発

MIT は、タンザニアは工業化と経済成長を推進するため、1996 年から 2020 年まで、持続可能な産業開発政策（SIDP）を実施してきた。同政策は、タンザニアの産業成長を形作る上で重要な役割を果たしてきたが、国内外の経済動向が変化する中、新しい政策枠組みを採用する必要があるが出てきた。本プレゼンテーションでは、SIDP の主要な側面、実施成果、実施中に直面した課題について説明し、新産業政策（国家産業政策：NIP 2025）への移行について検討する。

SIDP（1996～2020 年）は、産業部門の強化を通じてタンザニアの経済を変革するために策定され、雇用を創出し、経済成長を支援し、国際競争力を高めることを目指した。長年にわたり、同政策は製造業と付加価値の向上を促進してきたが、新たな産業および技術のトレンドにより、新しいアプローチが必要になってきた。

SIDP は、次のような主要な目的を掲げて導入された。

- 人材育成と雇用創出 - 産業スキルを強化し、雇用機会を増やす。
- 持続可能な成長のための経済変革 - 農業中心の経済から工業主導の経済への移行。
- 対外収支の改善 - 工業製品の輸出を促進し、輸入への依存を減少する。
- 持続可能な環境と公平な産業発展 - 環境保護に努め、産業化により多くの州・地域が利益を享受する。
- 強靱な産業力の確立 - 資本財部門と付加価値産業（製造業）の成長を促進する。

SIDP の実施により、次のような成果が確認できている。

- 製造業の GDP への貢献の増加 - 同部門のシェアは 1996 年の 1.1%から 2022 年には 7.1%に増加。
- 工業生産の増加 - 農産物加工や重工業を含む製造活動の拡大。
- 雇用創出 - 製造業の雇用は 1999 年の 63,317 人から 2022 年には 374,485 人に増加。
- 工業製品の輸出拡大 - 製造品の輸出額は 1999 年の 3,010 万米ドルから 2022 年には 914 億米ドルに増加。
- セクター別産業戦略 - ヒマワリ、皮革、繊維などのさまざまなセクター開発戦略の導入。

前述の成果は SIDP のプラスの影響を示しているが、同時に限界も見られ、政策改革の必要性が生じている。

SIDP は、多くの成功を収めたにもかかわらず、同政策は次のような課題に直面した。

- 時代遅れの政策枠組み - 政策は技術的および経済的变化に適応できなかった。
- 不十分な産業インフラ - 産業用地、エネルギー供給、輸送へのアクセスが制限されている。
- 限られた産業融資 - 特に中小企業にとって、産業投資のための資金を調達することが困難である。
- 付加価値の低さと工業品の加工 - 原材料の輸出に大きく依存しており、付加価値化が進んでいない。
- 国内産業の保護が不十分 - 補助金を受けた輸入品との競争が激化している。
- 研究、イノベーション、スキル開発の弱さ - 産業と研究機関の間の効果的な連携が欠如している。
- パンデミックによる混乱 (COVID-19) - パンデミックにより、サプライチェーンと産業労働力のレジリエンスの弱さが明らかになった。

このような課題により、産業政策の枠組みを改訂する必要性がより一層高まった。

NIP 2025 の紹介

SIDP で特定された課題に対処するために、タンザニアは新産業政策である NIP 2025 を導入しているところである。この政策の目的は、次の通りである。

- 産業の成長を現代の経済および技術のトレンドに適合させる。
- 製造業における付加価値、持続可能性、競争力を強化する。
- 経済変革のために、レジリエンスがあり包括的な産業部門を創出する。
- タンザニアの工業化が世界貿易および投資の動向と一致するようにする。

NIP 2025 では、この目的を達成すべく、以下の対応を中心に構成されている。

- 経済の多様化・付加価値と工業製品加工の強化 - 原材料の輸出への依存を減らし、国内製造を奨励して工業製品の輸出へ転換する。
- 産業インフラと投資の強化 - 工業団地を開発し、エネルギー供給を改善し、輸送ネットワーク・サプライチェーンを拡大する。
- 市場アクセスと競争力の拡大 - 貿易協定と地域統合を通じて輸出を促進する。
- 研究、イノベーション、スキル開発の改善 - 産業界、学界、研究機関間のパートナーシップを促進する。
- 持続可能で環境に優しい産業化の推進 - 産業界が環境に優しい慣行と効率的な資源利用を採用する。
- 労働市場と労働力開発 - 熟練労働力の確保と産業界主導のトレーニング・プログラムの強化。

NIP 2025 の導入・実施により、期待できる成果は以下の通りである。

- GDP に対する製造業の貢献度を向上 - GDP の 10% を超える成長。
- より多くの雇用を創出 - さまざまな産業分野にわたって雇用機会を拡大。
- 輸出実績の向上 - 付加価値工業製品の輸出国としてのタンザニアの地位の強化。
- 技術革新と産業革新を推進 - モダン技術と研究に投資する。
- 投資環境の改善 - 規制を緩和し、産業投資家を誘致するためのインセンティブを提供する。
- 持続可能かつ包括的な産業化の確保 - 環境に優しい慣行とバランスの取れた地域開発を奨励。

結論と今後の方向性

新産業政策 (NIP 2025) はタンザニアの工業化計画を推進するための重要な枠組みで、この政策を成功させるには、次のことが必要である。

- 政府、民間セクター、開発パートナー間の強力な連携。
- 新たなトレンドに合わせた継続的なモニタリングと適切な政策の調整。
- 産業変革を支援するための研究、スキル開発、イノベーションへの投資。

タンザニアは、過去の課題に対処し、新たな機会を活用することで、世界的に競争力があり持続可能な産業部門の構築に向けて順調に進んでいる。

MIT のプレゼンテーション後に、参加者との討論が行われ、イノベーション、産業カテゴリー、土地開発計画、エネルギー供給、データ管理などに関する主要な懸念が示され、NIP2025 に対する重要な洞察も得られた。MIT は、PO-PI とともに、認識した各種懸案事項について、現在進行中の取り組みや、これらの問題に対処する政策措置の概要を説明し、詳細な回答を参加者に提供した。以下に、コメントと回答を取り纏める。

NO	コメント/質問	回答	回答者
1.	イノベーションとテクノロジー: 研究開発、イノベーション、インキュベーション、技術移転とスタートアップ 産業成長を促進するために、研究開発 (R&D)、イノベーションインキュベーション、技術移転、スタートアップを政策枠組みに明確に統合する必要がある。	改訂された政策 (NIP2025) には、研究とイノベーション、市場アクセス、付加価値に関する事項が含まれており、産業化の主要な原動力としての創造性とイノベーションを促進するための環境が整備される予定である。	MIT
2.	国内の企業規模と産業政策 政策では、中小企業と大企業の両方の役割と貢献を明確に定義し、認識する必要がある。	中小企業政策では小規模産業にフォーカスがあるが、NIP2025 では主に大規模産業に焦点を当てている。	MIT
3.	土地開発計画と所有権 : LGA の関与の強化 土地開発計画と所有権は依然として大きな課題である。構造化された産業開発を確実にするために、土地の開発計画と所有権への地方自治体 (LGA) の関与をさらに強化する必要がある。	NIP2025 は、産業の配置に関する土地の側面に対処し、指定された地域が産業活動に割り当てられるように配慮している。	MIT
4.	産業の近代化とテクノロジー 技術の低さへの対応として、近代的な産業技術の導入を促進することが急務である。	政策枠組みには気候変動対応の戦略とリスクがカバーされている。また、産業のレジリエンスとサステナビリティのための技術的進歩を含むアプローチを採用している。	MIT

5.	ガバナンスの強化と LGA による政策実施への参加 LGA は、政策の有効性と効率性を高めるために、ガバナンスと政策の実施に積極的に関与する必要がある。	指摘の通りである。	MIT
6.	エネルギー（電力）の自給自足と循環型経済統合 産業界は農業廃棄物の活用による再生可能エネルギーを模索し、エネルギーの安全保障を高めるために循環型経済の原則を採用すべきである。本件は、国内の製糖産業から教訓を学ぶことができる。	NIP2025 には、低圧電力の課題緩和、再生可能エネルギーの問題に対処するための廃棄物管理などのコンポーネントが含まれる。	MIT
7.	政府指定投資用地・エリアと所有権保有者への補償問題 土地の所有権は依然として課題であり、投資用地の指定や指定により影響を受けた一般市民（所有権保有者）に対する公正な補償の枠組みの確立には政府の介入が必要である。	TIC と EPZA が合併して新たな組織 TISEZA が設立される。TISEZA 設立法の下では、適切な投資用地を特定し、影響を受ける当事者に補償し、紛争を回避しつつ産業有地を登録する権限を TISEZA が有する。	PO-PI
8.	産業データベースの構築 正確な産業データは依然として不足しており、州および地方行政レベルでの効果的な政策立案を妨げている。包括的な国家データベースの構築が必要である。	データの課題に対処するために、PO-PI は国家投資データベース・システムを開発中で、同データベースの開発はすでに最終段階にある。このシステムは、国内外の投資家に関するリアルタイムなデータを提供するものである。州レベルでの二次データ収集が現在進行中で、ムワンザとシンヤンガで検証が開始された。	PO-PI
		国家統計局（NBS）や工業調査開発機構（TIRDO）などの関連機関は産業データの収集を任務としており、対象範囲を拡大するための取り組み	MIT

		みが進行中である。また、NBS は、国家投資データベース・システムのフレームワーク内のすべての統計データを調整・調和させる権限を保持している。	
9.	州行政の強化：LGA の産業データへのアクセス 州行政は現在、LGA の産業活動にアクセスできない。提案されたシステムは、シームレスなデータアクセスと連携を促進するものでなければならない。	コメントは確認済みであり、適宜対処予定である。	MIT
10.	企業分類とその定義の標準化 正確で公正なデータ収集を確実にするために、企業の分類と定義を明確にする必要がある。たとえば、小規模企業と大企業の区別など。	企業の分類は、中小企業政策と国家産業政策の両方で明確に定義されている。NBS は MIT と連携して産業調査を実施し、正確な分類とデータの正確性を確保している。	MIT
11.	産業認証における SIDO の任務強化 SIDO は、SME 向けの産業認証を発行する権限を与えられ、タイムリーな認証とコンプライアンス監視を促進すべきである。	BRELA が SME の登録機関としての機能を持つのに対し、大規模企業は指定された規制当局を通じて許可手続きを行う必要がある。	MIT
12.	土地補償への取り組みと産業開発における課題 土地所有者への補償責任は依然として不明確である。LGA の主な役割はコミュニティ開発を促進することであるため、この財政的負担を負うことはできない。	投資用地は TISEZA を通じて登録することができるようになり、この登録制度により土地取得や産業開発への民間セクターの参加が可能になるため、課題は緩和される見込みである。	PO-PI

(3) 大統領府計画・投資の発表

PO-PI は、まずこのフォーラムは、MIT が策定している新しい国家産業政策 (NIP2025) と JICA アドバイザーが実施した活動の紹介やフィージビリティ・スタディの結果を発表する機会を提供するものであること、次に、インフラ触媒基金の設立について参加者からコメントを受領し、最後に、地方への投資を重視する方策について様々なステーク

ホルダーと共に議論する目的がある。また、政府は改革と法的規制の枠組みを確立することによって、安定した外国投資計画を実現しようとしており、熟練した人材や資源を集め、大統領府の下に「計画・投資」と名付けられた特別な組織（PO-PI）を設置し、投資に関連する問題のみに集中してに取り組むことができる体制を整えた。PO-PI は、投資を促進し、国民の経済参加を奨励することで、国家経済を活性化し、国民の生活水準を向上させるための措置を講じてきた。今後も投資に関連する法律等、投資を奨励するのに有利な環境を創造するための措置を継続的に講じ、すべての投資上の障壁を特定して排除するとともに、投資のための公正で好ましい環境を促進していきたい。

更に、村落土地法（1999 年第 5 号）で規定されている、タンザニア経済を活性化させるための投資促進における LGA の役割について、重要書類の入手と確認、歳入の徴収、手続きや承認プロセス中の徹底的な調査について責任があると説明。他方、LGA が中央政府に期待することとして、各種承認プロセスの合理化、各地域の潜在的な投資家に対する投資促進、職員の能力強化、インフラの改善、現地の開発計画に整合した国の投資戦略策定がある。また、LGA が PO-PI に回避して欲しい事項としては、長く非効率的な承認プロセス等の官僚的な障害、透明性の欠如、インフラ開発の遅延、国家当局やその他のステークホルダーとの連携・調整不足、土地に関する問題の放置、一貫性のない投資政策と認識している。

最後に、投資促進を阻害し、そのパフォーマンス、信頼性、効率を低下させる可能性のある投資促進における注意事項、例えば、透明性の欠如、官僚主義、土地紛争、連携・調整不足、インフラ整備の遅延などを回避しなければならないと強調した。

質疑応答では、投資促進と円滑化における LGA の役割を強化するための主要な課題と提言が示された。インフラ整備の必要性、機関間のより適切な連携、職員のキャパビリティ、投資関連規制の施行などが重要な課題として挙げられ、政府は、関係省庁を通じて、戦略的イニシアティブや政策措置を通じて、これらの課題への対応に取り組んでいると回答した。以下は、ステークホルダーからのコメント・提言と、PO-PI による回答である。

NO	コメント/質問	回答	回答者
1.	輸出加工区庁（EPZA）規則の遵守 EPZA の役割には、インフラ整備と投資インセンティブの提供が含まれるが、地方自治体（LGA）が特に法律規定を遵守していない例がある。 タンザニア地方自治財政法（2019 年）第 67A 条は、LGA が輸出加工区（EPZ）で生産される製品に課す	コメントは確認済みであり、適宜対応予定である。	PO-PI

	すべての租税を当初 10 年間免除するとしているが、この規定の順守がされていないと指摘。		
2.	インフラ未整備と土地の補償問題（資金不足） ルクワで特定されたような投資地域には、必要なインフラと補償予算が不足しており、投資家にとって魅力のない地域となっている。	予算の制約は多くの分野で依然として大きな課題となっていることを認識している。	PO-PI
3.	包括的なインフラ開発プログラムの必要性 投資を促進するためには、体系的なインフラ開発計画が必要である。例えば、マティミラ地域は農業用地に指定されているが、道路やその他の重要なインフラが不足している。	予算の制約により、必要なインフラの開発が引き続き遅延している。対応が必要であると認識している。	PO-PI
4.	産業・貿易・投資担当官の交通手段の不足 中央省庁とは異なり、LGA レベルの産業貿易投資局の職員は交通の便宜が不十分で、職務を効率的に遂行する能力に影響を及ぼしている。 PO-PI には、中央省庁と同様の交通手段を提供していただきたい。	コメントは確認済みであり、適宜対応予定である。	PO-PI
5.	投資円滑化におけるキャパシティビルディングと知識不足 LGA レベルの職員は投資に関する十分な知識がない。投資を効果的に促進するために必要なスキルを職員に身につけさせるための研修および能力開発プログラムが必要である。	PO-PI は投資を促進するための取り組みを調整中である。LGA の投資担当者は、まず投資促進に関する 6 日間の研修プログラムを受講することになる見込みである。	PO-PI
6.	不十分なオフィス設備とリソース LGA の産業・貿易・投資局には必要最低限の備品、オフィス家具、設備が不足しており、業務の効率を妨げている。	この問題に対処するために、TAMISEMI に資金が割り当てられた。	PO-PI

7.	国内投資も投資とする投資認識の拡大 投資の概念は、外国投資だけでなく、国内投資をより包括的に含むように再定義されるべきである。さらに、投資に対する意識は、教育カリキュラムに組み込み、学校レベルから始めるべきである。	コメントは確認済みであり、適宜対応予定である。	PO-PI
8.	LGA による工業地の割り当てと賦課金の課題 土地省は LGA と協力して、土地の割り当てに関して投資家に課せられる料金を見直し、公正かつ競争力のある投資環境を整備するべきである。	コメントは確認済みであり、適宜対応予定である。	PO-PI
9.	投資の分類別インセンティブ構造の見直し 現在のインセンティブの枠組みは、さまざまな投資家のカテゴリーに適した構造を確保するために、レビューを行う必要がある。タンザニア投資銀行 (TIB)、財務省、およびその他の主要機関は、インセンティブ提供プロセスを明確に説明する必要がある。	コメントは確認済みであり、適宜対応予定である。	PO-PI
10.	投資指定区域への侵入 多くの指定投資地域は、一般市民の侵入により工場の立地ができず、潜在的な投資家がこの土地を利用することを妨げている。	コメントは確認済みであり、適宜対応予定である。	PO-PI
11	持続可能な開発と環境への配慮 投資プロジェクトは、長期的な利益を確保するために、持続可能な開発の原則に沿い、環境に優しいものでなければならない。	コメントは確認済みであり、適宜対応予定である。	PO-PI
12.	戦略的な環境評価 (EIA) の必要性	コメントは確認済みであり、適	

	環境規制の遵守を確保しながら投資プロセスを促進および合理化するために、戦略的な EIA を実施する必要がある。	宜対応予定である。	
13.	関係機関の連携とデータの調和 機関間の連携が欠如しており、統計データに矛盾が生じている。投資を担当する機関は、正確なデータ収集と分析を確実に行うために連携を強化する必要がある。	タンザニアでは連携・調整が依然として課題となっている。このギャップを埋めるために、国家投資政策（NIP2025）が策定されている。	PO-PI
14.	キゴマ SEZ の開発課題 キゴマ SEZ の開発対象地に一般人が居住している。彼らに移住させる措置を講じ、土地を本来の目的のために利用可能な状態にすべきである。	コメントは確認済みであり、適宜対応予定である。	PO-PI
15.	農業投資分野における土地の買い占め キゴマでは、パーム油生産用に指定された土地が、土地所有者によって目的通りに利用されていない現状である。土地所有者は農業活動に従事せずただ土地を保有しており、農業分野への投資に影響を及ぼしている。	コメントは確認済みであり、適宜対応予定である。	PO-PI

質疑応答終了時間になっても参加者からのコメントが相次いだため、急遽 MIT と PO-PI のフォーカルパーソンの連絡先を全参加者に共有し、フォーラム終了後も引き続きコメントを受け付けることになった。

(4) JICA アドバイザーチームの発表

JICA アドバイザーチームは、活動の概要を説明後、投資インフラストラクチャー触媒基金およびフィージビリティ調査（F/S）の結果発表を行った。F/S の結果発表には、調査を担当した NDC や SIDO など MIT 傘下の機関の職員と共に行った。参加者からは、ダルエスサラームやドドマなど一部の場所で実施された F/S サービスを他州に展開する計画の有無、COMFAR（財務計算ソフト）をアナリストは使いこなせるか、投資インフラ触媒基金の実現可能性等について関心が示された。また、UNDP の支援で作成した

州別の投資ガイドブックについて、州行政の関与がほとんどない中で作成された点や投資促進に必要な情報が網羅されていない点が指摘され、当業務による支援を希望する州が複数あった。発表内容の詳細および質疑応答については、発表資料（英文）を参照。

(5) 閉会挨拶

Fahdili Chilumba 局長代理は、急な案内にもかかわらず参加してくれた多くの関係者のコミットメントを高く評価し、共催した産業貿易省（MIT）への賛辞と日本政府と JICA のこれまでの協力に謝意を表した。JICA アドバイザーについては、2022 年から 2025 年までの過去 3 年間、政府機関の能力強化と産業開発と投資促進のためのより強固な基盤を促進する上で重要な役割を果たしてきたとし、本フォーラムが、タンザニアにおけるより良い投資環境の醸成という努力に大きく貢献する、実りあるパートナーシップの集大成であると位置づけた。タンザニアは、持続可能な投資と産業成長を促進するための政策、枠組み、戦略の強化において、顕著な進歩を遂げてきたが、本日の会合は、LGA が各地域への投資を促進する上で極めて重要な役割を担っていることを再認識する貴重な機会となったと述べた。LGA は、投資を誘致するだけでなく、持続可能なビジネスの成長を促す環境を整備するために、適切な知識と手段を備えることが極めて重要であり、タンザニアの全地域で投資環境の向上に資するよう PO-PI をはじめとする関係省庁、民間セクター、開発パートナーと手を携えて引き続き取り組んでいこうと呼びかけた。



添付資料 1 3



United Republic of Tanzania
Ministry of Investment, Industry and Trade
JICA Advisors for Industrial Development and Investment
Promotion

1st Dispatch: 28 June – 21 July 2022

July 2022



Introduction of SEZ and Industrial Park in Myanmar and Vietnam for Tanzania

Myanmar (Thilawa SEZ)



Vietnam (TLIP-I, II and III)



Introduction of SEZ and Industrial Park in Myanmar and Vietnam for Tanzania

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16. Key Word to the Success for Invitation of FDI
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1. Why select Vietnam and Myanmar for Study (Late newcomer in ASEAN in Industrialization)



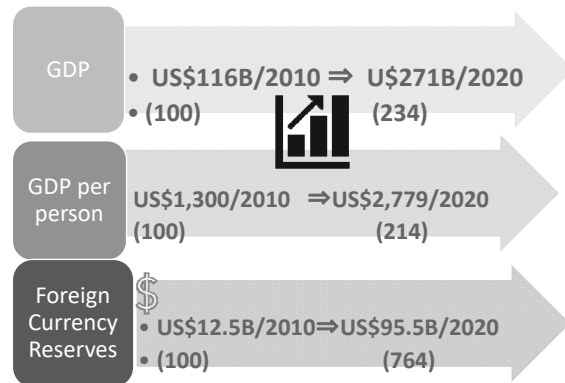
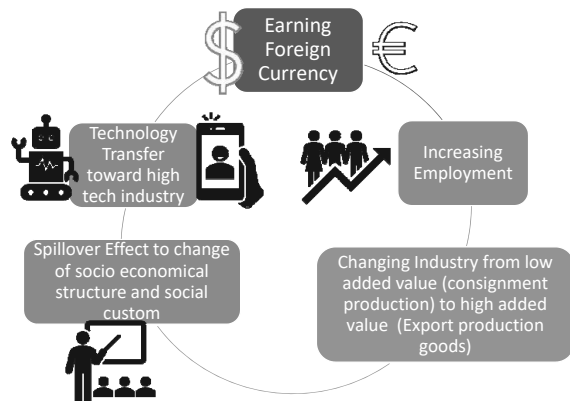
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2. Why compete to invite FDI by granting incentives (Industry Policy and Purpose)

Spillover Effect by FDI (Around 60-70% of total output is created by FDI and 60% of factories in IP is FDI in Vietnam) (VN companies are catching up the latest technology and acquired the production knowhow and started to produce own design EV Cars recently)

In case of Vietnam ranking up to Advanced Developing Country from Developing Country (in progress from Poor to middle Class for 20 years)



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3. Comparison Table for 3 countries

	Tanzania	Myanmar	Vietnam
Political System	Democracy	Democracy⇒Military Dictatorship again in 2020 Under Economic Sanction by USA and EU	Social Republic War with USA till 1975 Economic Sanction by USA till 1995
Population	58M(2019)	51M (2021)	100M
Territory	945,000Km2	680,000Km2	330,000Km2
GDP (Million US\$)	63,200M(2019)	77,200M(2020)	261,920M(2019)
GDP per person	1,080(2019)	1,441(2020)	2,714(2019)
Economic Gross	5.8%pa (2019)	5.7% (2020)	7.6% (2019)
Japanese in the country	Around 300	Around 3,500	More than10,000
Japanese Investors	Small Number	Around 300 (JCCM)	More than 2,000(JCCV)
Bilateral Agreement with Japan	Technical Collaboration Agreement(2004)	Investment Agreement (2014)	Invest Agreement (2004) Economic Partnership Agreement (2009)

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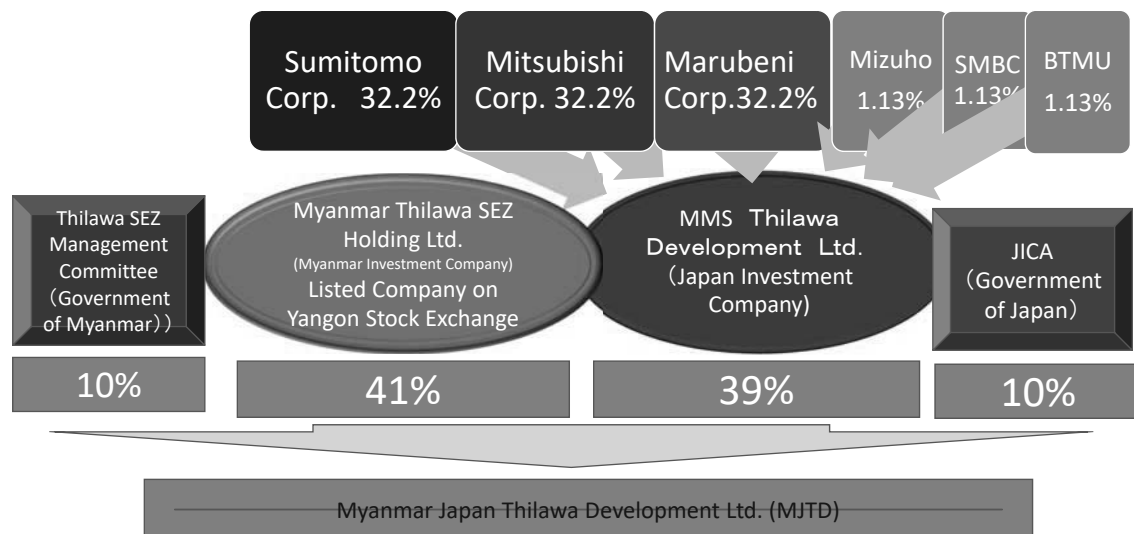
4. Myanmar Thilawa SEZ Industrial Park

Item	Contents
Investors	49% Japan: 10% JICA, 39% 3 Investment Companies & 3 Banks 51% Myanmar: 10% Government, 41% SEZ Holding Company & others
Establishment	January 2014, 667ha developed area out of 2,400ha total developing area
Tenants as of May 2022	98 tenants under operation, out of 112 tenants 44 Export Orientated, 68 Domestic Market Orientated Around 50%: Japanese Tenants
Major Tenants	Toyota, Suzuki, Ajinomoto, Ace cook, Yakult, Kubota, Showa Glove,
Location	23Km far distance from the center of Yangon City alongside of River
Supports by Japan Government (ODA)	50 MW Gas Generation Power Plant and Power Transmission & Distribution Facilities Improvement of Water Supply, Expansion of Access Road, Construction of New Bridges and Multipurpose Port Terminal. Japan Center for transferring management knowhow.
SEZ administration Office	Among the IP/SEZ invested by Japanese Investors, Thilawa SEZ is the first case that the Government of Japan and Myanmar made capital injection (10% each) into the IP/SEZ management company.

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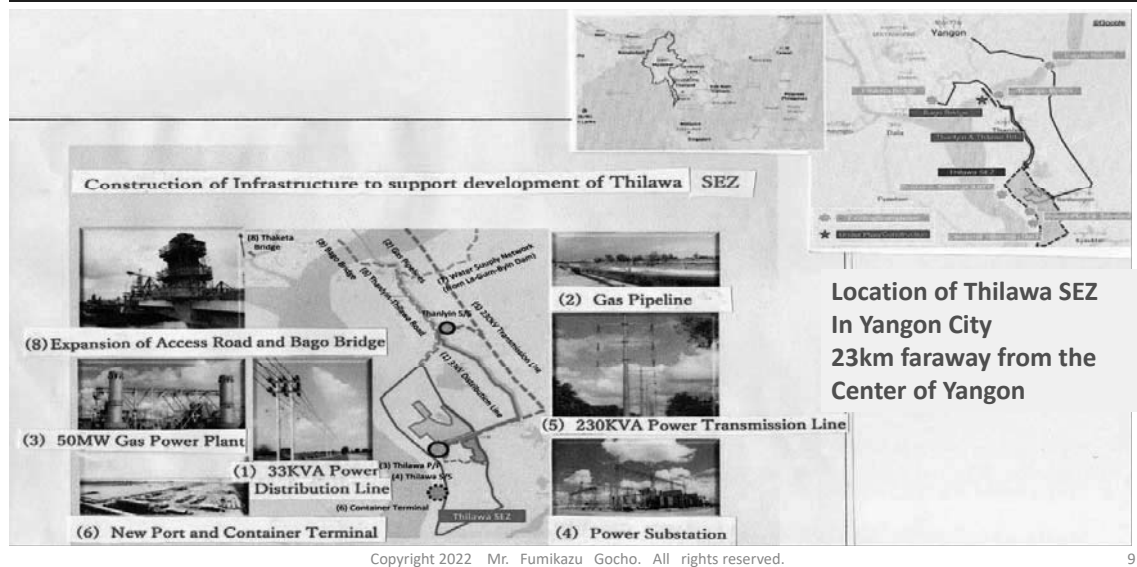
5. Investment Structure of MJTD



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6. Location Map of Thilawa SEZ and Japan ODA



7. Background of IP in Myanmar and Thilawa SEZ

More than 30 IP are existed in and suburbs of Yangon, the major city in Myanmar constructed by domestic private investors and Ministry of Industry.

Almost all existing IP except one IP are under standard requirement without land elevation work and stable power supply.

Main Industry was limited to the garment industry, but no high additional value and low tech on consignment contract basis.

SEZ laws was enacted in 2014 and specified to construct 3 SEZ, Thilawa, Kyauloya and Dae We. Japan selected Thilawa, while Kyauloya SEZ is allocated to China and Dae We SEZ is allocated to Thailand respectively.

Government of Japan initiated to construct world standard level of SEZ with the financial support by JICA (10%) and ODA to construct infrastructure facilities to supply stable electricity and water and access road essentially required for operation of factories.

At this moment, only Thilawa SEZ was constructed and under operation.

8. Legal Establishment and Uniqueness of Thilawa SEZ

Base of Legal Establishment to support development of SEZ:

Laws and Regulations were enacted:

1. Myanmar Special Economic Zone Law, 23rd January 2014
2. Myanmar Special Economic Zone Regulation, 27th August 2015
3. Instruction 16 and 4. Notice 9

Foreign Investment Law is applied to the Investment into Myanmar by Foreign Companies except SEZ and Myanmar Investment Commission is the Authority for implementation of any investment except SEZ under this Law.

Uniqueness of Thilawa SEZ Development

1. Development by full cooperation by both Governments, Myanmar and Japan (no other case of SEZ/IP in Asia at least)
2. Infrastructure Projects supporting the development of SEZ under ODA are the integral part of whole SEZ development.
3. Development and Management was implemented by Joint Venture Company invested by Private Companies of each country as well as invested by capital injection by each Government (10% each).
4. The powerful authority is granted to the SEZ Central Committee and SEZ Central Management Committee.
5. Thilawa SEZ Management Committee and One Stop Service Center in SEZ have sole authorization for administration work of SEZ including application and approval of Investment and import and export of goods.

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9. Establishment of One Stop Service (Center) (Strong Initiative by both Governments for Success) Highly appreciated by Investors for speedy implementation



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10. Comparison of Preferential Tax Treatment

	Inside Thilawa SEZ	Outside Thilawa SEZ
Law	SEZ Law (January 2014)	Foreign Investment Law
Investment Approval by	Thilawa SEZ Management Committee	Myanmar Investment Commission
Tax Exemption/Reduction		
Commercial Tax		
Developer	Exemption	No description on Exemption (No Exemption)
Free Zone (Export Companies)	Tax Exemption	No description on Exemption
Promotion Zone (other than Export Companies)	Tax Exemption for 5 years and Exemption by 50% for next 5 years on Production facilities No exem. on production materials	No description on Tax Exemption

Corporate Tax	Inside Thilawa SEZ	Outside Thilawa SEZ
Developer	Exemption for 8 years Exemption by 50% for next 5 years	No description
Free Zone (Export Companies)	Exemption for 7 years Exemption by 50% for next 5 years	Tax Exemption for 5 years
Promotion Zone	Exemption for 5 years Exemption by 50% for next 5 years	Exemption for 5 years
Import Duty		
Developer	Exemption	No description
Free Zone	Exemption	NA
Promotion Zone	Exemption for 5 years and Exemption by 50% for next 5 years on production facilities No Exemption on production materials	NA

11. Incentives granted in SEZ other than Financial Incentive

50 years Land Sublease Right
(with option for 25 years
extension)

Grant the Investor the
Certificate of Land Use Right
at the time of submission of
commencement of
Operation

Approval for 100% FDI for all
of Production and Service
Industries

Single Window Efficient
Service for Administrative
Procedure inside SEZ by One
Stop Service Center (OSSC)

Import Registration System
for Import License

Introduction of Free Zone
System (EPZ)

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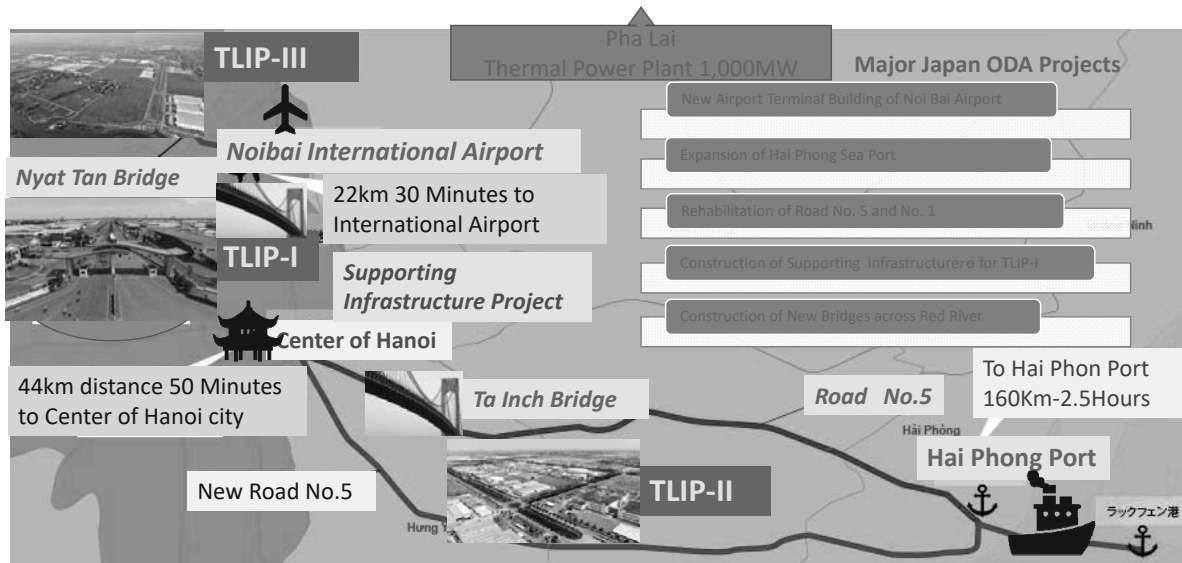
12. Vietnam: Thang Long Industrial Park

	TLIP I (Hanoi)	TLIP II (Phung Yen)	TLIP-III (Vinh Phuc)
Establishment	2000	2006	2015
Area of Development	274ha	346ha	213ha
Tenants (Japan)	104 (95)	78 (76)	27(17)
Major Investor	Canon, Panasonic, Denso, Hoya, Toto, MHI, SHI, Yamaha	Panasonic, Kyocera, Nestle, Daikin,	Daiwa Plastic, Oji-tax, Tamura
Investor/Partner	Sumitomo Corp. 58% VN Partner (CKDM) 42%	Sumitomo Corp 81.5% TLIP-I 18.5%	Sumitomo Corp. 100%
As for Export Type of Investors Foreign Investment Law grants investors to exempt corporate tax for 7 years and 50% reduction for next 5 years.			
Recently Tax Incentive was gradually reduced	In accordance with the instruction of WTO.		

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13. Location Map including Japan ODA Projects



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14. Background of Development of IP in Vietnam and TLIP

Individual local government comprising of 58 provinces and 5 major city authorities in competition each other to invite FDI

300 IP invested by VN local investors & governments and 30 IP invested by FDI are existed in VN.

The north part of VN was less advanced in the industrialization than the south part of VN due to the War and Economic Sanction by USA till 1995.

Upon the support by Hanoi City authority, Sumitomo Corporation (SC) and VN State Own Company (DM) formed Joint Venture Company (JVC) to develop IP from 1998 and sale developed land.

None of FDI visited TLIP nor almost zero sales was recorded for one year more due to unfavorable reputation and poor infrastructure destroyed by USA and poor economic climate.

TLIP-I was fully occupied by factories invested by almost FDI and expanded twice. TLIP-II and then TLIP-III have been developed upon the potential needs of FDI.



Success of TLIP stimulated any other Foreign and domestic Investors to construct new IP and to invite FDI furthermore

Nowadays, VN is catching up the development of China and Thailand. VN diversified the industry from consignment base production as low added value and low technology industry toward the high technology and car industry.

Japanese ODA projects as the largest donor contributed to support the success of Industrialization of VN by construction of many infrastructure facilities that improve stable supply of electricity, water, telecom. and improvement of Sea port and Airport.

Recently VN government enacted SEZ law to support less developed area/province to focus high tech and favorable industry to stimulate the investment into those area. First 3 SEZ are applied to: Bac Van Phong, Van Don, Phu Quoc that maybe under construction.

Special privilege and tax incentives were granted to FDI to stimulate to make investment into SEZ, such as income tax exemption for 5 years and 50% reduction for remaining licensed period, import tax exemption for 1st 7 years, exemption for VAT, exemption of land use fee for 19 years and exemption of VISA for 1st 60 days and so on.

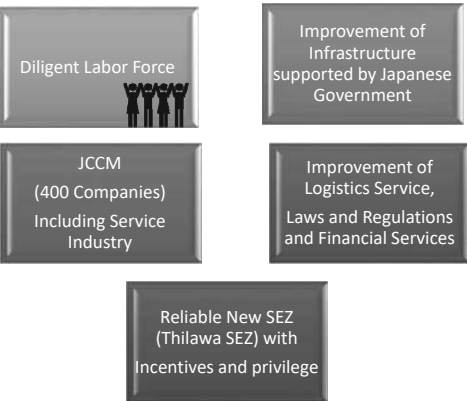
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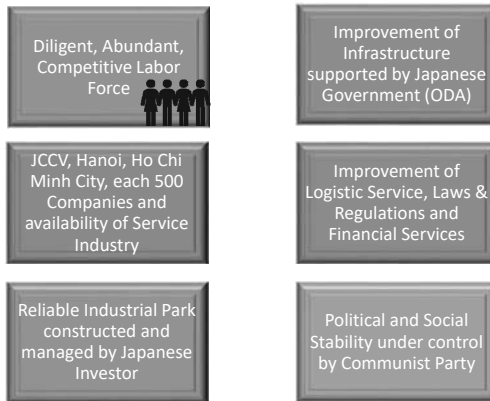
15. Superiority and Attractive Characteristics for Investors (Investor selects the location)

Beside IP/SAZ to satisfy the requirement of the Investors, Socio-Economical and business environment to satisfy the requirement of the Investors should be created.

Myanmar



Vietnam



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16. Key Word to the success for Invitation of FDI

Investors select the Country and IP/SEZ !



Invitation of FDI is competition among the countries !

- **Speedy Execution of the Task by the Central and Local Government**
- **Improvement on the Transparency of Process for making Decision and Approval Procedures including anti corruption system**

Investors/Management of IP/SEZ shall appropriately respond to the requirements of the Investors. **may** include many factors for the best selection of most suitable and competitive country and IP/SEZ for survival and development.

Hardware I: IP/SEZ with appropriate facility readily available: Land Leveling Work 2.3m higher than surrounding area, supply of stable supply of electricity and water, Sewage treatment plant and others

Hardware II: Infrastructure available outside IP/SEZ: Stable Power Supply provided by National Grid, Telecom., Waste Treatment Facilities, Access Roads, Sea Ports, Airports, any other transportation facilities and so on

Software I: Laws and Regulations, Logistic System, Customs and its speedy performance including Bonded system/area, Accommodations for Labors and Foreigners, Speedy Application and Approval for Investment License and Import/Export License and so on.

Software II: Incentives on tax and other services: Exemption, reduction or Extension of Terms for Corporate Tax, VAT, Import and Export Duty, Land Leasing Fee, and Incentive and Privilege for other service; speedy handling for investment license, import and export license and VISA for foreigners and so on.

Remarks: Software Incentive and Privilege mentioned above are granted to Investors to construct the factories (FDI) located in IP/SEZ in principle. While in case of the development of SEZ/IP to be constructed in remote area or special case likewise Thilawa SEZ as a national project, those kind of incentives may also be granted to the developers (Investors) of IP/SEZ.

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Thank you for your listening !

Check List of Data for each IP/SEZ in Tanzania

No.	Description	Contents
1	Location	
2	Name of IP/SEZ	
3	Address	
4	TEL	
5	WEBSITE	
6	Opening/Establishment Year	
7	Name of Investors/Operator	
8	Business Activity of Investors	
9	Public or Private Investor	
10	Share Ratio in case of JV	
11	Total Development Area(License Base)	
12	Developed Area	
13	Area to be sold out	
14	Licensed Period	
15	Price per m2	
16	Utility	
17	Electricity	
18	Transmission Line (if any available)	
19	Distribution Line (Voltage/Current)	
20	Substation in IP/SEZ (Voltage/ - 1	
21	High voltage Substation to each factory	
22	Power Cables (Underground Buried or Pole Suspension)	
23	Cost	
24	Cost per 1KW	
25	Power Outage	
26	Connection with National Grid	
27	Water Supply (m3/day)	
28	Price m3	
29	Sewage Plant (Capacity m3/day)	
30	Obligation of Primary Treatment of Tenants if any	
31	Access	
32	to Airport (Distance Km, time)	
33	to Harbor (Distance Km, time)	
34	to the center of main city (Distance, time)	
35	Any other facility	
36	Logistics center, Logistics company, if any available	
37	Restaurant and others	
38	Rental Factory, if any	
39	Tenants	
40	Number of existing Tenants	
41	Name of Main Tenants and their products	
42	Administration Fee US\$/month	

Definition of SEZ and EPZ

- Special Economic Zone (SEZ) means:

An area in a country that is subject to different economic regulation than other regions within the same country. The economic Regulations of SEZs tend to be conducive and attract FDI.

A SEZ is an area in which the business and trade laws are different from the rest of the country.

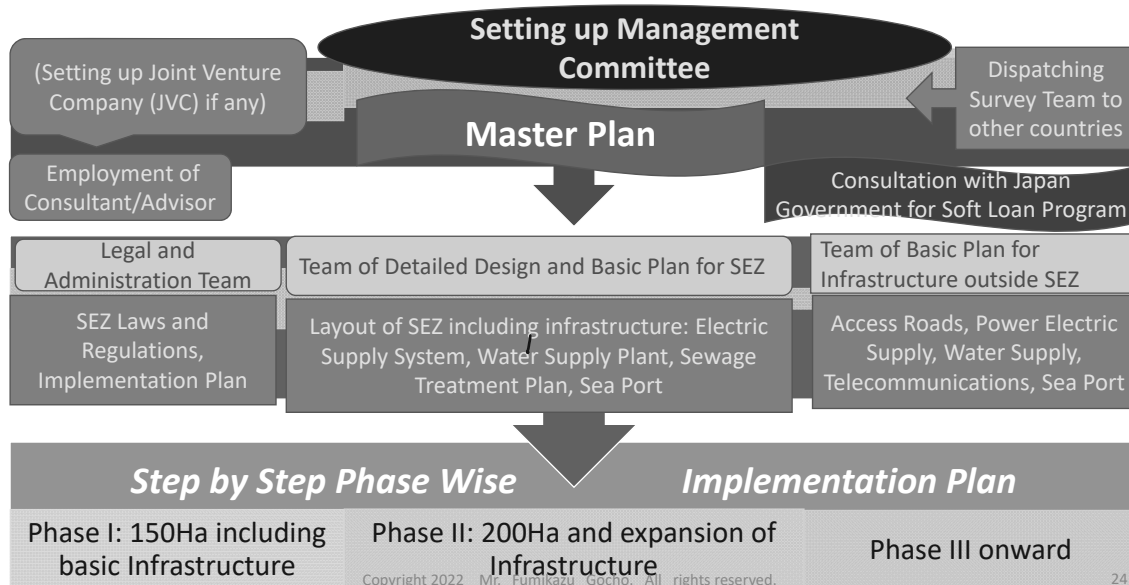
These aims include increasing trade balance, employment, increased investment, job creatin and effective administration.

- Export Processing Zone (EPZ) means:

A Customs area where one is allowed to import plant, machinery , equipment and material for the manufacture of export goods under security , without payment of duty. The imported goods are subject to customs control at importation, through the manufacturing process, to the time of sale/export, or duty payment for home consumption.

Other benefit of operating such enterprises Include; free trade conditions, streamlined Government red tape allowing for one stop registration and licensing and also a facility of long terms tax concession.

Structure of Implementation on SEZ Project



添付資料 1 4



United Republic of Tanzania
Ministry of Industry and Trade and President Office-Investment & Planning

JICA Advisors for Industrial Development and Investment Promotion

(1st Dispatch: 28 June – 21 July 2022) and
2nd Dispatch: 1st October – 30th of October 2023

October 2023

 アジア共同設計コンサルタント
Asia Engineering Consultant Co., Ltd.

Key Word to the success for Invitation of Investors

Investors select the Country and EPZ/SEZ !



Invitation of Investors is competition among the countries !



- **Speedy Execution of the Task by the Central and Local Government**
- **Improvement on the Transparency of Process for making Decision and Approval Procedures including anti corruption system**

Selection/Management of EPZ/SEZ will be seriously required in the competition for investors. The following factors may include many factors for the best selection of most suitable and competitive country and EPZ/SEZ for survival and development.

Hardware in EPZ/SEZ with appropriate facility readily available: Land Leveling Work 2-3m higher than surrounding area, supply of stable supply of electricity and water, Sewage treatment plant and others

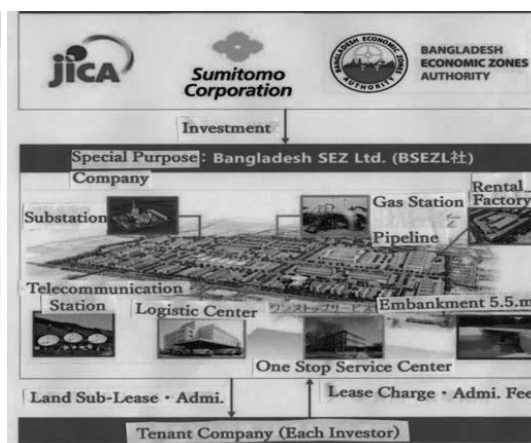
Hardware in infrastructure available outside EPZ/SEZ: Stable Power Supply provided by National Grid, Telecom, Waste Treatment Facilities, Access Roads, Sea Ports, Airports, any other transportation facilities and so on

Software in Laws and Regulations, Logistic System, Customs and its speedy performance including bonded system/area, Accommodations for Labors and Foreigners, Speedy Application and Approval for Investment License, and Import/Export License and so on.

Software in incentives, tax and other services: Exemption, reduction or Extension of Terms for Corporate Tax, VAT, Import and Export Duty, Land Leasing Fee, and Incentive and Privilege for other service; speedy handling for Investment license, Import and export license and Visa for foreigners and so on.

Introduction of Bangladesh SEZ

	Bangladesh	Tanzania
Population	170Million	61Million
Land Area	147,000km2	945,000km2
Gross Rate of GDP	5%(2021)	4.3%(2021)
Nominal GDP per capita	US\$2,147 (2021)	US\$1,140 (GNI 2021)

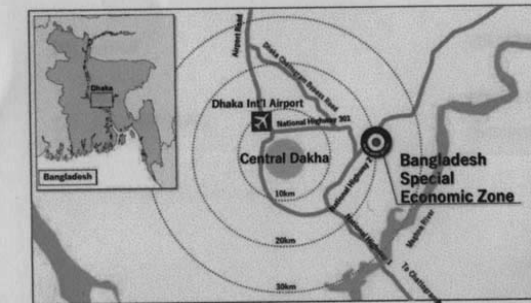


3

Outline of Bangladesh Special Economic Zone

Item	Contents
SEZ Developer	Bangladesh SEZ Ltd. (BSEZL)
Investors of BSEZL	Bangladesh Economic Zones Authority (24%), JICA (15%), Sumitomo Corp. (61%)
Establishment	2019
Location	Narayanganj District, 20KM east of central Dhaka (1 hour by drive), capital city
Investment Amount	Approx. US\$100Million for 190 HA (1 st phase: 83HA and 2 nd Phase: 107HA)
Terms of Construction	Nov. 2021 ~ Dec. 2022 for Phase 1 (Sales of Land Lease Right: March 2023~)
Tenants (as of June 2023)	Singer Bangla. Ltd. (13.5HA Turkey and Bangla.), Rudolf (2 HA Germany), Lion Kallol (3.4 HA Japan & Bangla.) , Onoda (2HA Japan), Nichika (1.4HA Japan)
	Active Inquiries: more than 40 (30 Japan, 10 other than Japan)
Supports by Japan (ODA: Loan & Grant Aid)	Construction of Infrastructure over US\$200MIL (Access roads, Electricity, Gas Station & Pipe Line, Water Supply System and Drainage Canal)
Technical Assistant by Japan	Engineering Supports and the establishment of One Stop Service Center
https://bsezltd.com/ja/	https://bsezltd.com/ja/

4

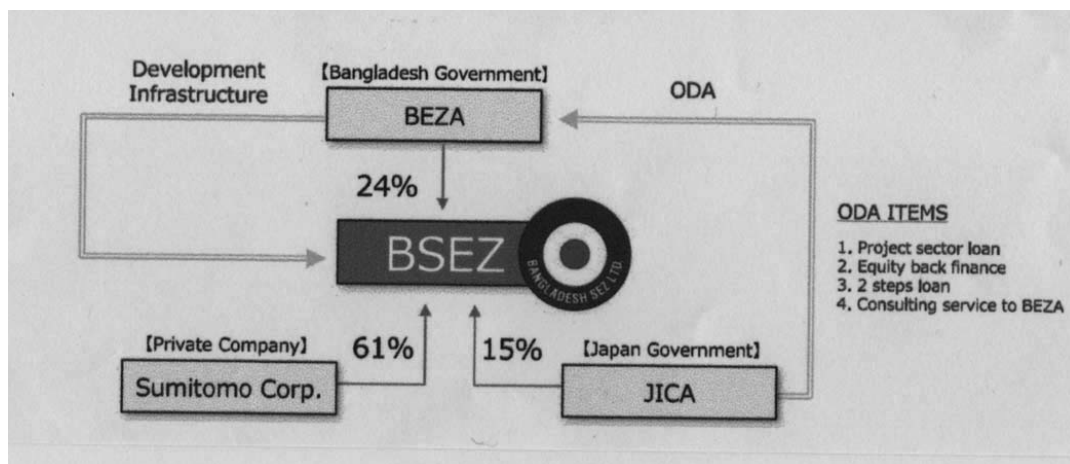


Location Map and Aerial View of BSEZ

5

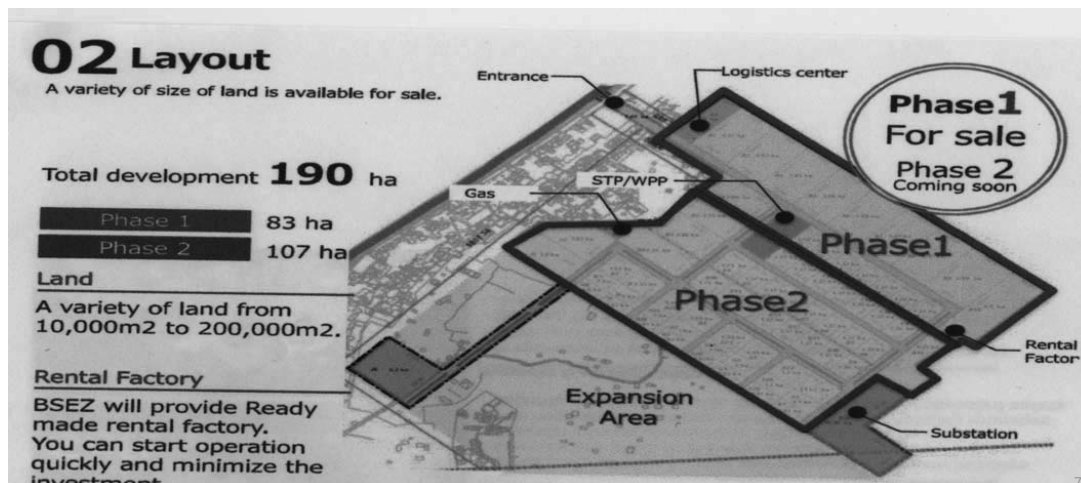


Investment and Cooperation Structure



6

L a y o u t



Overview of Bangladesh Economic Zone Investment Promotion Project

Enacting SEZ Low 2010

Investment Promotion
Diversification of Industry
Diversification of Exports
Creation of Employment
Human Resources Development

Establishment of SEZA in 2010

Evaluation and Approval of SEZ Plan
Administration and Supervising of Development and Operation
Granting Investment License
Total Officers: 79

Progress Status of Development & Operation of SEZ around Bangladesh

Planning stage: 52,
Under construction: 27,
Under Operation: 19
Target of Government till 2041: 100
100 companies under operation in SEZ

Assistance of JICA for BSEZA:

Research of suitable place of BSEZ & Capacity building of BSEZA
(Feb 2015~Mar 2017)
Promotion and improvement of competitiveness of Industry (May
2017~May 2022) including establishment of OSSC
Capacity Building for SEZ Operation & Investment Promotion (Apr
2022~May 2027: On-going) by 11 Japanese Experts and 17
Bangladesh Experts

9

Project for Capacity Building of Investment Promotion

Establishment and development of One Stop Service Center

- * One Roof Service covering 29 Ministries and Organization
- * Provision of service for 107 application/approval procedure
- * Standardization of Application Procedure Operation Manual
- * Evaluation & Approval on Application by Joint Operation of
concerned Ministries and Organizations in OSSC inside BSEZ
- * Smooth Operation by consultation in advance

{Future Tasks to be solved}

Opening Regional OSSC
Establishment of Customs Clearance System in BSEZ

Support for Promotion of Foreign Direct Investment

* Setting up Investment Promotion Tools:

Promotion Video/Brochures/Investment Guidebook

* Investment Promotion Activity:

Investment Promotion Seminar

Acceptance of Business Mission

Support for EZ Develop. & Operation Handbook

Handbook for Procedure of approval and Monitoring

10

OSSC:
Flow Chart
of Licenses/
Approval
Procedure



Introduction of Kenya Mombasa SEZ Project



Kenya Mombasa (Dongo Kundu) SEZ under Financial Assistance by Japanese Government

Mombasa Dongo Kundu SEZ

- Master Plan supported by JICA (Consultants)
- Construction of New Sea Port, Main Access Road, Power Supply System and Water Supply System by 12/2024 under Japanese Financial Assistance
- 3 Phase Construction Plan of SEZ Development Project

Japanese Soft Loan (Yen Credit)

- Loan Agreement: 02/2020
- Loan Amount: ¥37,090Million
(Equiv. US\$247Million) (@¥150=@US\$1)
- Repayment Terms: 40 years including 12 years grace period



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History of Kenya SEZ System & Mombasa SEZ

- 2013 Long Term Development Plan described on VISION 2030
- 2015 Master Plan of Mombasa SEZ: under assistance of JICA
- 2015 Enacting SEZ Law and its Regulations (2016)
- 2016 Basic Consensus between Kenya & Japan on the development of Mombasa SEZ
- 2019 Opening of SEZ Agency (experts dispatched by JICA)
- 2020 /02 Loan Agreement (Sea Port, Electricity, Access Road)
- 2022/05 G/A for Grant Aid (Water Purification Plant, Free Port)
- 2025-26 Target date of Completion of Grant Aid & Loan Project

Definition of SEZ in Kenya under SEZ Law

- Setting up Non-Tariff area
- Preferential Tax: Exemption of Import Tax & Duties on Raw Materials, Construction Materials, Production Facilities
- Exemption and Reduction of Income Tax & Corporate Tax
- Incentives other than Import and Corporate Tax: Visa for foreigners, the services in relation with OSSC
- Construction of High Quality Infrastructure
- Development in financial scheme of Government, Private and PPP
- (SEZ Act No. 16 of 2015 and its Revision 2016)

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Preferential Treatment (other than Tax & duty)



One Stop Service: Speedy Process of Administrative Procedure that Investors in SEZ can enjoy



Visa for foreigners shall be granted as high priority till 20% of all of employee



Non limitation of remittance to outside of country



Non restriction of Investment by foreign investors

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Setting up and Operation of SEZ Agency

- Opening the new SEZ Agency Office in the part of Ministry of Investment
- OSS center located next door
- CEO was newly assigned from 2023/04
- 9 assignees from MIIT

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SEZ Location Map in Kenya

Authorized SEZ

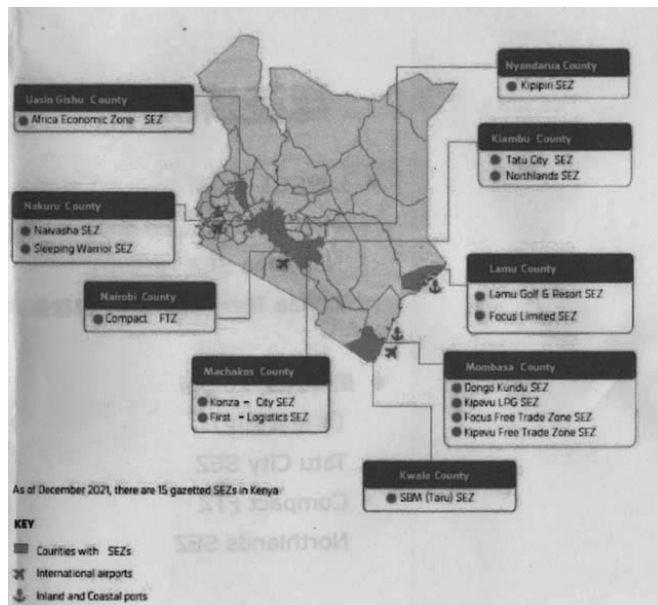
• 3 Public SEZ

Mombasa (under Construction)
Navasha SEZ (under construction)
Konza Technopolis (under operation)

• 20 Private SEZ

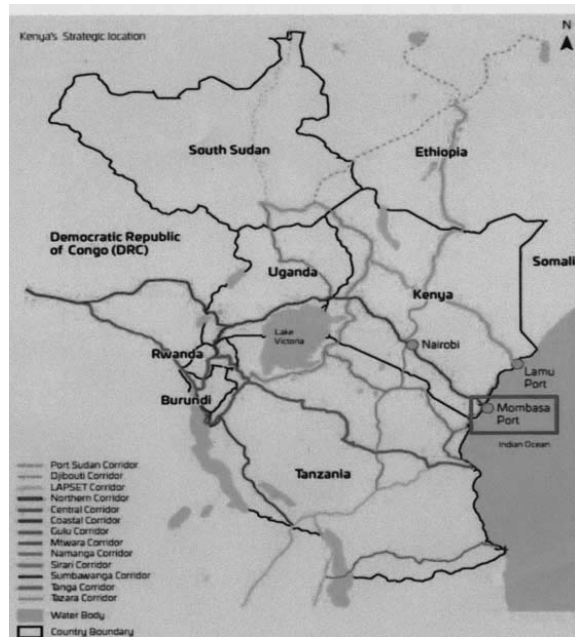
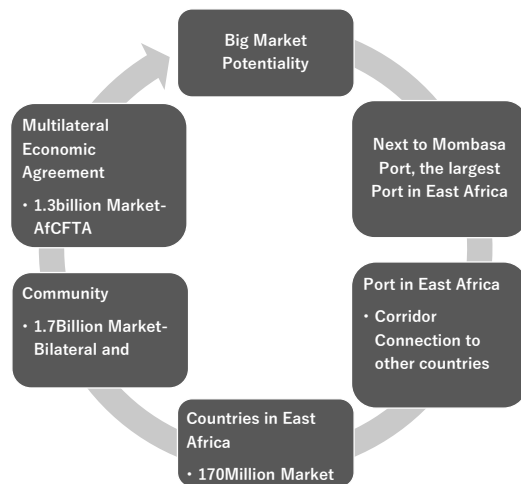
(3 SEZ under Operation)

Tatu City SEZ
Compact FTZ
Northlands SEZ



18

The Most Suitable Location in East Africa



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Advantageous Location in Mombasa

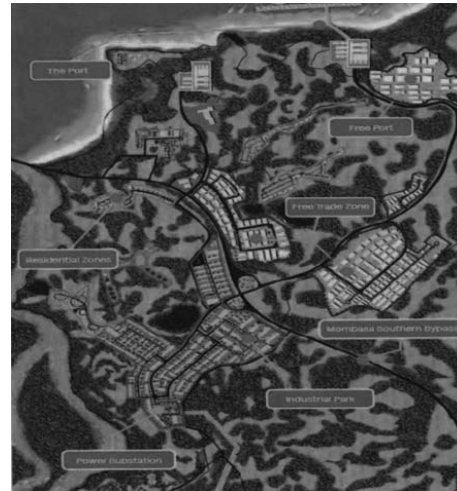
- Next to Oil Terminal, Railway, Airport
- Bypass Road access to SEZ is scheduled to be completed 03/2024
- Set up Land Lease Charge at US\$3,000/HA/PA (50 years longest term)



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Multipurpose Zone Development and Financial Source

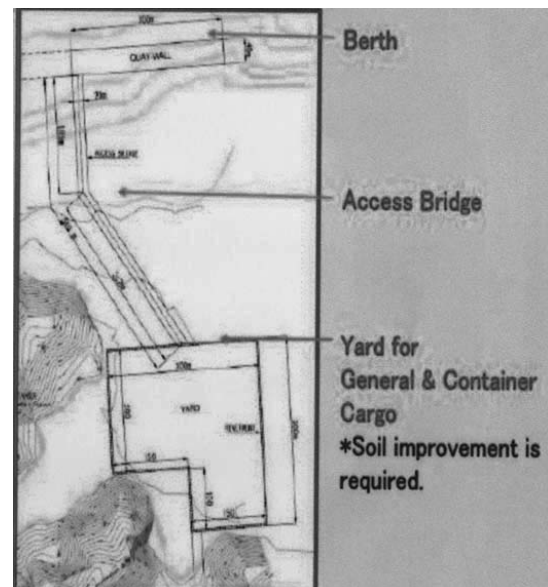
Port	Industrial Park
Free Zone	Tourism Zone
Free Port	Residential Zone
Infrastructure	Source of Finance
Port	Japanese Yen Loan
Electric Transmission Facilities	-do-
Access Road	-do-
Waster Supply	Grant Aid
Free Port	Grant Aid
Drainage Cannel	Grant Aid
Industrial Park	Kenya Government



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Port Facilities

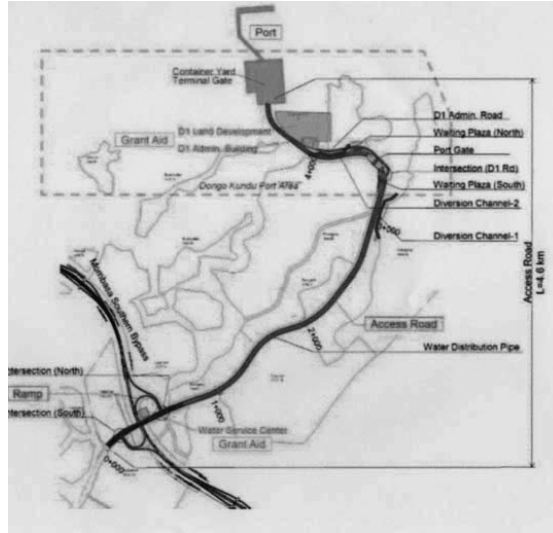
- Implementation Agency:
Kenya Port Authority
- Contents:
 - Multipurpose Berth
 - 300m Berth
 - 460m Access Bridge
 - 24a Yard
- Dredging
- Security System
- Port Operation Facilities



22

Access Road to Port

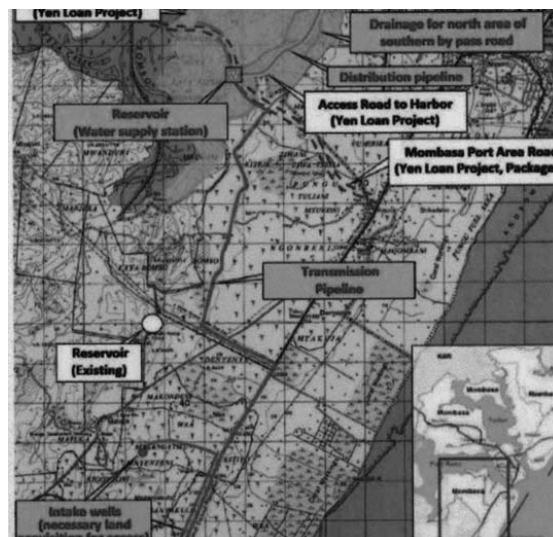
- Implementation Agency
- Kenya Highway Authority
- Contents
 - New Road between Bypass road and New Port
 - 4.6km
 - 4 lane
 - New Interchange in connection with South Bypass



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Water Supply Facilities

- Implementation Agency: Kenya Port Authority
- Contents
 - 3 Deep Well 2,000m³/day
 - Construction of Water Supply Pipeline: 20Km from deep Well to Dongo Kundu
 - Water Supply Booster Pump
 - Water Storage Tank in dong Kundu
 - Construction of Waster Supply Network System in Dongo Kundu



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Free Port

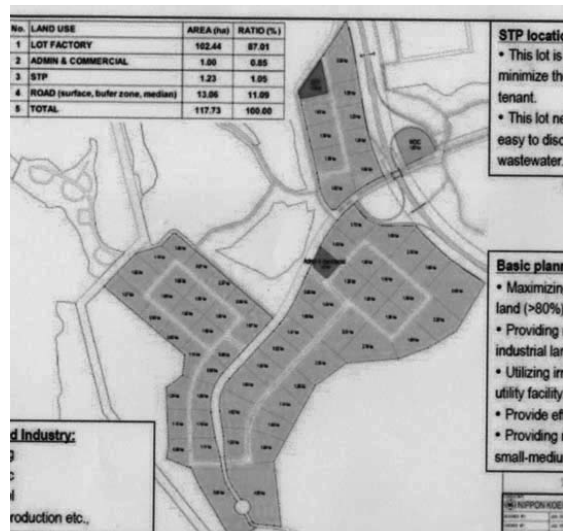
- Implementing Agency: Kenya Port Authority
- Contents:
 - Site Construction: 10HA
 - Construction of Gates, Fences, Drainage Canal, Administration Office



25

Development of SEZ (SEZ Agency)

- 65 plots in 117ha
- Next to and alongside of south bypass road
- Electric Distribution Line, Water Supply System, Drainage Canal
- (plan subject to approval) Land Lease Rent: US\$3,000/ha/year (Longest Lease term:50 years)



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Thank you for your listening !

添付資料 1 5

Baseline survey results – Challenges and responses

November 2023

The baseline survey for industrial development and investment promotion was conducted in 2022 in order for the Project to understand the current situations, and the following 11 issues were identified as challenges in the survey.

1. Governance

Five (5) major governance challenges (corruption, weak accountability, quality of public services, weak public systems, and inadequate financial management systems) have been reported (Ministry of Finance and Planning's (MFP) 2016 "National Five-Year Development Plan 2016/17-2020/21).

2. Coordination of efforts:

Collaboration between ministries and local governments is rather weak as a result of staff shortages and lack of staff capacity.

3. Subjectivity of Laws and Policies

Some laws relevant to investment and industrial development are outdated, including the Business Licensing Act of 1972.

4. Regulating and Enabling Institutions Policing/Nurturing

87% of TCCIA members who responded the survey questionnaire pointed out that there were too many regulatory agencies in the field and those agencies were more interested in demanding taxes and other fees instead of nurturing business.

5. Changes in Political Leadership

Many transfers of personnel in key positions (appointed by the president), including in local administration, have been practiced making it difficult to implement policies sustainably.

6. Lack of Monitoring and Evaluation of Projects

Successful implementation of plans and strategies must include elements of monitoring and evaluation, but this perspective is not adequately represented.

7. Skills and Competence: Capacity of local administrative officials in charge of investment and trade

Newly assigned Investment and Trade officers have been provided proper trainings nor budget, and thus they need at least an opportunity to learn in order to be better equipped with the right skills and knowledge to successfully carry out their duties.

8. Poor Technology

Companies especially Small and Medium Enterprises (SMEs) need to become more sophisticated, diversified, and add value.

9. Availability and Cost of Energy

Electricity accounts for a large portion of production costs (for example, 35% in spinning for textile production), and even small reductions in electricity costs affect the competitiveness of companies. According to Textile Development Unit (TDU) of the Ministry of Industry and Trade (MIT) (2017), electricity tariffs were \$0.12/kwh, four times higher than Ethiopia (\$0.04/kwh) and 25% higher than Kenya (Kenya introduced subsidies for textile and apparel manufacturers to increase competitiveness, reducing the tariffs from \$0.20/kwh to \$0.09/kwh.).

10. Data Management Information Center establishment support

Data management in Tanzania has challenges, from data availability to quality, that hinder effective decision-making and effective use of resources. For example, it is unclear whether the investment data released by the government is based on TIC and EPZA investment approvals, or whether it reflects the numbers of actual projects implemented.

11. Financial and Capital constraints

Many SMEs have difficulty accessing finance in terms of collateral and credit. Interest rates are high (approximately 12% to 25%) which potentially makes it difficult for SMEs to repay.

In terms of responding to the 11 challenges, the project has classified them into two categories: 1) challenges for which support will be provided through JICA Advisors' activities (1, 2, 6, 8, 10 and 11), and 2) challenges for which the focus is on information gathering and recommendations in the final report (3, 4, 5, 7 and 9). The approach applied to dealing with those issues that will be supported within JICA Advisors' activities (1, 2, 6, 8, 10 and 11) is envisaged as follows.

Challenges	Interventions
1. Governance	Although direct interventions are not anticipated, this project will contribute to improving governance, particularly the quality of public services, by providing capacity-building training for C/P institutions, assist in setting up a system for handling complaints and supporting the improvement of the business environment, including ensuring transparency through the promotion of digitized procedures.
2. Coordination of Efforts	The project is working to improve inter-ministerial and/or local government cooperation by supporting the formulation of a monitoring and evaluation framework and by recommending the establishment of an F/S

	ecosystem.
6. Lack of Monitoring and Evaluation	Same as issue 2. Coordination of Efforts, above. (Review of the draft M&E framework of MIT, for example). ‘Project Management’ has been added to the capacity building training plan in order to respond this needs.
8. Poor Technology	Other JICA Projects such as Kaizen is contributing this issue rather than JIC Advisors. However, Capacity building trainings on standardization and spare parts management to be held in 2024 is designed to strengthen officers’ knowledge
10. Data Management	In addition to F/S workshops, capacity-building training (standardization and spare parts management) to be conducted in 2024 will strengthen the knowledge of C/P agencies.
11. Financial and Capital constraints	To assist SMEs in strengthening their access to finance, after obtaining the consent of the relevant authorities for the establishment and operation of a policy framework on the F/S ecosystem, the contribution of this project is to 1) invite the proponent to conduct several F/S project studies, 2) confirm whether the framework works in the course of its implementation, and 3) verify how effective it has been with regard to interest rate reviews after obtaining evaluations from financial institutions.

添付資料 1 6

THE UNITED REPUBLIC OF TANZANIA

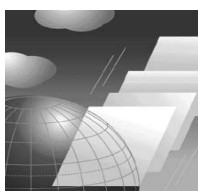


Ministry of Planning and Investment (PO-PI)

Research and Analysis for Establishment of an
Investment Infrastructure Catalytic Fund (IICF)

Final Report

CONDUCTED BY:



D a i m a

DAIMA ASSOCIATES LIMITED

{Development & Management Consultants}

P. O. Box 75027, Dar es Salaam, T A N Z A N I A

Mobile: +255 754 278 444

Email: admin@daima.co.tz

September 04, 2023

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FOREWORD AND ACKNOWLEDGEMENT

This report on ***Research and Analysis for Establishment of an Investment Infrastructure Catalytic Fund***, has been undertaken in response to the Terms of Reference (***Annex 1***) for the Study, prepared after accessing relevant literature and various documents related to the subject as well as consultations with relevant stakeholders. This research was carried out as a sub-contract from **M/S Asia Engineering Consultant Co., Ltd. (AEC)** of Japan, comprising one of the components of a wider Study commissioned by **Japan International Cooperation Agency (JICA)** for upgrading industrial development of Tanzania.

In the course of the study, various persons and institutions were contacted and consulted. The key stakeholders consulted during the Research are listed in ***Annex 2*** and those that participated in the presentation and discussion of the Draft Report are listed in ***Annex 5***. The consultants are appreciative of their cooperation with the team in providing valuable information for the study, through direct engagements, e-mails, as well as offering pertinent comments/suggestions during direct meetings.

The financial resources for carrying out the study were availed through the generous support of the **Japan International Cooperation Agency (JICA)** to the Government of Tanzania through the *then* **Ministry of Investment, Industry and Trade (MIIT)**. This support is gratefully acknowledged.

Furthermore, we thank both the **Ministry of Planning and Investment (PO – PI)** and the **Ministry of Regional Administration and Local Government (PO – RALG)** for working and cooperating with the consultant's team in providing information and expert guidance during the execution of the study.

Finally, I wish to express my gratitude to the other core members of the Daima Associates Consultants' Team, which I led, comprising *Prof. Samuel Wangwe, Mr. Rexton Buruna, Ms. Lydia Mohonja and Ms. Avina Daniel*, for their diligent participation and valuable professional input into the assignment.

Dr. Samuel M. Nyantahe
Daima Associates Limited
Dar es Salaam, TANZANIA

September 04, 2023

ABBREVIATIONS AND ACRONYMS

AEC	Asia Engineering Consultant Co., Ltd.
AfDB	African Development Bank
ASEAN	Association of South East Asian Nations
CSR	Corporate Social Responsibility
DFIs	Development Finance Institutions
DFID	Department for International Development
DPs	Development Partners
EPZA	Export Processing Zones Authority
EWURA	Energy and Water Utilities Authority
HESLB	Higher Education Students Loan Board
JICA	Japan International Cooperation Agency
LGA	Local Government Authority
M&E	Monitoring and Evaluation
MDAs	Ministries, Departments and Agencies
MIIT	Ministry of Investment, Industry and Trade
NDC	National Development Corporation
NEEC	National Economic Empowerment Council
Q&A	Questions and Answers
PPP	Public-Private Partnership
PO-PI	President's Office – Planning and Investment
PO-RALG	President's Office – Regional Administration and Local Government
RDL	Railway Development Levy
SAGCOT	Southern Agricultural Growth Corridor of Tanzania
SDL	Skills Development Levy
SEZ	Special Economic Zone
SIDO	Small Industries Development Organization
SOEs	State Owned Enterprises
SPV	Special Purpose Vehicle
TADB	Tanzania Agriculture Development Bank
TACT	Tanzania Agriculture Catalytic Trust
TIB	TIB Development Bank
TIC	Tanzania Investment Centre
UNDP	United Nations Development Programme
VETA	Vocational Education and Training Authority
WB	World Bank

REPORT ON RESEARCH AND ANALYSIS FOR ESTABLISHMENT OF AN INVESTMENT INFRASTRUCTURE CATALYTIC FUND

1.0 BACKGROUND AND CONTEXT

1.1 Background

Recent economic development of the United Republic of Tanzania has been remarkable, and during the last 10 years the economic growth has overwhelmed the average of Africa. The government of Tanzania has deployed its **National Development Vision 2025** as the base policy where industrialization is prioritized as a pillar of socio-economic development.

Tanzania aspires to be a semi-industrialized economy by 2025, as articulated in the *Tanzania Development Vision 2025*. The Ministry of Investment, Industry and Trade is mandated to steer the country to the aspired industrial development goal. In order to play its role effectively and efficiently, the Ministry put in place the ***Sustainable Industrial Development Policy (1996 – 2020)*** and the ***Integrated Industrial Development Strategy 2025 (IIDS)***. These sector level efforts were invigorated by the ***Second Five-Year Development Plan 2016/17 – 2020/21 (FYDP II)*** which was dedicated to nurturing Tanzania's industrialization for human development and economic transformation.

In assessing achievements of these efforts the Government realised the need for further interventions necessary to address challenges hampering satisfactory development of the industrial sector and by extension, implementation of the follow-on ***Third Five-Year Development Plan 2021/22 – 2025/26 (FYDP III)***. Such interventions include the provision of conducive business environment, development of supporting infrastructure, enhancement of industrial skills, and mind set change.

1.2 Constraints of LGAs to Facilitate Investments

There is a stated Government directive that Local Government Authorities (LGAs) allocate business premises to Investors and Entrepreneurs at LGA level. However, this directive is not realised fully due to:

1. Lack of resources to compensate current owners of land to fully acquire the subject land and transfer ownership to LGAs. The subject land is therefore only 'earmarked' and not effectively acquired!
2. Lack of investment infrastructure (access roads, industrial structures/sheds, storage facilities) and utilities (power, water supply and waste disposal);
3. Lack of resources to conduct Feasibility Studies and prepare appropriate Writeups to attract investors and entrepreneurs; and
4. Lack of funds to support investments by way of small grants and soft loans.

1.3 Support from Japan International Cooperation Agency (JICA)

In response to a set of requests from the Tanzanian Government, Japan International Cooperation Agency (JICA), agreed to support the then Ministry of Investment, Industry and Trade (MIIT), through assisting in upgrading economic development by focusing on policies and strategies of:

- a) Industrial development;
- b) Investment promotion; and
- c) Special Economic Zones (SEZ) development.

1.4 Research Study on Establishment of Investment Infrastructure Catalytic Fund

With respect to Industrial Development, the ultimate goal is to establish an Investment infrastructure catalytic fund under the President's Office (Planning and Investment) which will in promoting, supporting and facilitating investments in their respective areas. This endeavour is in line with MIIT's Industrialization Strategy of enabling the Ministry of Regional Administration and Local Government, to effectively allocate serviced land which is free from encumbrances and develop appropriate infrastructure to attract investments in industrial production and value addition activities at LGA level.

It is envisaged that contributions to this Fund would be sought from Central Government, Local Government, Development Partners and Commercial sources (with Private Sector participation).

In order to assess the need, JICA commissioned an **Advisor Team** to conduct a research on modalities for establishment of the envisaged ***Investment Infrastructure Catalytic Fund***.

The objective of the research was to facilitate the JICA Advisor Team to accurately digest updated information related to the project, focusing on the establishment of such a fund.

1.5 Commissioning of the Study

To this end, JICA commissioned **M/S Asia Engineering Consultant Co., Ltd. (AEC)** of Japan as Advisor for Industrial Development and Investment Promotion to the Tanzania Government. **M/S AEC** subsequently sub-contracted **M/S Daima Associates Limited** of Tanzania, to undertake the subject Research in close consultation with both the then **Ministry of Investment, Industry and Trade (MIIT)** in collaboration with the **Ministry of Regional Administration and Local Government (PO – RALG)** and other stakeholders, including Development Partners (DPs) and Private Sector Players.

1.6 Name and Nature of the Fund

In the course of the Research Study, several names for the Fund were considered: finally the Ministry of Planning and investment (PO – PI) to name the proposed facility as the **Investment Infrastructure Catalytic Fund**, whose primary objective will be to support the Local Government Authorities (LGAs) in their mandate of promoting and facilitating investments in their respective areas.

The envisaged Fund will be catalytic in nature, in the sense that it will be a vehicle designed to mitigate risk and improve the Investment Infrastructures' overall viability to attract investors and entrepreneurs to establish businesses at the subject serviced LGAs Facilities. In essence, catalytic capital is investment capital with which the investor is willing to accept reduced financial expectations in order to bring about a greater economic, social or environmental impact.

1.7 Scope of the Fund

In view of the constraints faced by LGAs in facilitating investments as outlined under **Section 1.2** herein, it is expected that the proposed Fund will address three of the listed constraints by availing resources for:

- a) compensating current owners of land and enable respective LGAs to effectively acquire the subject land and transfer ownership;
- b) constructing investment infrastructure (access roads, industrial structures/sheds, storage facilities) and utilities (power, water supply and waste disposal; and
- c) conducting Feasibility Studies leading to preparing appropriate Project Writeups which will attract investors and entrepreneurs to locate business operations there.

The aspect of small grants and soft loans to investors and entrepreneurs can be addressed by referring the businesses which are keen to operate at the LGAs premises to appropriate Banks and Financial Institutions.

1.8 Definition of Investment Infrastructure

For the avoidance of doubt, the **Investment Infrastructure** under reference is only that which is directly related to the designated LGAs Industrial Facility. It is important to distinguish this as being distinct from other public infrastructure investments which fall under the responsibilities of other Government Ministries, Departments and Agencies (MDAs).

1.9 Terms of Reference and Interview Guide

The research was conducted in compliance with the **Terms of Reference** of the assignment per **Annex 1** while consultations with Stakeholders were informed by an **Interview Guide** appended as **Annex 2** herein.

2.0 APPROACH, METHODOLOGY AND WORK PLAN

2.1 Approach and Methodology

The approach and methodology that was adopted in this assignment reflects the main objective of undertaking the ***Research and Analysis for Establishment of an Investment Infrastructure Catalytic Fund***.

The methodology adopted for the research comprised the following activities:

- a) Review of existing Reports and other documents on existing initiatives in Tanzania and in other select countries on catalysing investments in key economic sectors. The key Documents reviewed included:
 - National Development Vision 2025;
 - Sustainable Industrial Development Policy (1996 – 2020);
 - Integrated Industrial Development Strategy 2025 (IIDS);
 - Second Five-Year Development Plan 2016/17–2020/21 (FYDP II); and
 - Strategy for Fast-Tracking Industrialisation in Tanzania 2016-2020.
- b) Diagnostic analysis consisting of consultations and interviews with select stakeholders considered relevant to the assignment. The interviews targeted stakeholders (***Annex 3***) who were considered relevant to the subject assignment under the following categories:
 - (i) Beneficiaries of the Proposed Fund which are the then Ministry of Investment, Industry and Trade, PO-RALG and selected LGAs;
 - (ii) Government Ministries, Departments and Agencies (MDAs) that will be involved, directly or indirectly, in the establishment and operationalisation of the proposed Fund;
 - (iii) Public Institutions that are funded through user Charges, Fees and Levies;
 - (iv) Existing and operating Funds of a sectoral nature with similar objectives;
 - (v) Development Partners (DPs) who have been supporting various socio-economic programmes in Tanzania;
 - (vi) Development Finance Institutions (DFIs) with extensive national coverage that could facilitate Funds Management and allied Disbursements to beneficiaries at grassroots level.
- c) Compilation of findings, analysis and conclusions resulting from (a) and (b) herein to comprise inputs to the Study Report.
- d) Preparation and submission of a Draft Final Report with recommendations on the way forward for establishment of the proposed Investment Fund.

2.2 Presentation of the Draft Report at a Debriefing Session

On receipt and internal consideration of the ***Draft Final Report***, the Ministry of Planning and investment (President's Office), in consultation with the JICA Advisors Team, organised and hosted a **Debriefing Session** with Stakeholders to discuss the

Report, get comments and gather further inputs to improve the design of the proposed Investment Fund.

The debriefing session, held on July 6, 2023 at the Ministry's Head Office in Dodoma, Tanzania, was conducted in two parts:

- o In the first part, Mr. Masao Otsuka from the JICA Advisors Team, delivered a presentation on the experience of Investment Funds in ASEAN countries and valuable lessons to be learned from them when considering establishing a similar Fund. Mr. Otsuka further highlighted the different categories of Infrastructure Finance, its merits and issues associated with its implementation. This Presentation helped to acquaint the Participants on the definition, nature, scope and imperatives for a successful Investment infrastructure catalytic fund, including possible involvement of an *Investment Insurance Scheme*.
- o The second part of the session was a presentation by the Lead Consultant of the Tanzanian Consultants (*Daima Associates Limited*) of the highlights of the ***Report of the Research and Analysis for Establishment of an Investment Infrastructure Catalytic Fund***.

The two Presentations were then followed by discussions, clarifications, Q&A interventions, comments and pertinent inputs for improvement of the Study Report and recommendations thereof.

The debriefing session was attended by a total of 26 participants, comprising senior officials from the Ministry of Planning and Investment (PO – PI), Tanzania Investment Centre (TIC), Export Processing Zones Authority (EPZA), Tanzania Agriculture Catalytic Trust (TACT), JICA (Tanzania Office), JICA Advisors and Daima Associates Limited (Consultants for the Study).

The **List of Participants** to this Debriefing Session is included in **Annex 5** of this Report.

2.3 Work Plan

The schedule of activities for the research had been agreed to be undertaken over a period of six months, incorporating continuous consultations and interim review meetings between the JICA Advisor Team, the Tanzanian Consultants, the Ministry of Planning and Investment and other Stakeholders. This aimed at complimenting initiatives for development of basic infrastructure with those that will attract private investment.

The following Chat summarises the timelines and key actions involved in the course of implementing the Assignment:

SNo.	ACTIVITY	July	Aug	Sep	Oct	Nov	Dec	Jan
1	Work Plan	→						
2	Desk Research		→					
3	Online/Field work		→					
4	Post analysis of online/field work and presentation of Top-Line Findings				→			
5	<i>Draft</i> Final Report					→		
6	Presentation and Discussion of the Draft Report at Debriefing Session with Stakeholders						→	
7	Final Report							→

3.0 CONSULTATIONS WITH DEVELOPMENT PARTNERS

3.1 World Bank

- a. The World Bank has a programme of investments to improve infrastructure in urban centres with a view to improving the economies of urban centres.
- b. The programme that has been approved covers 45 city and municipal councils over the next 5 years. The investments will be directed to improving city and urban clusters of the urban centres along the lines that have already started to be implemented in the cities of Kahama, Kigoma, Tabora and Arusha.

3.2 African Development Bank

- a. On discussion with the African Development Bank, it was revealed that the Tanzania Country Office does not manage investment funds. However the head office in Abidjan has two programmes that are relevant to this subject:
 - The first programme has to do with financing development in local governments. The focus is on funding private sector development. This programme has started with funding private sector development in Dodoma.
 - The second programme is financing urban development. The programme addresses 'greening' up cities, planning and infrastructure funding with a focus on energy and transport.
- b. The writeup of the programme is at the Head Office in Abidjan and will be availed and shared later.

3.3 United Nations Development Programme (UNDP)

- a. UNDP has supported Regional Secretariats and LGAs in:
 - Mapping of Investment Opportunities
 - Preparation of **Regional Investment Guides** for LGAs in the 26 Regions in Mainland Tanzania
 - Conducted training in 15 LGAs on:
 - o Investment Instruments: *Strategic Plan, Investment Guide, Master Plan*;
 - o Preparation of investor-ready Bankable Projects
 - o Investment Match-Making; and
 - o Establishment of Special Purpose Vehicles (SPVs) to carry out investment activities
- b. Constraints to Industrialization include:
 - Low capacity utilization due to Raw Materials insufficiency, unless a Zonal Approach is adopted
 - Legal Framework which is unfavourable for PPPs as LGAs and SOEs are guided by different Laws

3.4 UK's Department for International Development (DFID)

- a. The focus of their programme is to support urban centres to carry out PPP investments as has been done in the **Kibaha Bus Stand** in Coast Region.
- b. However, it was indicated that funding from DFID has been scaled down considerably.

3.5 Japan International Cooperation Agency (JICA)

JICA's development support to Tanzania primarily focuses on:

- a. Nurturing driving forces of economic growth;
- b. Infrastructure development conducive to economic and social development; and
- c. Improvement of Governance and the Public Service Delivery.

As outlined in the background section of this Report, the Japan International Cooperation Agency (JICA), agreed to support the then **Ministry of Investment, Industry and Trade (MIIT)**, through assisting in upgrading socio-economic development by focusing on policies of:

- a. Industrial development;
- b. Investment promotion; and
- c. Special Economic Zones (SEZ) development.

JICA have funded this Research Study which aimed to explore whether and how a dedicated **Fund** to support Local Government Authorities (LGAs) would enable realization of investment promotion through the provision of requisite infrastructure to attract investment at the LGAs levels.

4.0 INVESTMENT INFRASTRUCTURE CATALYTIC FUNDS IN OTHER COUNTRIES

4.1 Indonesia

Indonesia's economic transformation, is constrained by a large local infrastructure deficit, which threatens to stifle future growth and prosperity in Indonesia. Inadequate infrastructure is consistently identified by investors as a constraint on their operations and investment in the country. It also imposes a significant opportunity cost on Indonesia's economic growth and poverty reduction potential. Decreased spending on the part of government, state-owned enterprises (SOEs) and the private sector caused the decline in infrastructure investment as a proportion of GDP that has not caught up with pre-Asian financial crisis levels, and lags well behind regional competitors today.

In particular, there are limited financing instruments for urban and local municipal infrastructure investment. At present, no financial institution in Indonesia provides access to medium-to-long term financing for local public infrastructure investment, in particular in small-to-medium sized cities. As such, providing medium to long-term infrastructure finance has become a critical priority for the Government of Indonesia to meet the local infrastructure gap.

Indonesia has therefore established a ***Regional Infrastructure Development Fund (RIDF)*** as a financial intermediary, which lends directly to sub-national governments (*the equivalent of LGAs in Tanzania*). Through this Fund the sub-national governments are able to address their critical infrastructure needs more effectively and overcome annual funding constraints with the dedicated funding available through the RIDF.

The main Fund beneficiaries are residents in urban areas that will be served by the infrastructure sub-projects funded under the project. The Fund supports the structuring and operationalization of the RIDF as a financial intermediary to finance investment and technical assistance in the following thematic areas: (i) urban transport; (ii) urban water supply and sanitation; (iii) drainage, flood and hazard risk management; (iv) solid waste management; and (v) slum upgrading and affordable housing.

The Fund is structured with two components:

1. **Component 1:** Capital Support for RIDF to operate as a financial intermediary, providing loans to subnational governments for economically viable infrastructure projects. The Fund's initial focus will be on district-level governments, before eventually scaling up to more complex regional and inter-regional projects at the provincial level as its appraisal and financial capacity deepens.
2. **Component 2:** RIDF Project Development Facility. Under this component, a Project Development Facility (PDF) will be established with the objective of building a subproject pipeline for RIDF by supporting subnational

governments in subproject identification, planning and preparation. PDF support will help ensure that subprojects are consistent with the technical, financial, economic, social and environmental appraisal standards of RIDF. Training for subnational governments will also be provided.

4.2 Ghana

Ghana established the **Ghana Infrastructure Investment Fund (GIIF)**. It consists of a corporate loan of up to USD 75 million, in support of the Fund's strategy to increase its investment portfolio. The Fund aims to mobilize, manage, coordinate and provide financial resources for investments in a diversified portfolio of infrastructure assets and projects. This will contribute to Ghana's infrastructure development and overall economic development objectives.

The **Ghana Infrastructure Investment Fund** is a permanent investment vehicle established by the Government of Ghana with US\$325 million anchor equity to act as a catalyst to leverage private sector funds into infrastructure assets in Ghana.

The development outcomes include enhancing the Fund's effectiveness in the following areas:

- a) supporting the continued mobilization of longer-term private sector capital towards infrastructure development;
- b) increasing infrastructure service penetration and hence the quality of life of the citizens; and
- c) increasing the corporate tax revenues from the taxable income deriving from the Fund's investees.

Additional Features of the Fund:

- a) **Sub-Funds:** GIIF's mandate gives it the ability to set up, invest and/or manage ring-fenced sub-funds e. g. Project Development Funds; and Sector Funds, e.g. Affordable Housing.
- b) **Strategic Interventions:** GIIF can undertake non-cash generative, non-profit strategic interventions separately funded so as not to affect GIIF's profitability, e.g. Advisory services (for Government)

4.3 Rwanda

Rwanda has adopted the Special Economic Zone (SEZ) approach: SEZ refers to a geographically specified and physically secured area administered by a single body, offering certain incentives including more liberal and simplified economic regulations for businesses to physically locate and operate within it.

Rwanda's Special Economic Zone (SEZ) program is designed to address some of the domestic private sector constraints such as availability of industrial and commercial land, availability and the cost of energy, limited transport linkages, market access and reduced bureaucracy and availability of skills.

The SEZs are geographically specified and physically secured areas administered by a single body that also offer certain incentives including more liberal and simplified economic regulations for businesses to physically locate and operate within it.

Therefore, Rwanda Government has designated serviced land and allocated it for small- and large-scale industrial development, as well as availing reliable, quality infrastructure, competitive fiscal and non-fiscal regulations with streamlined administration procedures.

5.0 INVESTMENT INFRASTRUCTURE FACILITATION IN TANZANIA

5.1 Tanzania Investment Centre (TIC)

The Tanzania Investment Centre (TIC) was established in 1997 to be the Primary Agency of the Government to coordinate, encourage, promote and facilitate investment in Tanzania; and to advise the Government on investment policy and related matters. The agency deals with all enterprises whose minimum capital investment is not less than USD 500,000 if foreign-owned or USD 100,000 if locally-owned.

In addition, TIC grants Certificates of Incentives under authority conferred upon it by the Tanzania Investment Act, 1997. Holders of a certificate of incentives are entitled to various fiscal and general investment incentives as stipulated in the Investment Act.

TIC's Main Functions are:

- a) Creating and maintaining a positive climate for private sector investment;
- b) Providing advice to the Government on investment-related matters;
- c) Stimulating local and foreign investments;
- d) Facilitating foreign and local investors;
- e) Stimulating and supporting the growth of Entrepreneurship and SMEs in Tanzania;
- f) Providing and disseminating up-to-date information on investment opportunities and incentives available to investors; and
- g) Monitoring the Tanzania business environment and growth of Foreign Direct Investment (FDI) in the country.

During discussions at the Debriefing Session on the Study Report, a representative from Tanzania Investment Centre (TIC) indicated that TIC in collaboration with the Ministry of Lands, Housing and Human Settlements Development did initiate explicit measures of establishing an '*Investment Fund*' for the purpose of facilitating investment: it was envisaged to be through a Revolving Fund that would provide loans to investors and entrepreneurs and also enable acquiring Land Blocks from the Ministry of Lands to create a '**Land Bank**' that would provide **serviced land for investment**. A follow-up with TIC on the fate of this '*Investment Fund*'¹ revealed that despite its noble objectives, it did not progress beyond the design phase and therefore it was not operationalised; mainly due to lack of financial resources.

¹ The issue of an '**Investment Fund**' particularly for Locally-based Investors has been a critical concern since the establishment of the Tanzania Investment Center (TIC) in the mid-1990s. The intention is for TIC to be adequately resourced, especially financially to enable it:

- provide **loans** to investors and entrepreneurs, and also
- own a **Land Bank** through acquiring blocks of land, compensating owners, developing it into serviced land and making it available for investment, while ensuring orderly development in line with the national investment priorities.

Unfortunately, operationalization of the initiative failed because of lack of resources.

5.2 Export Processing Zones Authority (EPZA)

Tanzania's Export Processing Zones Authority (EPZA) is the principal Government agency for promoting investments in Tanzania's Special Economic Zones (SEZs).

The Authority operates as an autonomous agency under the Tanzania Ministry of Investment, Industry and Trade (MIIT). EPZA is mandated to promote, register and facilitate investments in SEZs in mainland Tanzania. The EPZA functions include:

- a) the development of EPZ and SEZ infrastructure,
- b) provision of business services to EPZ and SEZ investors, and
- c) issuing of EPZ and SEZ licenses.

EPZA gives incentives to investors coming to the SEZs and EPZs. Fiscal incentives are provided to reduce the financial risks. These include:

- a) Tax reliefs and tax allowances for 10 years to allow for recouping of investments.
- b) Provision of non-fiscal incentives like infrastructural support such as access to water, roads, and electricity.
- c) In addition, the Tanzania Government can provide *ad-hoc* fiscal incentives for particular investment with high financial risk to make the project bankable and commercially sustainable.

The required infrastructure development for the industrialization of Tanzania is being financed through 3 models:

- a) The first model is for the government to finance infrastructure projects through its own budget or loans. A good example is the gas pipeline project from Mtwara to Dar es Salaam, Kinyerezi power projects and a standard gauge railway line.
- b) The second model is through Public Private Partnerships (PPPs). With the establishment of the PPP Act, a good number of PPP projects are already in place. Examples of such projects are the Mchuchuma and Ngaka power projects and the Bagamoyo SEZ project.
- c) The third model is private sector financed projects. Such projects include the Kamal Industrial Park, Kisongo Industrial park, and Global industrial park.

Although development of EPZA Parks is capital intensive, the socio-economic gains are worthwhile. For example the investment of USD 29 million at the Benjamin Mkapa EPZ in Dar es Salaam, has resulted in employment of 4,700. The scope of infrastructure investment in SEZs/EPZs includes: Pre-development activities, Feasibility Studies, Master Plans, etc.

The investment opportunities availed for infrastructure development include development of Industrial Parks, construction of industrial sheds and warehouses,

provision of utility services (water, power, gas and telecommunication systems) in industrial parks and Special Economic Zones, as well as joining hands with the Government in undertaking PPP projects in the construction of roads, ports and power projects.

5.3 National Development Corporation (NDC)

The National Development Corporation (NDC), a State Owned Enterprise (SOE) under the Ministry responsible for Industries was established in the late 1960s and mandated to promote industry-led economic development through performing the following functions:

- a) Spearheading the development of basic and strategic industries based on the country's rich endowments in natural resources, agro-feedstock, and geographical location;
- b) Identifying and promoting development of required support infrastructure and services so as to spur the development of an international competitive economy driven by global market;
- c) Promoting entrepreneurship and domestic private sector development, including mobilizing development resources for project development, equity financing, loan guaranteeing and managerial services;
- d) Caretaking national economy and social interests on behalf of Tanzanians, holding shares in joint venture companies responsible for exploitation of strategic industrial resources with prior determined exit strategy to allow participation of the citizenry in the future; and
- e) Advising the Government on general industrial development policies and strategies.

Consequently, NDC is required to identify and promote development of required support infrastructure and services in its investment areas. Analysis of the situation in most of the areas with investment potential has revealed lack of adequate infrastructure, which constrains investment.

Funds for the Corporation's revenues are sourced from:

- a) Government subvention from the Annual Budget allocation through Parliament to support strategic projects;
- b) Grants and support from Development Partners;
- c) Capital through debt and equity financing of Development Projects;
- d) Earnings from investments in Joint Venture Companies (JVCs) or subsidiary companies; and
- e) Revenue collections from NDC leased properties;

5.4 Small Industries Development Organization (SIDO)

The Small Industries Development Organization (SIDO) was established as a State-Owned Enterprise (SOE) under the Ministry responsible for Industry, currently the Ministry of Investment, Industry and Trade (MIIT).

SIDO's main objective is to develop the small industry sector in Tanzania. The organization was expected to fulfill a very wide range of functions, from policy formulation to direct support to industries, to hands-on involvement in the establishment of SMEs in both rural and urban areas.

Some of its best-known achievements to date are: the SIDO Industrial Estates, Technology Development Centres, Training *cum* Production Centres, hire purchase schemes for equipment, technology development, technology transfer through twinning arrangements and exchanges with industries in Europe and Asia, and direct marketing.

These programmes were strongly supported by the Government and by Development Partners such as SIDA, the World Bank, and the Governments of the Netherlands, India and Hungary. In the context of a centrally planned economy, the virtual absence of a private sector at the time of SIDO's establishment, and an initially very low level of industrial activity, it is noteworthy that SIDO's efforts made a critical contribution to the industrial development of Tanzania.

In recent times, SIDO's role as the Government's instrument for small-scale industrialization has been redefined to respond to the global political and economic changes, including restructuring and partnering with the Private Sector, aiming at improved effectiveness and efficiency as well as long-term sustainability.

The main sources of SIDO's financing come from Central Government Budget, Development Partners support, income from rentals of its Industrial Estates as well as interest from loans extended to SMEs.

SIDO industrial estates are one of good examples of providing SMEs Infrastructure Facilities for their production activities. Availability of affordable and appropriate working premises for SMEs is the critical component for establishing and running production businesses. In its initiatives SIDO owns 17 Industrial Estates where SMEs rent premises at subsidized rental charges. SIDO is also working with other partners like LGAs to allocate and develop work spaces special for SMEs. In this regard SIDO will continue to support SMEs to acquire affordable and appropriate working spaces for their businesses.

5.5 Roads Fund Board (RFB)

Conventional Government funds for road maintenance in Tanzania declined so much over the years that by 1990 only 15 per cent of trunk roads and 10 per cent of rural roads were in good condition. To reverse the situation, the road sector was reformed through a process that led to the establishment, through an Act of Parliament in 1998, of a **Road Fund**, overseen by the **Roads Fund Board (RFB)**.

The main functions of the Roads Fund Board are to collect and disburse funds and to monitor their utilization by roads agencies. Over its existence, the Board has registered impressive achievements, including an increase in revenue collection, and ensuring a stable and regular flow of funds for road maintenance.

The Roads Fund and the Roads Fund Board were established under the **Roads Toll (Amendment) No. 2 Act of 1998**. The Board, with members drawn from the public

and private sectors and assisted by a small secretariat, oversees the management of the Roads Fund. The Fund generates its resources from a number of sources designated by the Act, which are discussed in the next section.

The sources of funding to the Roads Fund are:

- a) fuel levies,
- b) transit charges²,
- c) overloading fees, and
- d) heavy vehicle licence fees³.

The first two sources are collected by the Tanzania Revenue Authority (TRA), the third by TANROADS and the last by the Central Transport Licensing Authority (CTLA).

The main functions of the Board as provided in the Roads Toll Act are:

- a) To advise the roads Minister on new sources of road tolls, on adjustment of existing toll rates and on regulations for the collection of road tolls;
- b) To set procedures for the collection of road tolls by agents;
- c) To develop and periodically review the formula for the allocation and disbursement of funds to agencies and advise the roads Minister accordingly;
- d) To make recommendations to the roads Minister regarding the allocation of funds to TANROADS, local authorities and other road agencies and disburse funds to them; and
- e) To monitor the use of the funds disbursed to road agencies.

The road fund disbursement criteria since financial year 2000-01 are as follows. After deducting the expenses of the Roads Fund Board, 63 per cent of the remaining balance is disbursed to TANROADS and 30 per cent to PORALG. The remaining 7 per cent is disbursed to the Ministry responsible for Works for development projects. The Board has a small secretariat with a staff of 10. They include the Roads Fund Manager, the roads fund accountant, two planning and monitoring engineers, the internal auditor, accounts assistant, two office management secretaries, one office attendant *cum* registry clerk and the office messenger *cum* driver.

5.6 Rural Energy Fund (REF)

The **Rural Energy Fund (REF)** was established by the *Rural Energy Act, 2005* for the purpose of providing grants to qualified project developers in the provision of energy in rural areas. The Fund represents a mechanism by which the **Rural Energy Agency (REA)** fulfils its mandate.

² **Transit Charges** are charges paid by all cargo vehicles entering the United Republic of Tanzania from neighbouring countries. The charges are per kilometre and are collected by the Tanzania Revenue Authority at the border posts.

³ The **Heavy Vehicle Licence Fee** was abolished effective 1st July 2005

The Fund Provides resources for:

- a) Grants towards the capital costs of projects implemented by private and public entities, co-operatives, and local community organizations.
- b) Provision of technical assistance, training and other forms of capacity building to qualified developers by qualified experts related to the planning and preparation of a project prior to an application for a grant.
- c) Provision of financial assistance and co-financing investments in innovative pilot and demonstration projects and applications for renewable energy when development partners make special purpose funds available for that purpose.

The Fund does not provide grants towards the operating or debt service costs of any project or developer.

The Eligibility Criteria Documents provide details on how project developers can access assistance from REA.

The sources of income for the Fund consist of monies as may be provided:

- a) by Government, in an annual budgetary allocation;
- b) as contributions from international financial organizations, multilateral and bilateral agencies and other development partners;
- c) from levies of up to five percent (5%) on the commercial generation of electricity to the national grid;
- d) as fees in respect of programmes, publications, seminars, consultancy services and other services provided by the REA;
- e) as development partners' contributions to Special Purpose Funds for rural energy; as interest or return on investments.

5.7 Southern Agricultural Growth Corridor of Tanzania (SAGCOT)

The SAGCOT Program is a public private partnership launched in 2010 as a means to implement the country's transformational agriculture vision, the ***Kilimo Kwanza***. As outlined in the SAGCOT Investment Blueprint, the Government of Tanzania sought to attract US\$2.1 billion of new agribusiness investment over the period of 20 years to bring at least 350,000 additional hectares into commercial production incorporating Tanzanian smallholders into internationally competitive supply chains. The SAGCOT Program aimed to create at least 420,000 new jobs and lift more than 2 million people out of poverty. The Project was intended to contribute to "catalyzing" the integration of smallholders into competitive agribusiness value chains to help create the opportunity for technology acquisition, productivity improvement and income growth of farmers.

In line with its principal objective, the SAGCOT Program does not explicitly fund infrastructure development, but focusses its support in catalyzing responsible private sector-led agriculture development through the integration of Farmers into competitive agribusiness value chains. It is assumed the issue of infrastructure development would be addressed by other relevant authorities.

5.8 Tanzania Agriculture Catalytic Trust (TACT)

Tanzania Agriculture Catalytic Trust (TACT) is an off-spring of SAGCOT and aims to provide innovative financing solutions to catalyze private investments in commercially and financially viable agribusinesses. TACT is an independent public-private financing institution established to provide the financing mechanism to link smallholders in all stages of agricultural value chains involving smallholder farmers, livestock keepers and fishermen.

The Fund provides innovative funding vehicles in the agriculture sector in Tanzania with the potential to unlock capital flows to agriculture. It is designed to stimulate responsible and sustainable (green growth) transformation and commercialization of agriculture in Tanzania. The trust is also focused on supporting the development of partnerships between the public and private sectors to support the development of the sector.

The Fund had an initial capital base of \$65 million that was leveraged to crowd in further capital investment in agribusinesses and in agricultural value chains.

In discussions with the CEO of the Trust, the criticality of Investment Infrastructure was vindicated from an example of an *unfortunate* failure to realize an investment of US\$ 75 million for a Fish Processing Plant in Bukoba due to inability and/or reluctance by Authorities to construct a 25 kilometer road to connect the investment site with the Town! It is therefore obvious that '*last mile connectivity*' is vital for attracting Equity Investors and guarantee successful investments.

5.9 Higher Education Students' Loans Board (HESLB)

The Higher Education Students' Loans Board (HESLB) is a body corporate established under Act No. 9 of 2004 (as amended) with the objective of assisting needy and eligible Tanzania students to access loans and grants for higher education. The main mandates of HESLB include:

- a) To assist, on a loan basis, needy students who secure admission in accredited higher learning institutions, but who have no economic power to pay for the costs of their education.
- b) To collect due loans from loan beneficiaries and use it as revolving fund to sustain operations of the Board.
- c) To create synergies through establishing strategic partnerships in student financing ecosystem.

The main sources of finances for HESLB's operations are:

- Government subvention (about 94%)
- Own Source (about 3.5%)
- Grant Funds (about 2.5%)

Subvention comprises of funds received from the Treasury to cater for Personal Emoluments (PE) such as employees' salaries and other operational costs. Own source collection is through loans application fees, loan administration fees and loan defaulters' penalties. Grants comprises of funds from the Treasury and Development Partners. Funds from the Treasury are those collected by TRA as Skills Development Levy (SDL) contributed by Employers.

5.10 Railway Development Levy (RDL)

The Railway Development Levy is levied at 1.5% of the CIF value of Goods imported into Tanzania from outside the EAC Region, but subject to an exclusion for imported goods that have relief or exemption under the East African Community Customs Management Act (EACCMA) 2004. The levy does not apply to goods in transit. This is direct example of an *Infrastructure Development Levy*.

5.11 National Economic Empowerment Council (NEEC)

National Economic Empowerment Council (NEEC) was established in 2004 to institute and oversee that deliberate and affirmative measures are undertaken by the Public and Private sectors, for the purpose of promoting and enhancing knowledge, skills, economic prowess and financial prudence of Tanzanians, to enable them to participate meaningfully in socio-economic activities.

NEEC plays a key role in coordinating economic empowerment initiatives such as access to finance, marketing information, property formalization, raising skills and knowledge and supporting the programme of strengthening business environment in the country.

The National Economic Empowerment Council has successfully supported Kahama Town Council, in Shinyanga Region, by deploying investment funds to construct business premises for Investors and Entrepreneurs in the Town. Kahama Town Council took deliberate efforts of demarcating and allocating land for production activities to entrepreneurs. A total of 500 acres were allocated for construction of industrial sheds for small-scale Entrepreneurs, especially youth and women. In the process, 623 plots have been surveyed, released document and distributed to entrepreneurs producers so that the plots can be used for production activities and other trades, including the installation of wooden vending machines, carpentry, production, carving of various materials (Welders), service businesses and other small businesses. In addition, in the region 1,021 entrepreneurs (most of whom are women and youth) have been allocated serviced plots, based on the activities they perform.

5.12 Perspectives from LGAs Representatives

Observations: The Regional Investment Guides and Master Plans available to the majority of the Regions in Mainland Tanzania are good 'Narrative' Documents but lack the necessary 'punch' for effectiveness. Critical constraints faced by LGAs include:

- a. Allocation of business premises to investors and Entrepreneurs at LGA level is not realised due to lack of resources to compensate and fully acquire and transfer ownership to LGAs. *Therefore, the subject land is only 'earmarked' and not effectively acquired!*
- b. Lack of investment infrastructure (access roads, industrial structures/sheds, storage facilities) and utilities (power, water supply and waste disposal);
- c. Lack of resources to conduct Feasibility Studies and prepare appropriate Writeups for reliable investments to back political declarations; and
- d. Lack of funds to support investments by way of small grants and soft loans.

Capacity Building is needed:

- To guide Investment officers, investors and entrepreneurs on Project formulation, execution and reporting
- Facilitate Central rationalisation and coordination of investment interventions for synergy
- Sustainability of Regional Strategic & Development Plans irrespective of transfers of Regional and District Leaders

Soft Loans and Grants, when available, should target key priority areas:

- LGAs 10% Internal resources distribution to Youth (4%), Women (4%) and Disabled (2%) could, out of distribution, designate up to 2.5% for Land Acquisition and Infrastructure Development
- Distribution of the *Corporate Social Responsibility (CSR)* funds contributed by Businesses to LGAs should be transparent and be rationally managed to support Investment Infrastructure Development.

6.0 CONCLUSIONS

6.1 Rationale for an Investment Infrastructure Catalytic Fund

The initiative for establishment of an **Investment Infrastructure Catalytic Fund** is a response to the chronic lack of vibrancy of investments at Local Government Authorities (LGAs) level despite the good intention of the Government of directing allocation of premises for SMEs business activities there.

As outlined in **Section 1.2** of this Report the critical constraints faced by LGAs in this endeavor include the following:

- a. Failure to allocate business premises to investors and Entrepreneurs at LGA level primarily due to lack of resources to compensate and fully acquire and transfer ownership to LGAs. *Therefore, the subject land is only 'earmarked' and not effectively acquired!*
- b. Lack of resources to provide investment infrastructure (*access roads, industrial structures/sheds, storage facilities*) and utilities (*power, water supply and waste disposal*);
- c. Lack of resources to conduct Feasibility Studies and prepare appropriate Writeups for reliable investments to back political declarations; and
- d. Lack of funds to provide infrastructure to attract investments and facilitate businesses thereof by way of small grants and soft loans.

Therefore, as observed during the study survey, the establishment of a dedicated Investment infrastructure catalytic fund would help to resolve the foregoing constraints faced by LGAs by facilitating the following:

- Availability of Serviced Land for investment;
- Availing reliable investment Infrastructure, including suitable sheds;
- Easy access to the site for raw materials supply for production and end products to the market; and
- Affordable power and other utilities.

6.2 Need to Address a Unique Funding Gap

Although concerns were expressed on perceptions of existence of multiplicity of 'Investment Funds' during **Stakeholders Consultations** and also when discussing the Draft Report at the **Debriefing Session (Section 2.2)**, the Study did not find a Fund that specifically provides for Investment Infrastructure in the manner explained in this Report. Other existing Funds are captive and specific as elaborated in the paragraphs that follow. This implies that there is a *Funding Gap* which can be addressed by the proposed *Investment Infrastructure Catalytic Fund*.

Secondly, as explained in **Section 1.6**, the proposed Fund will be catalytic in nature, i.e. it will be a vehicle designed to mitigate risk and improve the Investment Infrastructures' overall viability to attract investors and entrepreneurs to establish businesses at the subject serviced LGAs Facilities. In essence, catalytic capital is

investment capital with which the investor is willing to accept reduced financial expectations in order to bring about a greater economic, social or environmental impact.

Thirdly, the Investment Infrastructure facilitations by organisations outlined in **Chapter 5.0** of this Report are captive, localized (e.g. EPZA) and specific to the demarcations of the respective Institutions' mandates and do not extend to explicitly cover the LGAs requirements in the manner outlined in **Section 6.1** herein.

Fourthly, as outlined in **Section 5.1** of this report, if TIC's envisaged '**Investment Fund**' were operational, there would be little justification for proposing the establishment of a new **Investment Infrastructure Catalytic Fund**: but as elaborated, TIC's Fund did not materialize nor is it operational, and therefore the unique funding gap to facilitate investments is still there and needs to be addressed.

Fifthly, it is worth noting that the successful intervention by the National Economic Empowerment Council (NEEC) in supporting Kahama Town Council, in Shinyanga Region, by deploying investment funds to construct business premises for Investors and Entrepreneurs in the Town, is along the lines proposed for the Fund under consideration, and will be complementary. However this is a one-off case and is not guaranteed to continue there or be replicated in other places within Tanzania. Therefore the Funding Gap still calls to be addressed.

Finally, at the conclusion of discussions during the **Debriefing Session** (see *Section 2.2*), organized by the Ministry of Planning and Investment, it was reported that the Government has taken steps to further rationalise and harmonise existing Funds: it is therefore expected that the establishment of the proposed **Investment Infrastructure Catalytic Fund** will be structured and implemented in line with this initiative, while also considering resources required for its establishment and operationalization.

6.3 Target Beneficiaries and Projects

6.3.1 LGAs Support to Entrepreneurs

- Using the Fund, respective LGAs will construct facilities and develop a program to attract and recruit entrepreneurs who have the required set of skills and are interested in developing their business in the Industrial Park.
- Entrepreneurs can be incumbents (small producers) who would like to upscale their current business or new commerce (businessmen, college graduates or other).
- A comprehensive training program will be developed, in collaboration with a training institution, to support the entrepreneurs through the factory business cycle. The program will include among others: financial management, marketing and sales, production management, etc.

- The entrepreneur will get the necessary support from the LGA and the Fund during the establishment and operation phases of the business until reaching maturity.
- The entrepreneur will be entitled to a small grant or soft loan, from the current allocation of 10% of LGAs internal income.
- Repayment of the loan could be done on a Lease to Own model.
- The Fund will reserve the right to release an entrepreneur from the scheme on account of failure to fulfill the requirements and follow the targets of the plan. A new entrepreneur will step into his shoes.

6.3.2 The Industrial Parks Approach

The Industrial Parks approach has proven to be a catalyst to create social and economical development and growth. The projects should be designed in a holistic approach enabling the creation of new jobs, empower communities and improve standards of living. The Fund and its Stakeholders shall avail the experience, knowledge, appropriate technology and human resources required for the establishment and operation of the projects.

A. Manufacturing Industries

Mission: To create sustainable social and economical model of **Manufacturing Industrial Parks** which will accelerate the development of the industry based entrepreneurial skills, focusing on SMEs within governmental priority sectors.

Possible Manufacturing Industries

1. Metal Fabrication Industries
2. Paper Industries
3. Carpentry and Wood-Working Outfits
4. Production of Building and Construction Materials

B. Agro-Industrial Parks

Mission: To create a sustainable social and economical model of **Agro-Industrial Park** as a pivotal tool to nurture the small-scale agriculture and agro-processing industry through a regional development.

Goals of the Agro-Industrial Parks

- Developing small scale agriculture and agro-processing industries while providing employment and prosperity by promoting access to markets and food supply
- Process high quality value-added agricultural products which will compete in the local and export market while substitute importation
- Provide proven agriculture and agro processing technologies and know-how required for each crop or agro-business to commercial producers

Nature of the Proposed Agro-Industrial Parks

The respective LGA, with support from the Fund, will establish an Agro-Industrial Park in a preferred location with high potential for agriculture development.

- The park will attract, both international and national, leading agro-business players.
- The park will comprise an entire agro-business value chain and will create links between production to marketing.
- The park will create and support a regional eco system by the empowerment of small-scale farmers.
- The park will provide one stop shop for agriculture and agro industry development on a regional level.
- An agriculture community will be established within the park to support production, increase new jobs and improve standard of living and drive R&D development.
- Factories will be designed based on the park's needs.

Potential Industries in Agro-Processing

1. **Agro-Mechanical industries**
 - Tractor Servicing
 - Farm Implements Manufacture
2. **Agro-Processing Industries**
 - Tomato Extract Factory
 - Dried Fruit Factory
 - Spice Factory
 - Pacification and pastries
 - Coffee Roasting Factory
 - Tea Factory
 - Confectionary and allied
 - Cheese and butter factory

Required Next Steps

- A finance package can be discussed after the following steps :
 - 1) Defining the Project
 - 2) Conducting a Feasibility Study (*including a Business Plan*)
 - 3) Preparation of a Master Plan
 - 4) Preparation of preliminary design

Once those steps are completed the Fund will prepare an **Information Memorandum** about the project and will work with other Agencies, DPs, Debt Providers (Commercial Banks) and the respective LGA to arrange the finance and get to a financial close stage.

6.4 Cooperation Amongst Players

There should be cooperation and collaboration, in a synergetic manner, with existing players in the Regions and at LGAs who are supporting similar initiatives. These initiatives include those by EPZA (*EPZs and SEZs*), NDC (*with its established and upcoming Industrial Parks*), SIDO, NEEC, TACT, DPs Programmes/Projects and other investment promoters in the country.

From the foregoing rationalization, the necessary resources should be mobilized to establish the Fund in line with the recommendations outlined in **Section 6.5** herein and the *Modus Operandi* under **Section 7.4.6** of this Report.

6.5 Imperatives for Spurring Investment at LGAs

6.5.1 Catalytic Factors for Investment

From experience elsewhere and views gathered from Stakeholders consulted when undertaking this research, in order to spur investments at LGAs, it is necessary to:

- a. Mandate a Champion with strong leadership at the level of Central Government to drive implementation, rather than rely on the initiatives of individual LGAs;
- b. Avail adequate funding for investment activities – *Development Finance*; and
- c. Institute effective coordination, and dialogue within Government with explicit Monitoring and Evaluation (M&E) mechanisms.

6.5.2 Key Issues to be Resolved for the Proposed Fund

- a. Location (Host) of the Fund within Government.
- b. Mandate of the Fund – Qualifying Investments: *Systems, Processes and Governance*.
- c. Target Beneficiaries – LGAs, SMEs and Individual Entrepreneurs at LGA levels.
- d. Sources of Funding – *Central Government, Local Government, Interest from Loans (where applicable), DPs and Private Sector*.
- e. Sustainability Considerations

7.0 RECOMMENDATIONS

7.1 Establishment of the Fund

Since the need for an **Investment Infrastructure Catalytic Fund** has been vindicated and the initiative was applauded by Stakeholders consulted, the necessary resources should be mobilized for its immediate establishment.

The Fund can be established through a Presidential Order or by applying the **Local Government Finance Act, Chapter 290⁴**. Dialogue spearheaded by the Ministry responsible for Investment and the Ministry of Regional Administration and Local Government should be initiated and rope-in other potential funders, including DPs and Commercial Funders. The Fund's Organisation, Management Structure and *Modus Operandi* are outlined in **Sections 7.4.4 to 7.4.6** of this Report.

7.2 Management of Funds Disbursement

Without creating separate '*top heavy*' entity to manage the Fund, it is proposed to establish a '*very lean*' *Secretariat* and relegate the disbursement functions to existing Development Finance Institutions (DFIs), where appropriate '*Finance Windows*' for the purpose will be created. Such institutions already have robust Finance Management Systems as well as Countrywide outreach. The structure and administration of the Fund will be agreed after due consultations with relevant Authorities.

In the course of the survey about this Fund, two credible candidates that can handle this responsibility were identified viz:

1. **Tanzania Agricultural Development Bank (TADB):** *Agriculture related activities; and*
2. **TIB Development Bank (TIB):** *Manufacturing and Industrial processing-related activities.*

Preliminary discussions with these two banks were held; and both expressed interest and capability to be involved in managing the disbursements of the proposed Fund.

Explicit steps should therefore be initiated to engage and contract these Development Banks to play the role of disbursement of funds to respective beneficiaries under terms and conditions to be agreed.

⁴ An Act to make provision for sources of revenue and the management of funds and resources of local government authorities and for matters connected or incidental to securing the proper collection and sound management of finances in the local government system.

7.3 Beneficiaries of the Fund

The key Beneficiaries of the Fund will be:

Sno.	BENEFICIARY	APPLICATION/RATIONALE
1	Fund Secretariat	• Fund Management • Salaries and • Operational Expenses
2	President's Office –Planning and Investment (PO-PI)	• Capacity Building • Coordination and Management of the Funds operations
3	President's Office – Regional Administration and Local Government (PO-RALG)	• Land acquisitions (<i>Compensation</i>) • Development of Investment Infrastructure (<i>Sheds, Internal Roads, Power & Utilities</i>) • Preparation of Feasibility Studies • Capacity building
4	Investors & Entrepreneurs: ⁵	• Investors & Entrepreneurs will be attracted to the established Serviced Land and Facilities thereof for their businesses

7.4 Operationalization of the Fund

7.4.1 Mandate of the Fund

The Fund will aim to support Local Government Authorities (LGAs) to be able to promote, support and facilitate investments in their areas. This dedicated Fund will help to resolve the constraints faced by LGAs in promoting investments by facilitating the following:

- Availability of Serviced Land for investment;
- Capacity Building support to PO-I and LGA Staff for effective coordination of investment activities;
- Reliable Infrastructure, *including suitable industrial sheds*;
- Provision of transport infrastructure for easy access to the production sites for raw materials supply for production and also conveyance of end products to the market; and
- Provision of affordable power and other utilities.

7.4.2 Sources and Application of Funds

Financial resources to the Fund will be provided from the Central Government Budget, LGAs Budgets, Development Partners and Commercial sources (through Private Sector participation). Currently, the LGAs are required to allocate 10% of

⁵ These will be attracted to invest and/or rent established **Serviced Land** and **Facilities** thereof.

their internal income to Economic Groups of Youth (4%), Women (4%) and Disabled Persons (2%) for the latter's investment and business operations. It is proposed that the current allocations to these beneficiaries be maintained, and additionally the LGAs be required to designate a further 10% towards the ***Investment Infrastructure Catalytic Fund*** as seed capital, into which other funders will top up. Detailed discussions will have to be initiated with PO-PI, PO-RALG, LGAs, DPs and potential commercial funders for the accommodation of this proposal.

Further, Interest (where applicable) accruing from Loans advanced to SMEs Investors and Entrepreneurs could also form another source of Income to the Fund. The following Chart (**Table 1**) summarises the proposed Budget projections for a typical Annual Business Cycle for One Region. The detailed **2-Year Budget** amounting to about **USD 240 million**, covering initial Investments Infrastructure in all the 26 Regions of Tanzania Mainland is appended as **Annex 4** to this Report.

Table 1: Budget Summary of the Fund

Summary of Application of Funds	TShs	USD
1. Annual Secretariat Costs	406,920,000	-
2. Project Expenses	70,080,000	-
3. Development Funds: <i>Capacity Building, Feasibility Study</i>	-	455,000
4. Development Funds: <i>Local Currency</i>	218,985,000,000	-
5. Development Funds: <i>Equipment</i>	-	21,666,667
6. LGAs Small Grants	6,500,000,000	-
7. LGAs Financing Facility - <i>Soft Loans</i>	5,200,000,000	-
TOTAL EXPENSES	231,162,000,000	22,121,667
USD Equivalent of Local Currency Component	96,317,500	
TOTAL for 13 Regions in USD		118,439,167
Summary of Sources of Funds	TShs	USD
1. Central Government Budget	219,462,000,000	-
2. Local Government Authorities	11,700,000,000	-
3. Development Partners	-	22,121,667
TOTAL FUNDS	231,162,000,000	22,121,667
USD Equivalent of Local Currency	96,317,500	
TOTAL in USD for 13 Regions		118,439,167
Grand TOTAL for 26 Regions		236,878,333
Grand TOTAL for 26 Regions in USD	TShs 576,000,000,000	USD 240,000,000

7.4.3 Hosting of the Fund

The Fund will be hosted at the Ministry responsible for investment (*currently President's Office – Planning and Investment [PO-PI]*) and will be overseen by a Board of Trustees which will comprise Members from select MDAs, Development Partners and Private Sector; as shall be designated after due consultations amongst the two direct beneficiary Ministries (PO-PI and PO-RALG), the Ministry of Finance and the Prime Minister's Office.

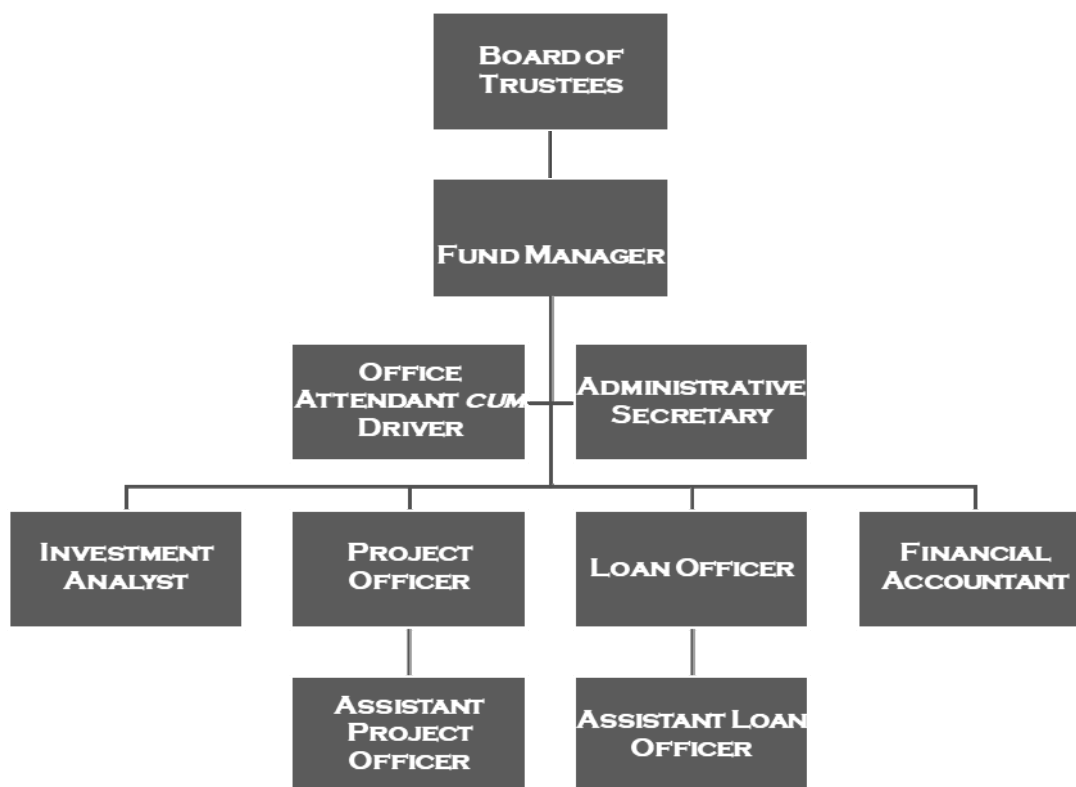
7.4.4 Management Structure and Reporting

The Fund Management Structure will comprise a 'very lean' Secretariat of competently skilled and competitively recruited Staff. At establishment, the Secretariat is proposed to comprise nine (9) key Personnel as follows:

- a) Fund Manager;
- b) Investment Analyst;
- c) Financial Accountant;
- d) Projects Officer;
- e) Assistant Projects Officer
- f) Loan Officer;
- g) Assistant Loan Officer; and
- h) Office Attendant *cum* Driver
- i) Administration Secretary

The initial **Organisation Structure** of the Secretariat will be as depicted in **Figure 1**:

Figure 1: Organisation Structure of the Fund



The **Fund Manager** will be recruited competitively and will be a professional with impeccable credentials in Financial Management and appropriately accredited to recognised Professional Bodies. He will be deemed to be at par with Departmental Heads at the Parent Ministry, and therefore will be expected to report directly to the Permanent Secretary through the Chairperson of the Board of Trustees.

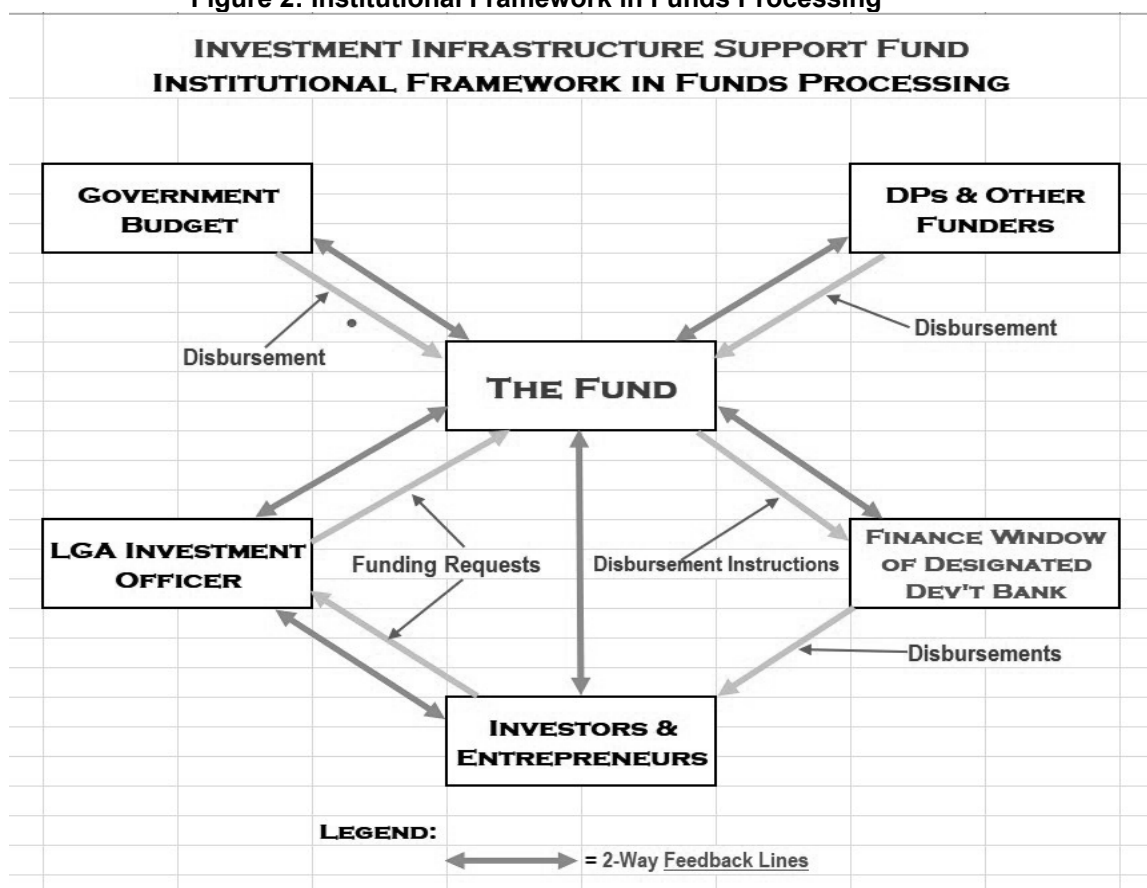
The Fund Manager will hold regular meetings with the Regional Investment Officers at the Regional Secretariats and LGAs levels and also schedule meetings to discuss the progress and performance of investment activities and take appropriate measures.

The Secretariat, under a Board of Trustees, will be responsible for the management and coordination of the day-to-day operations of the fund while ceding the disbursement functions to the designated Development Finance Institution (DFI) in line with an explicit binding Contract that will be entered into between the Fund and the DFI to ensure operational efficiency.

7.4.5 Institutional Framework

In the course of delivering its mandate as outlined under **Section 7.4.1** herein, the Fund will operate and relate to institutions involved in the funding requests, processing and disbursement as shown by the Flowchart in **Figure 2** herein.

Figure 2: Institutional Framework in Funds Processing



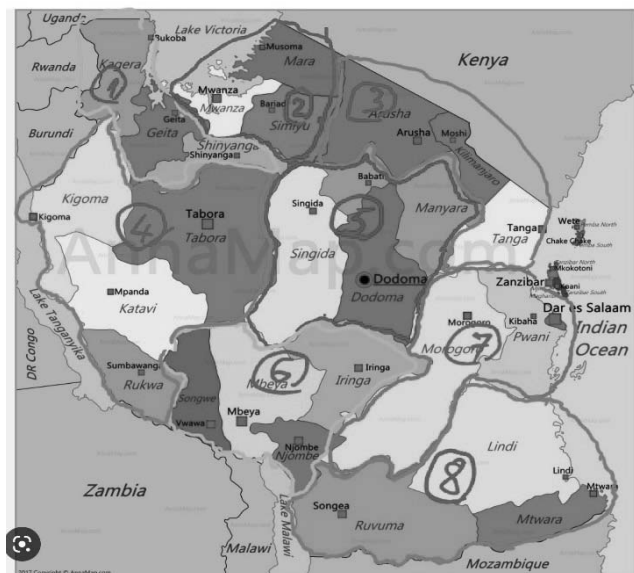
7.4.6 Modus Operandi of the Fund

From the Institutional Framework Chart (**Figure 2**) the Fund will manage and administer its Investment Support functions as follows:

1. At commencement of the Budget Cycle, the Fund Manager will consult with Central Government, LGAs, DPs and Other Funders and agree on available funding provisions for the subsequent Budget period; and thereafter prepare an appropriate Budget for the Fund's business activities. The monies so allocated will be channeled to Fund Accounts maintained at agreed Banks.
2. In line with Good Governance practice, the Fund will establish appropriate Management Systems, Procedures and Committees for handling its various functions.
3. It is imperative that the Fund Manager and the Investment Officer at LGAs maintain constant contact and regular consultations.
4. The Fund will establish criteria for qualifiable requests for funding of investments in consultation with relevant Sector Ministries, LGAs and Funders. The Fund will subsequently communicate, through appropriate channels, availability of funding to beneficiaries, per **Section 7.4** herein.
5. LGAs, *[and where eligible, Investors and Entrepreneurs]* will submit requests for funding, through the LGA Investment Officer, to the Fund Manager.
6. The Fund Secretariat will evaluate the requests objectively per established criteria and communicate their fate to the Applicants. When approved, requisite Contracts will be executed between the Fund and Successful Applicants.
7. The disbursement functions will be delegated to designated **Development Finance Institutions (DFIs)**, where appropriate '*Finance Windows*' for the purpose will have been purposely established. It is assumed such institutions already have robust Finance Management Systems, Funds Disbursement Procedure as well as Countrywide outreach. The structure and administration of the Fund will be agreed after due consultations with relevant Authorities.
8. At appropriate instances, the Fund Manager will communicate with the designated Development Finance Institution (DFI) and authorize specified disbursements to approved Applicants under explicit agreed terms and conditions. The respective DFI will act as authorized and inform the Fund, in writing, accordingly.
9. The Fund Manager will continuously monitor the flow of funds and maintain regular communication with all Stakeholders involved in the funding activities; and ensure there is timely feedback and remedial action as appropriate.

7.4.7 Clustering Regions into Zones

To enhance capacity utilization, as observed by UNDP [per Section 3.2.4 (b)], a Zonal approach is recommended whereby the 26 Regions in Mainland Tanzania will be clustered into **8 Zones** as follows:



- **Zone 1:** West Lake – Kagera, Geita & Shinyanga
- **Zone 2:** East Lake – Mwanza, Simiyu & Mara
- **Zone 3:** Northern – Arusha, Kilimanjaro & Tanga
- **Zone 4:** Western – Kigoma, Tabora, Katavi & Rukwa
- **Zone 5:** Central – Dodoma, Singida & Manyara
- **Zone 6:** Southern Highlands – Songwe, Mbeya, Iringa & Njombe
- **Zone 7:** Eastern – Morogoro, Coastal & Dar es Salaam
- **Zone 8:** Southern – Ruvuma, Lindi & Mtwara

7.4.8 Phased Support to Regions on Zonal Basis

It is proposed that Fund support to the LGAs Investment activities be phased-out to ensure efficient administration by the Fund Secretariat. In line with the recommended schedule, respective Zones will be supported at Quarterly intervals, on a 'Rota' basis as proposed in **Table 2** herein:

Table 2: Rota of Investment Support to Regions on Zonal basis

Zone	Regions	Period
Zone 5	Central – Dodoma, Singida & Manyara	Year 1 Q1
Zone 7	Eastern – Morogoro, Coastal & Dar es Salaam	Year 1 Q2
Zone 2	East Lake – Mwanza, Simiyu & Mara	Year 1 Q3
Zone 3	Northern – Arusha, Kilimanjaro & Tanga	Year 1 Q4
Zone 1	West Lake – Kagera, Geita & Shinyanga	Year 2 Q1
Zone 6	Southern Highlands – Songwe, Mbeya, Iringa & Njombe	Year 2 Q2
Zone 4	Western – Kigoma, Tabora, Katavi & Rukwa	Year 2 Q3
Zone 8	Southern – Ruvuma, Lindi & Mtwara	Year 2 Q4

7.4.9 Sustainability Assumptions

The proposed **Investment Infrastructure Catalytic Fund** would be sustainable under the following assumptions:

- a) Seed funding from the Central Government to establish the Fund Secretariat is disbursed in time;
- b) Funds from sources indicated in **Section 7.4.2** materialize substantially, and continue to flow to the Fund;
- c) Cooperation arrangements amongst Institutions indicated in **Section 6.3** are achieved and maintained;
- d) Adequate mobilization is undertaken by the Secretariat to attract Private investment to the developed investment areas so as to ensure adequate revolving of the fund; and
- e) Measures are instituted to mitigate risks likely to arise from non-realization of input funds from key sources:
 - From the indicative Budget of the Fund, over 70% of the sources of funds are projected to come from the Central Government subvention and the support from Development Partners (DPs). It is imperative for the Government (Central, Regional and LGAs) to fully honor its commitment and also preside over the DPs pledge for their contribution.
 - Other sources are secondary and will be dependent on the Business Climate.

Generally, the onus is on the Fund Manager to be prudent, dexterous and proactive in ensuring efficient and diligent administration of the Fund.

ANNEXES

Annex 1: Terms of Reference

Advisor for Industrial Development and Investment Promotion in the United Republic of Tanzania

Terms of Reference of Research and Analysis for Establishment of Infrastructure Development Fund

Background	Recent economic development of the United Republic of Tanzania has been remarkable and during the last 10 years the economic growth has overwhelmed the average of Africa, particularly having been accelerated the GDP growth year by year for last a few years. The government of Tanzania has deployed TDV2025 as the base policy where industry promotion is prioritized as a pillar of economic development. In response to a set of requests from the Tanzanian Government, Japan International Cooperation Agency (JICA) has fielded a team of advisors to the Ministry of Investment, Industry and Trade (MIIT), in order to assist in upgrading the economic development by focusing on policies of 1. Industrial development, 2. Investment promotion and 3. Special Economic Zone development.
Objective(s) of the assignment	The objective of the research is to facilitate the advisor team to accurately digest updated information related to the project focusing on the topic of “infrastructure development fund”.
Main activities	(1) Collect information on the current status and detailed plan of the formulation of the National Investment Infrastructure Development Fund from MIIT (2) Conducting the analysis and recommendations for investment fund design based on the needs
Personnel composition	(1) Chief of local consultant specialized in Investment Promotion (2) Local consultant specialized in Policy Analysis and Investment Fund
Required work	(1) Chief of local consultant • Coordination with the Chief of the advisor team of the Japanese side • Guidance and coordination with local consultants • Assist in coordination with interviewees and related organizations • Confirmation and summary of survey reports by each local consultant • Drafting of necessary reports (Draft Final Report and Final Report) • Confirmation and advice on the content of the questionnaire provided by the Japanese side • Preparing and finalizing lists of interviewees (names, affiliations, contact information, etc.) • Collection of documents related to the relevant sectors (2) Local consultants • Coordination with interviewees • Survey based on a questionnaire and documents • Summarize results of data collection (preparing interview reports) • Collection of documents related to the relevant sectors

Scope of the work-for data collection	• Main points of the data collection are below; - Detailed status and plan of the formulation of the national investment infrastructure development fund - Administrative procedures for establishing investment fund - Possible financing sources including foreign currency funds - Fund manager (human resources) for managing funds - Issues on foreign exchange management in introducing foreign currency Survey and summarise of results of the questionnaires - Priority of necessary infrastructure project - Framework including Public-Private Partnerships - Good practices of similar funds in other countries including those in Africa - Status of donor assistance																																																															
Regular meetings with the JICA Advisor team	Biweekly (online or face-to-face meetings) ※ Meetings can be organized on a request basis of stakeholders.																																																															
Duration and time schedule	July 2022– January 2023 <table><tr><th></th><th></th><th>July</th><th>Aug</th><th>Sep</th><th>Oct</th><th>Nov</th><th>Dec</th><th>Jan</th></tr><tr><td>1</td><td>Work plan</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>2</td><td>Desk research</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>3</td><td>Online/field work</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>4</td><td>Post analysis of online/field work and presentation of topline findings</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>5</td><td>Draft final report</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>6</td><td>Final report</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>			July	Aug	Sep	Oct	Nov	Dec	Jan	1	Work plan								2	Desk research								3	Online/field work								4	Post analysis of online/field work and presentation of topline findings								5	Draft final report								6	Final report							
		July	Aug	Sep	Oct	Nov	Dec	Jan																																																								
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4	Post analysis of online/field work and presentation of topline findings																																																															
5	Draft final report																																																															
6	Final report																																																															
Deliverables	• Work plan: Mid of August 2022 • Oral presentation of Topline findings: End of October 2022 • Draft Final Report: End of November 2022 • Final Report: End of January 2023 ※Work plan should include details of research items, persons/institutions to be interviewed, methodology and revised timeline of the survey. ※The Consultant is requested to present the Topline findings to the JICA Advisors and MIIT before draft of final report. ※All deliverables submitted to JICA Advisor team shall be prepared in <u>English</u> in electronic forms. ※Outline of the Final Report should be agreed with JICA Advisor team in advance.																																																															

Annex 2: Interview Guide

GUIDING QUESTIONS	
A. Establishment	1. What kind of industrial fund do we need and what gap should the proposed Investment Fund fill? 2. What should be the priority of the necessary infrastructure project? (<i>priority areas that you think need more attention</i>) 3. What should be the administrative procedures for establishing an investment fund? 4. How should the Public-Private Partnerships framework look like for this investment fund?
B. Fund Financial Management	1. What are the potential and possible sources of finance? 2. <i>Development Partner</i>: What role could you play in supporting the fund? 3. What is the status of donor assistance in the country; and who can support such an initiative? 4. Who should manage the Fund? What skills and experience should the Fund Manager have; including the Fund's key Human Resources? 5. Issues regarding foreign exchange management in introducing foreign currency
C. Best Practices and Lessons Learned	1. What lessons can be learned from similar funds in the country and other countries? 2. In your opinion, what are the barriers or challenges related to running and sustaining an Investment Development Fund? 3. In your opinion, what are the success factors for an Investment infrastructure Catalytic Fund?
D. Sources of Funds	• Central Government • Local Government Authorities (LGAs) • Development Partners • Interest from Loans to Entrepreneurs (<i>where applicable</i>) • Private Sector • Other Sources?

Annex 3: Stakeholders Consulted

SN	Institution	Rationale	Interviewee: <i>Designation</i>	Findings and Remarks
1	Ministry of Investment, Industry and Trade (MIIT)	Host of the proposed Investment infrastructure catalytic fund	Mr. Aristides Mbwasii: <i>Director of Investment</i>	Held several meetings and clarified key issues concerning the envisaged Investment infrastructure catalytic fund
2	Ministry of Regional Administration and Local Government (PO-RALG)	Local Government Authorities (LGAs) and Entrepreneurs at Councils, Municipalities and Districts levels are the Target Beneficiaries of the proposed Investment infrastructure catalytic fund	Prof. Riziki Mdoe: <i>Permanent Secretary</i> Administrative Officer: <i>Ms. Tulinagwe Ngonile</i> Regional Investment Officer (Geita Region): <i>Mr Charles K. Chacha</i>	- Establishment of Investment infrastructure catalytic fund appreciated and further insights given. - There is need for investment funds to <u>also cover</u> capacity building of entrepreneurs in knowledge, exposure, skills and management as well as in terms of investment facilitation. - Need to fund Land acquisition (<i>Compensations</i>) by LGAs for onward allocation to Entrepreneurs and Investors
3	Road Fund Board (RFB) in Tanzania	Example of a functioning Road Infrastructure Fund	Mr. Joseph Haule, <i>Chairman</i>	Very productive meeting held with both Japanese and Tanzanian Teams on the role and experience of the Road Fund Board (RFB)
4	National Development Corporation (NDC)	Public Investment Institution which also operates <i>Industrial Parks</i>	Dr. Nicolaus Shombe: <i>Managing Director</i>	Establishment of Investment infrastructure catalytic fund appreciated and lessons learned from NDC's challenges of funding strategic investments and operating Industrial Parks
5	Tanzania Agricultural Catalytic Trust (TACT)	Trust Fund that supports Investments in Agriculture, Livestock and Fisheries	Chief Executive Officer: <i>Dr. John. J. Kyaruzi</i>	TACT's experience in supporting Agricultural activities can be emulated in the envisaged Investment infrastructure catalytic fund

SN	Institution	Rationale	Interviewee: <i>Designation</i>	Findings and Remarks
6	Southern Agricultural Corridor of Tanzania (SAGCOT)	Supports Investments in Agriculture	Chief Executive Officer: <i>Mr. Geoffrey Kirenga</i>	SAGCOT is the Parent Institution of <i>Tanzania Agricultural Catalytic Trust (TACT)</i> Insights on targeted support of Agriculture activities
7	Export Processing Zone Authority (EPZA)	Investment Facilitator thru' EPZs and SEZs	Former Director General of EPZA: <i>Dr. Adelhelm Meru</i>	Very useful insights on facilitating industrial activities
8	Railways Development Levy (RDL)	To learn from their experience	Managing Director: <i>Masanja Kadogosa</i>	RDL is levied at 1.5% of the CIF value of Goods imported into Tanzania from outside the EAC, for Domestic consumption
9	Tourism Confederation of Tanzania (TCT)	To learn from their experience on the impact of the Tourism Development Levy	Executive Secretary: <i>Mr. Richard Rugimbana</i>	Good insights on collection and application of the Tourism Development Levy
10	Energy and Water Regulatory Authority (EWURA)	To learn from their experience in funding their regulatory functions	Former Director General: <i>Mr. Felix Ngamlagosi</i>	Funding through charges levied on users of the utilities and collected by the service providers through billing
11	Cashewnut Board of Tanzania	To learn from their experience	Director General: <i>Francis Alfred</i>	Lessons from operating of Cashew Nut Fund
12	Tanzania Investment Centre (TIC)	To learn from their experience	Ag. Executive Director: <i>Mr. Mathew Mnali</i>	Lessons on challenges of facilitating and financing investments in Tanzania
13	Vocational Education & Training Authority (VETA)	Use of Skills Development Levy (SDL)	Former Executive Director: <i>Mr Sylvester Nyambo</i>	Skills Development Levy (SDL) paid by Employers subsidizes Vocational Training
14	Higher Education Students Loan Board (HESLB)	Use of Skills Development Levy (SDL)	Executive Secretary: <i>Mr. Abdul Badru Razaq</i>	Provides Loans and Grants to Eligible Tanzania Students. Main Funding comes from part of the SDL paid by Employers

SN	Institution	Rationale	Interviewee: <i>Designation</i>	Findings and Remarks
15	Tanzania Agricultural Development Bank (TADB)	Experience in resourcing and funding Investments in Agriculture	Managing Director: <i>Mr. Frank Nyabundege</i>	Very productive engagement and good recommendations given on establishing and managing an Investment Fund.
16	Tanzania Investment Bank (TIB)	Experience in managing Designated Investments Funds	Ag. Managing Director	Confirmed experience in managing Funds for different Clients
17	National Economic Empowerment Council (NEEC)	To learn from their experience of Economic Empowerment	Executive Secretary: <i>Ms. Beng'i Issa</i>	Insights on experience of Kahama District Council on investment funds deployed to build premises for SMEs Entrepreneurs at District level .
18	Ministry of Lands, Housing and Human Settlements Development	To learn from their experience of Land Allocation to LGAs	Land Officers: <i>Christopher Mwamasaje & Godfrey Machabe</i>	Lessons on their experience of providing funds (loans) to 50 LGAs to facilitate survey of land for use in investment by entrepreneurs.
19	Multilateral Development Partners (MDPs): - World Bank - UNDP - AfDB	To get their views on their Country Programmes and focus areas of support	WB – <i>Eng. Frederick Nkya;</i> UNDP – <i>Asst. Resident Representative (Projects), Mr. Amon Manyama;</i> AfDB – <i>Mr. Prosper Charle</i>	Very informative discussions and pertinent recommendations given on establishing and managing an Investment Fund. UNDP has been supporting Local Government Authorities to prepare Investment Guides and associated capacity building schemes.
20	Bilateral Development Partners (BDPs): - JICA - DFID	To get views on their Country Programmes and focus areas of support	JICA – <i>Project Officer, Miriam El Maamri.</i> DFID – <i>Mr. Alex Mangowi</i>	Very informative discussions and pertinent recommendations given on establishing and managing an Investment Fund

Annex 4: Fund Budget for 2-Years

Secretariat Costs		
Designation		Proposed Basic Salary (TShs)
1. Fund Manager		4,500,000
2. Financial Accountant		4,000,000
3. Investment Analyst		4,000,000
4. Project Officer		3,500,000
5. Assistant Project Officer		2,500,000
6. Loan Officer		3,500,000
7. Assistant Loan Officer		2,500,000
8. Office Attendant <i>cum</i> Messenger		1,500,000
Salaries & Wages - <i>Monthly</i>		26,000,000
Salaries & Wages - <i>Annual</i>		312,000,000
Social Welfare Costs: <i>Health Insurance, Social Security @</i>	20%	62,400,000
Holiday Travel Support		18,000,000
Annual Total - Salaries & Wages		392,400,000

Description	Per Transaction or Monthly	Annual TOTAL in Local Currency TShs	Annual TOTAL in Foreign Currency USD
Annual Secretariat Costs			
Salaries & Wages (<i>incl. Social Costs</i>)	-	392,400,000	-
Stationery and Printing	200,000	2,400,000	-
Power and Water	400,000	4,800,000	-
Security Services	500,000	6,000,000	-
Other Office Expenses	110,000	1,320,000	-
Project Expenses			-
Work Related Travel: <i>Monthly 2 Staff x2</i>	5,840,000	70,080,000	-
Development Funds			
Feasibility Study Costs	\$ 20,000	-	260,000
Capacity Building & Training	15,000	-	195,000
Acquisition of Land: <i>Compensation for 2 Ha per Region @ TShs 120,000,000 per Ha</i>	240,000,000	3,120,000,000	-
Industrial Infrastructure: <i>Sheds, Stores & Admin Offices</i>	10,000,000,000	130,000,000,000	-
Industrial Infrastructure: <i>Work Benches & Basic Equipment</i>	4,000,000,000	-	21,666,667
Transport Infrastructure: <i>5 km Access Roads + 2.5 km Internal Roads</i>	6,600,000,000	85,800,000,000	-
Provision of Power and Water: <i>Wiring & Plumbing</i>	4,000,000	52,000,000	-
Fire Fighting Facilities	1,000,000	13,000,000	-
Financing Facility			
Small Grants: <i>@ TShs 10,000,000 per Entrepreneur</i>	500,000,000	6,500,000,000	-
Soft Loans: <i>@ 10% Interest p.a. payable Monthly</i>	400,000,000	5,200,000,000	-
TOTAL		231,162,000,000	22,121,667
USD Equivalent of Local Currency Component		96,317,500	
GRAND TOTAL in USD		118,439,167	

Summary of Application of Funds	TShs	USD
1. Annual Secretariat Costs	406,920,000	-
2. Project Expenses	70,080,000	-
3. Development Funds: <i>Capacity Building & Feasibility Study</i>	-	455,000
4. Development Funds: <i>Local Currency</i>	218,985,000,000	-
5. Development Funds: <i>Equipment (where applicable)</i>	-	21,666,667
6. LGAs Small Grants	6,500,000,000	-
7. LGAs Financing Facility - <i>Soft Loans</i>	5,200,000,000	-
TOTAL EXPENSES	231,162,000,000	22,121,667
USD Equivalent of Local Currency Component	96,317,500	
GRAND TOTAL for 13 Regions in USD	118,439,167	

Summary of Sources of Funds	TShs	USD
1. Central Government Budget	219,462,000,000	-
2. Local Government Authorities	11,700,000,000	-
3. Development Partners	-	22,121,667
TOTAL FUNDS	231,162,000,000	22,121,667
USD Equivalent of Local Currency Component	96,317,500	
TOTAL for 13 Regions in USD	118,439,167	
GRAND TOTAL for 26 Regions in USD	236,878,333	
GRAND TOTAL for 26 Regions in USD (rounded up)	TShs 576,000,000,000	USD 240,000,000

添付資料 1 7

Digitization of various procedures (Activity 4-7)

1. **Purpose:** This document was prepared to explain the "status of digitalization of various procedures in Japan" requested by Director Mbwasi of PID at the meeting on June 14, 2024.
2. **Prepared by:** Investment Promotion Advisor Hideki Tabuchi
3. **Reporting date:** November. 1. 2024
4. **Reporting to:** PO-PI Private Investment Department
5. **Summary:** The summary of the "Priority Plan for the Realization of a Digital Society" prepared by the Digital Agency (prepared on June 21, 2024) is shown in Appendix 1.
This document sets out the "basic policy regarding measures that the government should implement promptly and with priority in order to create a digital society," etc., and serves as a compass for working on structural reforms and measures to realize the digital society that Japan should aim for, and for communicating and proposing them to the world.
6. **Challenges in digitizing various procedures in Tanzania:**
In addition to explaining the situation in Japan, the following points and challenges need to be considered when digitizing various procedures in Tanzania.
 - (1) A vision, policy, and roadmap are needed for what procedures will be digitized and by when.
 - (2) In addition, a processing system for after digitization needs to be established.
 - (3) Infrastructure to support digital processing, particularly improved stability and speed of internet connection, is essential. A stable power supply and operating terminals are also necessary.
 - (4) It is essential to develop and secure digital human resources to maintain the system.

"Priority Plan for the Realization of a Digital Society" Overview 2024/6/21

1. About the Priority Plan

1.1 Position of the Priority Plan

- It sets out "basic guidelines on measures that the government should implement promptly and with priority in order to form a digital society" (Basic Act on the Formation of a Digital Society, Article 39②, etc.).
- This Priority Plan is an update of the Priority Plan formulated on June 9, 2023.
- It will serve as a compass for working on structural reforms and measures to realize the digital society aiming for, and for communicating and proposing them to the world.

1.2 Characteristics of the Priority Plan

- It will clarify the overall picture of efforts to realize a digital society, including not only the Digital Agency (hereinafter referred to as the Agency), which is the command center, but also the efforts of each ministry and agency, along with schedules such as a roadmap.

2. Composition of the FY2024 "Priority Plan for the Realization of a Digital Society"

- 1) Goals, principles, and priority initiatives
- 2) Strengthening the promotion system
- 3) List of priority policies, schedule
- 4) Schedule, list of administrative procedures to be implemented online, etc.
- 5) List of administrative procedures to be implemented online, etc. Basic policy on the development and operation of a national and local digital common infrastructure
- 6) Basic policy on the development and operation of a national and local digital common infrastructure

3. The society aiming to create through digital technology / Philosophy and principles for realizing a digital society

3.1 Vision of a digital society

"A society where digital technology can be used to select services that meet the needs of each individual, and where diverse happiness can be realized"

→This leads to the promotion of "people-friendly digitalization where no one is left behind".

(1) Growth strategy through digitalization

By promoting the social implementation of innovation and technology, creating new added value and services that fully utilize data in both the public and private sectors, actively utilizing new technologies and services, and thoroughly implementing regulatory reform, aiming to create a sustainable society that

will grow and raise the productivity and digital competitiveness of society as a whole.

(2) Digitalization of quasi-public fields such as medical care, education, disaster prevention, and children

Aiming to promote the use of data across sectors between the public and private sectors and service providers, and provide optimal services to each and every citizen. Aiming to realize a society where safety and security are ensured by designing an architecture that includes rules for handling data and promoting the construction of a data integration platform.

(3) Revitalizing regions through digitalization

In response to the shortage of digital talent that is becoming evident in every aspect, aiming to utilize digital technology to solve various social issues that each region faces, thereby improving the appeal of each region that has been carefully cultivated for a long time, and realizing a society in which sustainability is ensured.

(4) A digital society in which no one is left behind

Aiming to realize a digital society in which "no one is left behind" in which everyone can enjoy the benefits of digitalization on a daily basis by promoting thorough accessibility so that people who are unfamiliar with digital technology, as well as those who have difficulty using it or do not use it, can feel the benefits of digitalization.

(5) Developing and securing digital talent

The Agency and each government ministry and agency will work to develop and secure digital talent and create an environment that allows for movement between industry, academia, and government. They will also create an environment where people can continue to learn ICT skills, raising the level of Japan's digital talent and improving their expertise, and realizing a digital society in which digital talent is developed and secured.

(6) International strategies, including the promotion of DFFT

The Agency will work to produce results that contribute to the concrete promotion of DFFT*1, promote international cooperation based on trust, and aim to build and maintain trust by appropriately dealing with privacy and security, thereby realizing a society in which data can flow freely across borders.

3.2 Prerequisite principles and principles

- **10 basic principles for forming a digital society**

(1) Openness and transparency, (2) Fairness and ethics, (3) Safety and security, (4) Continuity, stability and resilience, (5) Resolving social issues, (6) Speediness and flexibility, (7) Inclusion and diversity, (8) Penetration, (9) Creating new value, (10) Advancement and international contribution

- **Three principles for online government procedures**

(1) Digital first principle (digital first*2), (2) One-time notification principle (once-only*3), (3) One-site procedure principle (connected one-stop*4)

- **The need for BPR (Business Process Reengineering)**

Work on business process reform (BPR) based on 12 service design principles

- **Digital principles for structural reform**

(1) Principle of digital completion and automation, (2) Principle of agile governance, (3) Principle of public-private partnership, (4) Principle of ensuring interoperability, (5) Principle of using common

platforms

- **Cloud first (cloud by default) principle**

When developing information systems, thoroughly implement the cloud first principle

- **Ensure proper handling of personal information, etc. and promoting effective use**

Consider the balance between protecting the rights and interests of individuals and the appropriate and effective use of personal information

4. Priority issues

4.1 Issues that should be addressed through digitalization

(1) Declining population and labor shortages (tight resources)

Due to the declining population and concentration of population in metropolitan areas, there are concerns about whether public services can be maintained, and there is an increasing need to eliminate waste and inconvenience remaining in administrative procedures, etc., and further optimization and efficiency through the application of digital technology is required.

(2) Declining competitiveness of the entire industry, including the digital industry

Due to the lack of progress in data accumulation and utilization, and the lack of progress in the use of generative AI, the competitiveness of the entire industry is declining, and the digital balance is tending to worsen and expand. It is necessary to advance digitalization, improve productivity, and create new businesses.

(3) Threats to sustainability

In response to threats such as natural disasters, loss of natural assets, increased environmental burden of waste disposal, and global infectious disease pandemics, it is necessary to solve problems using digital technology, including data collaboration, and the sustainability of the digital itself, such as the ability to respond to cyber attacks, is also an issue.

4.2 Anxiety and hesitation about "digitalization"

There are a certain number of people who think that the "digitalization" of society is not a good thing and that they have not been able to adapt to it. Compared to other countries, satisfaction with online services is low, and survey results show that people are reluctant to "try" digital tools, so the Agency need to aim for a digital society with these situations in mind.

5. Direction of response to key issues

(1) Strengthening the digital industry base

In order to strengthen industrial competitiveness and increase labor productivity, it is important to achieve sustainable growth by reducing costs through efficiency, increasing the added value of existing businesses, and creating new businesses through "digitalization," including the use of cutting-edge technology and a shift to data-driven management. The Agency will strengthen "thorough use of AI and data," "modernization of both supply-side and demand-side industries related to digitalization*5," and

"human resource development for digital utilization and DX promotion."

(2) Strengthening sustainability through data collaboration

The Agency will strengthen efforts in cooperation with the public and private sectors from an international perspective to promote data collaboration and build a standardized system (data space) that can share data while ensuring reliability. The Agency will also strengthen crisis management (risk management) associated with digitalization, such as the loss of data itself and the interruption of networks and power supplies, in preparation for emergencies and large-scale disasters.

(3) Strengthening efforts to use digital technology to solve problems and make "digitalization" the "norm"

The Agency will use digital technology to concretely solve various issues in Japan. By minimizing human intervention and avoiding waste and inconvenience, The Agency will steadily increase the number of areas where benefits can be felt, leading to quality experiences and satisfaction. The Agency will strengthen our efforts to visualize policy data (such as policy dashboards*6), and will monitor progress toward the society the Agency envision, while also actively disseminating and publicizing information.

(4) Development and operation of a common national and local digital infrastructure

In order to maintain and strengthen public services through the power of digital technology even in a society with a declining population, it is important that the national and local governments cooperate to develop a common system and expand the mechanism for its use by a wide range of local governments, rather than each of the approximately 1,800 local governments developing and owning their own systems. The Agency will therefore work to develop and operate a common national and local digital infrastructure.

(5) Strengthening international cooperation

To solve sustainability issues on a global scale, market formation and policies that always take international expansion into consideration are necessary. The Agency will strengthen international cooperation with like-minded countries in the development of digital infrastructure, including cybersecurity and DFFT.

6. Priority initiatives to address key issues

(1) Strengthening and accelerating the construction of a common digital infrastructure

A. Construction of a common digital infrastructure

- (a) Strengthening and accelerating initiatives related to the My Number system/My Number card, which will be the foundation for digital completion for individuals
- (b) Strengthening and accelerating initiatives that will be the foundation for digital completion for corporations

B. Creating an environment for an inclusive digital society

C. Digital human resource development

(2) Initiatives that combine systems, operations, and systems

- (3) Digital administrative and financial reform
- (4) Strengthening digital government (system optimization)
 - A. Initiatives in the public sector
 - B. Initiatives in the quasi-public sector, etc.
 - C. Thorough use of SaaS
- (5) Modernization of the entire industry related to digitalization
- (6) Using data to solve problems and strengthen competitiveness
 - A. Construction of data space and promotion of DFFT
 - B. Trust and digital identity
 - C. Disaster prevention digital transformation
- (7) Security
- (8) Initiatives in cutting-edge technology

7. Specific initiatives to address key issues

7.1 Strengthening and accelerating the construction of a common digital infrastructure

- (1) Construction of a common digital infrastructure
 - A. Strengthening and accelerating initiatives related to the My Number system/My Number card, which will be the foundation for digital completion for individuals
 - (a) Promotion of the My Number system
 - In accordance with the law, the Agency will promote the use of My Number in administrative procedures other than the social security system, tax system, and disaster prevention fields, while conducting a comprehensive survey of the possibility of using the My Number system in each administrative task by the summer of 2024, and aiming to submit a bill to the next ordinary Diet session. In addition, based on a comprehensive inspection of My Number information, the Agency will provide careful support to the linking implementation agencies based on the support provisions for ensuring the accuracy of specific personal information in the My Number Act.
 - (b) Promotion of the spread and utilization of My Number cards
 - Further promote the development of an application environment and issuance system for smooth card acquisition. The Agency will thoroughly implement the "online city hall service" that allows various administrative procedures to be performed from smartphones, and promote the "citizen card" that can be used in daily life. The Agency will also promote the spread of the use of the card's identity verification function in private businesses.
 - i) Integration of Individual Number Cards and Health Insurance Cards

Accelerating and smoothing emergency services using Individual Number Cards. In order to transition to a system based on Individual Number Cards, all parties involved will work together to actively set parallel periods for digital and analog, promote their use, and publicize the system.
 - ii) With regard to accelerating and smoothing emergency services by accurately and quickly grasping information on injured and ill people

The Agency will promote nationwide expansion in FY2025 based on the results of a nationwide

demonstration project in FY2024.

iii) Digitalization using My Number Cards in the health, medical, and nursing care fields

The Agency will advance efforts based on the roadmap for promoting medical digital transformation, such as integrating recipient certificates for public medical care systems, vaccination coupons, maternal and child health (health check) coupons, patient registration cards, and nursing care insurance cards into Individual Number Cards.

iv) Integration of driver's licenses and Individual Number Cards

Integration of Individual Number Cards and Residence Cards. The integration of driver's licenses and Individual Number Cards will begin by the end of FY2024. The Agency aims to realize mobile driver's licenses as soon as possible after the integration begins.

v) Strengthening coordination between disability certificates and My Number

Based on the Act on Partial Amendments to the Immigration Control and Refugee Recognition Act, etc., enacted in the 2024 ordinary Diet session*7, the Agency will work with relevant ministries and agencies to prepare cabinet orders and systems, etc., for early implementation.

vi) Strengthening coordination between pension information and My Number cards.

The Agency will provide information to persons with disabilities about private systems that allow easy access to disability certificate information via smartphone apps, etc.

vii) Further promoting the digitalization of "regular pension newsletters" and create a function on My Number Portal

That sends push notifications without waiting for the individual to apply or confirm.

viii) Digitalization of qualification information

Enhancement of efforts to improve the convenience of tax returns the Agency will develop and build a system for linking and utilizing information on national qualifications, etc., for approximately 30 social security-related national qualifications, and make procedures online and digital.

ix) Further enhancing the connection between My Number Portal and e-Tax

Aiming to create a system where filing can be completed with just a few operations (a "Japanese version of pre-filled tax return" (writing-free tax return)).

x) Further promoting the digitalization of moving procedures and consider completing them digitally

The Agency will aim to complete inheritance procedures at the time of death by further promoting the "online moving procedure service" and completing them digitally, including when moving.

xi) Identify issues and consider systems to digitalize procedures related to deaths, such as death notifications

xii) Promote the "Citizen Card" initiative, considering online registration applications for overseas voters

Speed up the issuance of overseas voter certificates by email, use of My Number cards for registration application procedures, and consider online voting for overseas elections.

xiii) Promote the use of public funds receipt accounts Increase the use of library cards, seal registration certificates, and writing-free counters in everyday life

Continue to promote front-yard reforms, such as online administrative procedures.

xiv) Progress gradually with registration acceptance via financial institutions and registration via

administrative agencies (including special systems)

xv) Improve the convenience of My Number cards, such as by installing them on smartphones

Promote their use in various private businesses. Consideration will be given to iOS devices in addition to Android devices. Also aim to install the four basic pieces of information on My Number cards on smartphones.

xvi) Promote the use of My Number cards in private businesses, such as in the entertainment industry and age verification services

xvii) Promote online services for both the public and private sectors by expanding the use of My Number Portal API

The Agency aims to further improve the convenience of the various APIs*8 provided by My Number Portal.

B. Strengthening and accelerating efforts to form the basis for digital completion in corporations

(a) Development of a public basic information database (base registry)

- Based on the Act on Partial Amendments to the Basic Act on the Formation of a Digital Society*9, etc., enacted at the 2024 ordinary Diet session, a public basic information database development and improvement plan will be formulated to promote the development and use of the database in a comprehensive and planned manner. In order to ensure the quality of the data, the roles and specific initiatives of the relevant organizations will be considered and set out in the development and improvement plan.
- With regard to the commercial and real estate registration-related database, a database will be developed that can be used by administrative agencies and local governments as specified in the development and improvement plan, and necessary measures will be taken from the perspective of the appropriate handling of personal information, such as identifying and changing the purpose of use.
- With regard to the address and location-related database, in cooperation and collaboration with local governments, etc., town and district information will be developed during FY2024, and the data will be kept up to date.
- Consider opening up the registration information API to private companies, taking into account the purpose of the registration system, from the perspective of improving convenience and the appropriate handling of personal information.

(b) Development of systems for business-oriented services with an awareness of overall optimization

- It is important to develop systems for administrative services for business operators with an awareness of overall optimization. The following three points are summarized as major issues.
- i) Development of an environment to improve the user experience of administrative services for business operators. Regarding the business portal where business operators can access various administrative services, The Agency will consider the possibility of utilizing e-Gov's functions and proceed with the construction of a demonstration version. In the next procurement portal, the Agency aims to improve convenience for business operators by aiming to be a portal site related to national procurement in general.

- ii) Regarding the common functions (G Biz ID) used in administrative services for business operators, The Agency will aim to adopt them in all administrative procedures in principle. For functions that are commonly required in administrative procedures, the Agency will consider the possibility of utilizing existing functions and systems and develop an implementation plan. The Agency aim to ensure the digital completion of public-private transactions and business-to-business transactions and data interoperability.
- iii) Digitalization of administrative procedures and subsidy applications for business operators at each ministry and agency. For administrative procedures with a small number of procedures per year, the Agency aim to develop them efficiently and reduce the cost burden through the use of common functions, etc. Large-scale administrative procedure systems, etc. will be considered for modernization. Regarding subsidy applications, from fiscal 2025 onwards, electronic applications will be accepted as a general rule, with the aim of increasing the rate of electronic applications.

(2) Developing an environment for an inclusive digital society

Aiming for "a people-friendly digitalization that leaves no one behind," the Agency will survey, monitor, and publish the results of surveys on the satisfaction of users (citizens, businesses, government officials, etc.) with digital government services, the penetration rate of each service, and citizens' anxieties and hesitations regarding "digitalization," and will implement continuous improvements. In addition, the Agency will work to improve the environment within the following three frameworks.

A. Developing the digital usage environment and infrastructure

- The Agency will continue to develop the usage environment and infrastructure, such as by eliminating areas without optical fiber, expanding the population coverage rate of 5G, developing communication environments according to usage in non-residential areas, and promoting the development of non-terrestrial networks and data centers.

B. Improving the ability to correctly interpret and use information (digital literacy)

- Through the Digital Utilization Support Promotion Project and the efforts of the Digital Promotion Committee, the Agency will use easy-to-understand content such as videos to work to alleviate the anxieties of the elderly, people with disabilities, and others who are unfamiliar with digital devices and services.
- Regarding countermeasures against false and misinformation circulating and spreading online, we will take into account international trends and take comprehensive measures, including institutional aspects, such as ensuring the transparency and accountability of platform operators' efforts and addressing issues related to digital advertising.

C. Ensuring an environment (accessibility) in which anyone can use digital products and services

- The Agency will thoroughly ensure accessibility in web content (including government services, online systems, websites, videos, materials, etc.) and broadcasting, and establish an information and communication infrastructure that is accessible to everyone, such as revising the Web Accessibility Implementation Guidebook*10 based on the latest international technological trends.

- When providing user-centered digital services, it is desirable to combine the advantages of analog and digital and select the most convenient means for users and provide them with the best experience. Therefore, in order to maximize the value that users of each service can obtain from the user's perspective, the Agency will link information between each service and link the usage experience, ensuring that everyone has the opportunity to use and experience the service.

(3) Digital human resource development

- In order to use digital technology to solve problems, make life more convenient, and make digitalization the norm, they need high-quality and high-quantity human resources to carry this out. Therefore, the Agency will strengthen our efforts to develop digital human resources.
- The Agency will accumulate and visualize data on individuals' digital skills, their skill development, and their skill evaluations through tests, and issue digital qualification certificates*11 to prove the skills they possess, thereby aiming to realize continuous learning and purposeful career development for individuals.
- To continue to work on improving educational curricula and securing highly specialized instructors and teachers, the Agency will promote mathematics, data science, and AI education at universities through activities in the Mathematics, Data Science, and AI Education Enhancement Center Consortium, a system for national certification of excellent educational programs at universities, and the creation of degree programs at graduate schools that combine humanities, social science, and other fields with information science fields.
- In order to accelerate the establishment of DX promotion systems in local governments, the Agency will establish promotion systems such as "Municipal DX Promotion Centers (tentative name)" in all prefectures while taking into account the actual conditions of each prefecture, and work to ensure the function of a human resources pool.

7.2 Efforts to integrate systems, operations, and systems

- The basic premise of digital policy is to further implement the "Digital Principles for Structural Reform" and to consider systems, operations, and systems as a whole from the planning and drafting stage of policies, and to ensure their consistency and promote efforts in a "trinity".
- Based on this basic premise, when digitalizing existing systems and operations, the Agency will reform not only the systems but also the systems and operations at the same time. Each year, the Agency will determine priority areas and concentrate government resources, and advance efforts in a trinity at the Digital-Related Institutional Reform Review Committee, etc., to steadily increase the number of areas where the benefits of digitalization can be felt.
- In the formulation of new policies and the creation of new systems, the Agency will strengthen the functions of the digital principles compliance confirmation process (digital legislation review) so that consideration of business design and the development and operation of information systems will be carried out from the planning and drafting stage, and the Agency will ensure the consistency of systems, operations, and systems based on the above "basic premise of the trinity" through reviews at each stage, such as the budget request stage and execution stage, in government information system projects.

- By utilizing technologies that bring about innovation in the physical space, such as drones and autonomous driving, it is possible to overcome physical constraints and reduce the room for human intervention. In order to actually improve efficiency, convenience, and experience, the Agency must tackle this issue from the perspective of the three pillars of institutions, operations, and systems. The Agency will continue to develop hardware, software, and rules through the "Digital Lifeline Nationwide Comprehensive Development Plan*12," including support for the introduction of digital technology.

7.3 Digital administrative and financial reform

- In light of the rapid population decline, etc., the Agency will review the state of administrative and financial affairs from the user's perspective, and implement initiatives based on the "Digital Administrative and Financial Reform Summary 2024*13" to maximize the use of digital technology to maintain and strengthen public services, etc.
- Based on the "Basic Policy on the Development and Operation of a National and Local Digital Common Infrastructure," the Agency will deepen liaison and discussions between the national and local governments, eliminate the disadvantages of vertical division, and review operations and build systems under a cross-government promotion system.
- While securing the necessary specialized human resources, centered on the Agency, the Agency will promote initial development, transition and dissemination support, development of digital public infrastructure, and support for dissemination to local areas. The Agency will form a hub function for promoting digital transformation in public services in prefectures, and prefectures will support local governments in their regions, while the national government will support the recruitment of specialized human resources.
- In order to promote reforms in important areas, the Agency will monitor and improve policy progress by setting medium- to long-term KPIs and building diagrams (logic models) that illustrate the logical connections between policy measures and policy objectives.

7.4 Strengthening digital government

(1) Efforts in the public sector

- A. "Basic policy on the development and operation of a common national and local digital infrastructure"
 - Based on the "Basic policy on the development and operation of a common national and local digital infrastructure," the national and local governments will share the following basic values: 1) optimized administration with common systems and local governments' originality and ingenuity in policies; 2) resilient administration that can respond flexibly to social and economic changes through instant data acquisition and can quickly provide support such as situation assessment in emergencies; 3) administration with minimized total costs through economies of scale, visualization of costs, and reduction of burdens through joint procurement. Under the framework of liaison and consultation, the national and local governments will advance efforts to "enforce BPR and digital principles in the fields under their jurisdiction by each ministry and agency (vertical reform)" and "promote the development and utilization of digital public infrastructure (DPI*14) and the use of common

SaaS*15 (horizontal reform)."

B. Optimization of government information systems

- Government information systems will be built on the government cloud, optimized for the cloud, and operated efficiently using services provided by cloud service providers. Individual scratch development will be avoided as much as possible, and agile system construction will be promoted, while ready-made SaaS will be used as much as possible, and system consolidation, standardization, and collaboration will be thoroughly considered. For this reason, rather than adapting the system to the business, the business will be adapted to the system, and the business and the system that is the premise for it will be revised.
- The Agency will promote componentization of commonly usable functions, and will develop a catalog of common functions such as authentication, signature, payment, portal, application, procedure processing, database, terminal, server, and network, API*14, and SaaS, and will support the efficient use of government information systems using the government cloud.
- In order to provide better government services to the public at low cost, and from the perspective of reducing the overall budget, the Agency will promote the improvement of convenience and efficiency of government administration through digitalization, and will also promote efforts to "visualize" system expenses and cost-effectiveness so that the public can feel the results.

C. Unification and standardization of local government information systems

- The Agency will create an environment in which all local governments using core business systems can smoothly and safely migrate to standard-compliant systems by FY2025 in principle. The Agency will actively support the smooth and safe migration of core business systems, including systems that are difficult to migrate, to standard-compliant systems.

D. Promotion of public service mesh (information sharing platform)

- Based on the fact that standard-compliant systems comply with standardization criteria for data requirements and collaboration requirements, the Agency will realize a consistent design for information sharing between agencies, information utilization within local governments, and external connections with the private sector for the public service mesh (information sharing platform) so that data held by the government can be shared safely and smoothly.

(2) Efforts in the quasi-public sector, etc.

Even in the quasi-public sector, etc.*16, it is important to proceed with efforts based on the premise of a trinity that ensures the consistency of systems, operations, and systems, eliminate waste and inconvenience, and produce concrete results that allow users to feel the convenience, with the aim of making "digitalization" accepted as "the norm."

A. Health, medical care, and nursing care sector

i) Standardization of electronic medical records

The aim is to introduce electronic medical records to almost all medical institutions by 2030 at the latest, and first of all, a cloud-based electronic medical record (standard electronic medical record alpha version) that complies with the standard specifications will be developed for medical clinics by

FY2024, and a trial implementation will be aimed for.

ii) Digital transformation of medical fee revisions

The pharmaceutical master will be provided by FY2024, and the design and development of a nationwide unified common calculation module will begin in 2024, with the aim of full-scale provision in FY2026.

iii) Promoting online medical care

A survey on remote medical care will be conducted in FY2024 to examine issues and solutions, and from that fiscal year onwards, clinical research on standard methods for utilizing online medical care, etc. will be promoted.

B. Children's sector

(i) Building a system to optimally deliver necessary information a "Childcare support system registry" will be established during FY2024, and collaboration with private apps will be considered.

(ii) Online birth registration

Aim to realize online registration from My Number Portal via related systems by FY2026, and consider the possibility of direct submission of birth certificates from medical institutions to local governments.

(iii) Promoting digitalization in the field of maternal and child health

Initiatives that allow medical questionnaires to be entered in advance from My Number Portal, etc. will be implemented in advance in municipalities that wish to do so. With the aim of making electronic maternal and child health handbooks the norm, issues will be sorted out from FY2024, guidelines will be issued in FY2025, and dissemination will be promoted from FY2026 onwards.

(iv) Support for pregnant women returning to their hometowns

A system of inter-municipal cooperation for maternal and child health information related to pregnant women returning to their hometowns will be implemented in advance in municipalities that wish to do so.

(v) Developing infrastructure to realize the one-time-only principle for reporting childcare operations

To reduce the burden on staff in providing benefits and auditing, the Agency will develop and operate a facility management platform linked to childcare facilities and local government systems, and will promote its nationwide rollout from FY2026 onwards.

(vi) Nationwide rollout of one-stop childcare system

The Agency aim to complete the entire process of childcare activities in one stop, such as building a childcare information sharing platform in FY2025.

(vii) Digitalization of employment certificates

The Agency will review and standardize items for admission applications in FY2025, standardize them by summer 2024, and make them available for online submission by the time the one-stop childcare system is implemented in FY2026.

(viii) Developing an ICT environment in childcare facilities

The Agency will conduct research and studies to achieve a 100% adoption rate of ICT devices by FY2025, and will proceed with considering standard specifications for childcare ICT systems that can

be linked to facility management platforms, etc.

(ix) Promoting digitalization of after-school children's clubs

The Agency will conduct a survey on the introduction and use of ICT in after-school children's clubs in FY2024 to identify issues, etc.

(x) Consideration of data sharing regarding children Based on the results of a verification project on identifying children who potentially need support and identifying issues when providing support, guidelines will be formulated by the end of FY2024.

C. Education

(i) Promotion of digital transformation of school affairs

From FY2026, gradually moving to a next-generation digital transformation environment for school affairs based on a cloud environment over a four-year period. The Agency will promote joint procurement of school affairs support systems, formulate and review education information security policies, and improve the network environment.

(ii) Promotion of online education and utilization of private human resources

The Agency will build a common use platform with a matching function that connects highly specialized teachers and private human resources (senders) with teachers (receivers) in FY2024, and aim for horizontal expansion from FY2025 onwards.

(iii) Promotion of utilization of digital teaching materials

The Agency will develop a platform that can be used by schools and municipal boards of education within the prefecture, examine the state of digital teaching materials, build a common use platform in FY2024, and aim for horizontal expansion from FY2025 onwards.

(iv) Promotion of effective utilization of educational data and preparation of the necessary environment

The Agency will revise the roadmap for utilization of educational data by FY2024. The Agency will study ways to realize a data sharing platform, architecture, and ID management for collaboration between local governments, and support the use of educational data in local governments.

D. Mobility sector

A Mobility Roadmap formulation and promotion of measures

The Agency will compile the "Mobility Roadmap 2024" and organize the issues and necessary measures regarding the state of social rules regarding traffic accidents involving autonomous vehicles. The Agency will proceed with the construction of a spatial information infrastructure and steadily promote the social implementation of autonomous vehicles in all prefectures in FY2024.

(3) Thorough utilization of SaaS

Toward a shift from "making" to "using," the Agency will design a procurement process for a new software procurement method (digital marketplace) using a catalog site that allows national and local governments to procure SaaS and other products quickly and easily, while taking into account the accounting systems of national and local governments, and aim to fully operate in the second half of FY2024. The Agency will also consider the state of ISMAP and ISMAP-LIU from the perspective of

streamlining the operation of the system while maintaining reliability and stability, and promote the expansion of their use.

7.5 Modernization of entire industries related to digitalization

- By optimizing information systems across the industry, including both the demand side (users) and the supply side (vendors), and by improving security, redundancy, recovery, and resilience, moving away from multi-tiered subcontracting structures and raising wages, cultivating digital talent, and improving the responsiveness and adaptability of the entire industry, as well as productivity and efficiency, it is expected to become the foundation for future development and innovation in industries related to digitalization.
- It is necessary to understand the current situation and issues for each industry, determine measures to move away from legacy systems*17 and optimize for the cloud, and implement these measures including in the public sector. To this end, the Information-Technology Promotion Agency, Japan (IPA) will serve as the secretariat, and with the participation of the Agency and the Ministry of Economy, Trade and Industry, etc., will launch the Legacy System Movement and System Modernization Council (tentative name), which will identify the current situation of legacy systems and industry-specific and cross-sectional issues, and consider countermeasures.

7.6 Using data to solve problems and strengthen competitiveness

- (1) Establish a standardized mechanism (data space) for sharing data while ensuring reliability and promote DFFT
 - In the international framework for realizing DFFT (IAP), the Agency will implement a project that will lead to solving problems faced when transferring data across borders. Between the two countries, the Agency will advance discussions on more ambitious initiatives and sensitive data in light of the national conditions of each country, which require more political consideration. In addition, in order to promote such a framework (data governance) that encourages data collaboration and protection measures across borders and industries in an integrated manner both domestically and internationally, the Agency will utilize the International Data Governance Advisory Committee and the International Data Governance Study Group to strengthen public-private cooperation and collaboration among relevant ministries and agencies regarding international data distribution and utilization, taking into account the needs of the industrial sector.
- (2) Trust and the collection of digital attribute information (digital identity)
 - Participate in discussions including international standardization, and while considering the Trusted Web, which is an initiative to build a new framework of trust in data exchange, proceed with sorting out the institutional and technical issues involved in implementation and consider the state of the collection of digital attribute information (digital identity). In order to promote the social implementation of verifiable digital certificates (VC*18) and decentralized identifiers (DID*19), relevant ministries and agencies will work together to create pioneering use cases in the government.

(3) Disaster Prevention Digital Transformation

A. Construction of a Disaster Prevention Digital Platform

By 2025, the Agency will build a disaster prevention digital platform that will aggregate data from various disaster prevention information-related systems through automatic linkages, etc., and share it among disaster response organizations, etc., with the new comprehensive disaster prevention information system (SOBO-WEB) at its core, and will work to strengthen the Information Consolidation Support Team in Disasters (ISUT*20), which supports the aggregation of disaster information, etc., and will work to promote data distribution in the disaster prevention field, such as linking with data linkage platforms and L-ALERT.

B. Promotion of disaster prevention app development and utilization/Construction of a data linkage platform

The Agency will promote the development of excellent systems and services and their early social implementation and horizontal expansion, and promote the construction of a data linkage platform in the disaster prevention field to promote data linkage between disaster prevention apps and services and linkage with the new comprehensive disaster prevention information system.

C. Enhancement of disaster victim support according to the circumstances of each individual

In order to ensure that each disaster victim can receive appropriate support according to the circumstances of the disaster, the Agency will promote the use of My Number cards and promote efforts to improve the convenience of disaster victims, such as reception at evacuation centers, obtaining health and medical information including drug information, and online application for disaster damage certificates.

D. Further promotion of disaster prevention digital transformation through public-private collaboration

In the Noto Peninsula Earthquake of 2024, private digital talent entered the field of affected local governments and played an active role in supporting the disaster response from a digital perspective. Based on this experience, the Agency will consider and realize a system for dispatching private digital talent.

E. Strengthening of communication, broadcasting, and power infrastructure

In order to continue and quickly restore communication, broadcasting, and power services at city and municipal offices and evacuation centers, which are prerequisites for disaster response organizations to collect and share information during disasters and obtain disaster-related information that is important from the perspective of disaster victims, the public and private sectors will work together to strengthen and ensure redundancy of these infrastructures, improve the efficiency of inspections, and install equipment for early emergency recovery in the event of a disaster.

F. Further development and overseas expansion of disaster prevention digital technology

The Agency will promote technological research and development by industry, government, and academia on future predictions, digital twins*21, and the use of AI, and promote future-oriented initiatives while promoting the overseas expansion of Japan's excellent disaster prevention digital transformation technology and industry.

7.7 Security

- In response to changes in cyber threats surrounding Japan, the idea of implementing consistent security measures from planning to operation (security by design) is once again important in order to efficiently ensure security for information systems. In order to achieve both thorough improvements in convenience from the public's perspective and the assurance of cybersecurity, the Agency will strive to strengthen cybersecurity based on the National Security Strategy and the Cybersecurity Strategy.
- The Agency will begin to collect information from FY2024 by identifying vulnerabilities through cross-sectional attack surface management*23, including consideration toward the implementation of red team tests*22, and by using protective DNS*24.
- The Agency will also implement the development and operation of government information systems based on the "Basic Policy on Cybersecurity Related to the Management of Government Information Systems." The Agency, which builds and operates the government's common infrastructure and the authentication system for citizens and businesses, will work to strengthen the resilience of its systems, including the construction and operation of a comprehensive operation and monitoring system, and to improve its operation, monitoring, and incident response systems. In doing so, it will strengthen security measures, such as building a system based on security by design, and will steadily proceed with necessary verification and audits by the Agency's expert team and the Information-Technology Promotion Agency (IPA), an independent administrative institution.

7.8 Efforts in cutting-edge technology

(1) AI

- In order to create a virtuous cycle that accelerates innovation while reducing various risks of AI, including generative AI, and ensuring a safe and secure environment, the Agency will promote "accelerating innovation in AI and innovation through AI," "ensuring safety and security of AI," and "promoting international cooperation and collaboration." In addition, the Agency will continue to demonstrate international leadership through the Hiroshima AI Process, which is led by Japan.

(2) Web3.0

- Using technologies such as non-fungible tokens (NFTs) and decentralized autonomous organizations (DAOs) as tools to solve various social issues, and will carry out various efforts related to the establishment of consultation desks, use case creation, technology development and human resource development, globalization, regional revitalization, etc.

(3) Quantum technology

- The Agency will steadily engage in basic and applied research on quantum technology, and promote the fusion of quantum technology with fundamental technologies (AI technology, classical computing platforms, etc.).

(4) Digital Twin

- The Agency will advance pioneering initiatives such as the development and updating of digital national land master maps, the development and utilization of 3D city models, and the realization of infrastructure management DX by building digital twins of underground infrastructure.

(5) Beyond 5G (6G)

- The Agency will promote research and development, international standardization, and social implementation and overseas expansion efforts in an integrated manner for Beyond 5G (6G), a flexible, low-cost next-generation information and communications infrastructure that enables ultra-high speed, large capacity, low latency, and low power consumption while ensuring quality.

8. Strengthening the promotion system

- Strengthening the three initiatives and strengthening cross-sectional functions: In order to advance each initiative outlined in the Priority Plan, the Agency will be targeted to become an organization with a staff of 1,500 for the time being.
- Strengthening cooperation with related organizations: Cooperation with related organizations such as the IPA and the National Printing Bureau will be further strengthened.
- Consideration of medium- to long-term direction: Based on the revised provisions of the Agency Establishment Act, consideration will be given to a virtuous cycle between planning and execution, and an efficient execution system.

*1: Abbreviation for Data Free Flow with Trust. Reliable and free data distribution.

*2: Individual procedures and services are completed consistently digitally.

*3: Information that has been submitted once will not need to be submitted a second time.

*4: A one-stop service for multiple procedures and services, including private services.

*5: Regarding legacy systems that use old hardware and software, cloud services are used based on the "cloud first principle," and systems are configured using only a combination of managed services, etc., and continuous improvement (development) is carried out to optimize them in line with the latest technological trends and standards, thereby improving overall productivity and reliability.

*6: A tool released by the Agency that allows users to view information on policy progress and other information in a centralized manner using multiple numerical values and graphs.

*7: The Act to partially amend the Immigration Control and Refugee Recognition Act, etc. (Act No. 59 of 2024).

*8: An abbreviation for Application Programming Interface. A mechanism for using information and functions of other systems.

*9: The Act amending the Basic Act on the Formation of a Digital Society, etc. to Improve the Convenience of Administrative Procedures, etc., and to Simplify and Streamline Administrative Management by Utilizing Information and Communications Technology (Act No. 46 of 2024).

*10: A guidebook for administrative officials and business operators who are working on web accessibility for the first time (enabling diverse people to use digitally provided information and services, regardless of the presence or absence of disabilities, the degree of disabilities, age, or usage environment).

*11: A digital certificate that contains a wide range of information such as an individual's career, qualifications, and skills.

*12: Decision of the Digital Lifeline Nationwide Comprehensive Development Realization Council (March 28, 2024), the Digital Administrative and Financial Reform Council (June 18, 2024), and the

Digital Society Promotion Council (June 21, 2024).

*13: Decision of the Digital Administrative and Financial Reform Council on June 18, 2024.

*14: Abbreviation for Digital Public Infrastructure.

*15: Abbreviation for Software as a Service. Specific business applications, communication functions, operation management functions, development functions, security functions, etc. are provided to users as a service.

*16: Eight fields will continue to be designated as quasi-public fields: "health, medical care, and nursing care," "education," "disaster prevention," "children," "mobility," "agriculture, forestry, fisheries, and food-related industries," "ports (port logistics field)," and "infrastructure." In addition, two fields will continue to be designated as fields of mutual collaboration where cross-sectional collaboration is important: "transactions (orders, billing, and settlement)" and "smart cities."

*17: Systems that have problems such as technological aging, bloated and complicated systems, and black boxes, which have resulted in a hindrance to management and business strategies and a high-cost structure.

*18: Abbreviation for Verifiable Credential. Digital certificates whose contents can be verified online.

*19: Abbreviation for Decentralized Identifiers. A new type of globally unique identifier designed to allow individuals and organizations to generate their own identifiers using a system they can trust. This new identifier can be authenticated using cryptographic proof such as a digital signature to prove that an entity has control over it.

*20: Abbreviation for Information Support Team.

*21: A foundation for the formation of a digital society that aims to transform society into one that creates a dynamic virtuous cycle by fusing cyberspace and physical space (the real world) and constantly changing.

*22: A practical penetration test in which a "red team" simulating an attacker carries out an attack based on a scenario that takes into account a threat analysis for each test target, and verifies the effectiveness of the test target's response to a cyber attack.

*23: An initiative that constantly evaluates the information systems of government agencies and other organizations across the organization via the Internet, and encourages the ongoing correction of vulnerabilities, etc.

*24: An initiative that utilizes the Domain Name System to protect users from threats such as malicious websites and malware, and accumulates domain names and IP addresses used by these threats.

Source: Digital Agency of Japan

Created by translated of "Priority Plan for the Realization of a Digital Society" Overview(URL: https://www.digital.go.jp/assets/contents/node/basic_page/field_ref_resources/5ecac8cc-50f1-4168-b989-2bcaabffe870/00589516/20240621_policies_priority_outline_02.pdf)

添付資料 1 8

Forum on Promotion of Investment and Industry
20th February 2025
Dodoma, Tanzania

Time: 08:00-08:30 Registration, 08:30-15:00 Forum
 Organizers: Ministry of Industry and Trade (MIT)
 President Office – Planning and Investment (PO-PI)
 Japan International Cooperation Agency (JICA)
 Place: Rafiki Dodoma Hotel (Sechelela Street, Dodoma)
 Language: Swahili with simultaneous English interpretation

PROGRAMME

TIME (EAT)	ACTIVITIES	SPEAKERS
08:00	Registration	All
08:30	Opening remarks	Permanent Secretary, MIT
08:45	Presentation: Industrial Policy Development	Director of Industrial Development, MIT
09:30	Q&A/Discussion	All participants
10:15	Break	
10:45	Presentation: The role of LGAs in promotion and facilitation of investment	Director of Private Investment Division, PO-PI
11:30	Q&A/Discussion	All participants
12:15	Lunch	
13:15	Presentation of JICA Advisors activities since inception	JICA Advisor Team Leader
13:45	Presentations by Feasibility study experts Project outlines of F/S	JICA Advisors/ MIT/NDC/SIDO
14:45	Q&A	All participants
15:10	Feasibility study certification	JICA Tanzania Office
15:20	Closin	Director, PO-PI
15:30	End	

添付資料 1 9

JICA Advisors for Industrial Development and Investment Promotion
Feedback
for National Investment Development Policy 2022 and for Implementation Strategy for
National Investment Development Policy 2022 for 2022-2032

10 October 2022

JICA Advisors to the Ministry of Investment, Industry and Trade (MIIT), consisting of four Advisors namely Yuko Tanaka, Jun Nishida, Hideki Tabuchi and Fumikazu Gocho, have reviewed *the National Investment Development Policy 2022* and *the Implementation Strategy for National Investment Development Policy 2022 for 2022-2032*, upon request by Investment Development Division of MIIT, and thus recommendations/suggestions for possible improvement to the aforementioned documents are prepared and summarized below for reference.

1. National Investment Development Policy 2022

- P18-19: the Policy stipulates in the 3rd paragraph on P18 towards P19 that, ‘it is important as well to have a feeling of how sectoral investment perform overtime ... information and communication (11%)’. Nevertheless, the Policy does not refer to priority of industrial sub-sectors for future, and stays distant from the idea of sector-oriented industrial development. In order for the Policy to attract more attention on the relevant stakeholders, it is preferable to maintain the discussion on sector priority.
- This document may require professional proof-reading. For example, P11, L10: East African Common Market (EAC) should be either Common Market for Eastern and Southern Africa (COMESA) or East African Community (EAC). P12, L3: NIP 2022 should be NIDP 2022 (NIP nor NIDP are listed on the Abbreviations, and Abbreviations spelled wrong as Aberevations (p5-6)). There are other errors to be corrected and review of Abbreviations list is also recommended.
 - (1) Introduction
 - (2) Rational, Vision, Mission and Policy
- P25, No 5 : “local content” is a rather tangled expression in investment promotion as ‘local content’ tends to discourage and distort investment by imposing additional costs on firms (OECD), and it often is argued that local content regulations (LCRs) essentially create discrimination against foreign investors although it is recognized that LCRs are measures in place to protect specific local industries (but this is not the industrial policies). It is advisable to replace the “local content” throughout the document, if possible, to other types of expressions such as fostering the linkages between foreign investors and local companies or maximizing use of locally available resources.

(3) Policy Issues

- 1) fiscal and non-fiscal framework
 - P27: ‘promotion and facilitation of a friendly and predictable investment environment and climate’ in the 2nd paragraph and ‘include cumbersome procedures for investment approvals, multiple and conflicting regulations, low predictability of policies and multiple fees and taxes’ are relevant but much more relevant to the 3.6. Legal and regulatory framework since ‘a relatively competitive tax regime and incentives (fiscal and non-fiscal)’ is primarily to boost investment and accelerate/influence positively decision making process by supporting investors to set up and grow their business fiscally or non-fiscally. The idea of boosting or accelerating investment can be incorporated in the objectives.
- 2) Global and regional value chain
 - This objective will also hand-in-hand with national industrial development policy, trade development policy and SME development policy, in addition to the regional harmonization. Overall impression is that this Policy may need closer coordination (statement of coherence) with relevant policies and strategies at MIIT – relevance with the national development policies such as FYDIII are noted in the paper though.
- 3) Investment Diversification and Competitiveness: refer to the sector-priority issues explained above (P1).
- 4) Resources for Investment: Land, Human and Financial
 - I. Land resource for investment
 - Development of SEZ/IP can be also an alternative land resource for investment – harmonizing with SIDP2025?
 - II. Financing for investment
 - III. Human capital
- 5) Local Content and Economic Empowerment
 - Refer to the comment above 2) Rational, Vision, Mission and Policy.
- 6) Legal and regulatory framework
 - Not only implementation but also enforcement is highly important.
 - Refer to the comment above 1) fiscal and non-fiscal framework.
- 7) Institutional framework
- 8) Diaspora
 - Number of Tanzanian Diaspora, value of remittance by Diaspora, and/or some cases of Diaspora investment can be incorporated to indicate the significance of their contribution and potential for engagement in investment.
- 9) Public and Private sector partnership

10) Cross-cutting issues

- Contribution to the achievement of SDGs can be incorporated in this section as this section deals with quality aspects of investment, which are increasingly important globally, like environmental issues and gender issues covered below.
- It is suggested, if not already done, that the Policy and the Strategy would be reviewed by relevant authorities to ensure the policy is in line with national and global policy and accords of specific issues addressed below.

I. Environment and Climate Change

- As mentioned above, neither the Policy nor the Strategy has stipulated the related industrial sub-sectors concerning the climate-change issue, while the same has been categorized under the “cross-cutting issue”. With regard to investment promotion, climate-change could be a promising sector to attract foreign direct investment. If the investment is related with energy development, it should be the climate change mitigation which accelerates CO2 emission reduction. While the Policy and the Strategy describes common challenges of Tanzania including natural disasters and threats on human health, these are the issues which cannot be mitigated by one single investor. In order to affirmatively develop investment, the Policy and the Strategy should state how the Government of Tanzania can encourage the investors to positively cooperate with the Government to contribute for the Paris accord implementation. Proactive engagement with awareness raising, development of renewable energy sources, promotion of resource efficiency and possible introduction of carbon pricing in future can be referred to.¹

II. Good Governance

III. Gender, Disadvantaged and Youth

- The Policy and the Strategy refer to the issue as a whole, without paying much attention on possibility to link them up with investment development. For example, the SDGs’ goal 1 (disadvantaged), Goal 5 (Gender) and Goal 8 (youth) should be treated as part of common interest between the government of Tanzania and the potential investors, many of who should esteem the SDGs compliance. In this sense, the Policy can refer to the SDGs and further consider make it as an incentive to the investors to comply with the Goals, and it should be much encouraged to communicate with the relevant authority of national welfare to enhance the positive implication of the Policy and the Strategy.

¹ There is a risk on FDI to Tanzania to be recognized as what Europeans have been vigilant as “Carbon leakage”, to escape from international cost sharing for the climate change mitigation, which will be subject of the Cross Boarder Adjustment Mechanism (CBAM), a newly introduced import levy by the European Union, in case of exporting the products to EU.

IV. Pandemic and Other Shocks

V. HIV and AIDS, Communicable and Non- Communicable Diseases

(4) Legal and Regulatory Framework

(5) Institutional Framework and Monitoring and Evaluation

2. **Implementation Strategy for National Investment Development Policy 2022 for 2022-2032**

- The Implementation Strategy has been well linked with the Policy, particularly above mentioned tendency to stay distant from the sector-oriented industrial development as well (see P1), which forced the Strategy to look plain and charmless. If the investment is recognized as something to be widely promoted toward the international market, it is inevitable for the authority to further entrench the discussion on the sector priority so that potential investors can distinguish what is the exact opportunity for them to think about Tanzania.
 - Basically, the Policy and the Objectives are related to NIPP 1996 Implementation challenges, and Emerging Issues and Cross-cutting Issues are set. However, in some cases, NIPP 1996 Implementation challenges stated in the NIDP 2022 are not fully addressed in the Strategy. Under-addressed issues are pointed out in the below relevant Policy Objectives.
 - As the Implementation Strategy is a long-term plan for 10 years, it would be more appropriate to implement in phases, with a review at the end of the first phase (after the first five years) and an update of the plan for the second phase.
 - This strategy may appear to be rather unaccommodating for investors to understand since it consists entirely of text. It would be desirable to present the framework and other information in charts and diagrams.
- (1) Introduction: NA
 - (2) Situation Analysis: NA
 - (3) Vision, Mission and Objectives: NA
 - (4) Implementation of Policy Objectives, Strategies and Targets for National Investment Policy
 - 1) fiscal and non-fiscal framework
 - P17 Strategies: i) is blank.
 - P18 Targets: i) and iv) are both 'mechanism/framework for doing comprehensive review of fiscal and non-fiscal incentives' and while i) is reviewed every 3 years, iv) is reviewed every 5 years. Investors will be puzzled by these approaches. In addition, there are 4 mechanisms/frameworks to review incentives in different time frames either 3 or 5 years. It's rather complicated and it is advisable to redefine and simplify the Targets.
 - Importance of reinvestment by existing investors is recognized under the NIPP 1996

Implementation challenges, No.3 in the Policy but the responding measures have not been developed in the Strategy, and thus it would be recommended to add this aspect, and in this regard, improved aftercare services would be stipulated as one of non-fiscal incentives.

- 2) Global and regional value chain
 - P20-21: vii) and viii) in the Strategies and also in the Targets can be supported by SME Act or develop Industrial Competitiveness Enhancement Act rather than investment promotion strategy as providing support only to local companies may appear to foreign investors as discriminatory, and it might lead to discourage FDI. It is, therefore, important to coordinate closely with relevant industrial or SME development measures.
- 3) Investment Diversification and Competitiveness
 - P21 Strategies: To consider of i), not knowing the strengths and weaknesses of the current investment promotion marketing framework/strategy, how has this strategy been developed? Strategies should be formulated after assessment of SWOT analysis, sectoral analysis or benchmarking so that the priority sectors for investment diversification are determined.
- 4) Resources for Investment: Land, Human and Financial
 - Either the Land section or Financing for investment section, establishing an infrastructure development fund to prepare industrial land with appropriate infrastructure for investment should be incorporated. JICA Advisors assistance should be in line with investment policy/strategy.
 - I. Land resource for investment
 - II. Financing for investment
 - III. Human capital
- 5) Local Content and Economic Empowerment
 - Same as the comment stated in the Policy.
- 6) Legal and regulatory framework
 - The non-transparent tax regime described in the NIPP 1996 Implementation challenges No.7 and Emerging Issues No.5 in the P20-P21 of NIDP2022 is a critical issue for foreign companies considering investment, so it can be one of the Specific Objectives or at least specify the tax system in Specific Objectives.
 - Similarly, the Specific Objectives for No.8 in P20 of NIDP2022, states “existence of high compliance costs in monetary terms and time in starting and operating a business.”, and this issue should be added (the issue is not well addressed).
 - MIIT’s BluePrint team can contribute to bring some specifications for Strategies and Targets.

- 7) Institutional framework
- 8) Diaspora
 - Strategies should include a concrete target such as xx% increase of investment value, target value of xx mln. USD or xx% increase of savings in Tanzania, etc. Then Target will state how you achieve this target, for example increase promotion and facilitation by establishing a Diaspora Desk at TIC and Diaspora windows at diplomatic missions abroad (select the countries where many Tanzanian Diaspora reside. Perhaps you can look at what Ghana IPA does.
- 9) Public and Private sector partnership
- 10) Cross-cutting issues
 - I. Environment and Climate Change
 - Refer to the above comments on NIDP2022.
 - II. Good Governance
 - III. Gender, Disadvantaged and Youth
 - Refer to the above comments on the NIDP2022.
 - IV. Pandemic and Other Shocks
 - V. HIV and AIDS, Communicable and Non- Communicable Diseases
- (5) Matrix of Implementation Strategy for NIDP2022
 - Is the time frame realistic? It looks many activities are planned in the first 2 years. A Gantt chart should be developed and inserted to make the process of implementation clearly defined, visible, as well as manageable.
 - In general, the strategy should provide a detailed budget plan for implementation and organization. At least rough budget should be prepared and then possible financial resources need to be explored in order to enforce the targets for 2023 and the first year after approval.
- (6) Responsibility of Key Stakeholders:
 - No comments due to in-depth analysis of relevant institutions being not carried out by JICA Advisors.
- (7) Monitoring and Evaluation
 - In general, for monitoring and evaluation, Key Performance Indicators (KPIs) should be stipulated. As already explained above sections, for each strategic objective, introduction of measurable performance indicators is highly recommendable – e.g. instead of ‘considerable increase’ type of indicators, value of the investment projects being targeted or certain percentages of increase of investment value being targeted types of measurable indicators need to be defined.
 - It would be also advisable to describe the responsible department, frequency, and method in more detail.

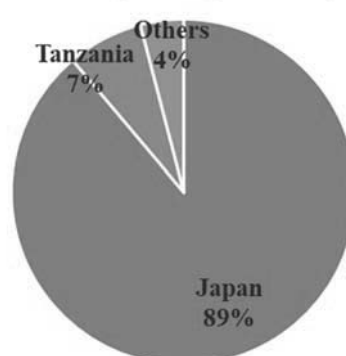
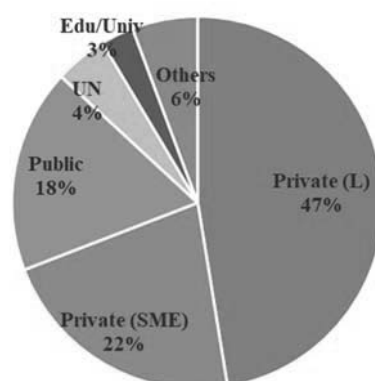
添付資料 2 0

Tanzania Investment Webinar on 18 May 2023

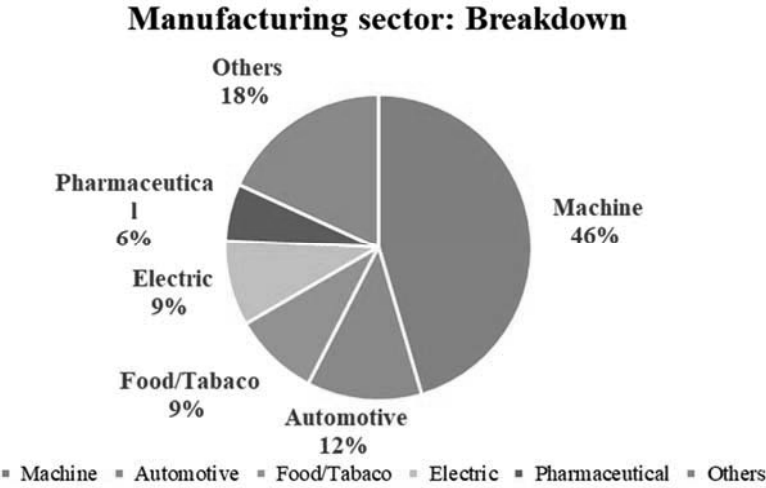
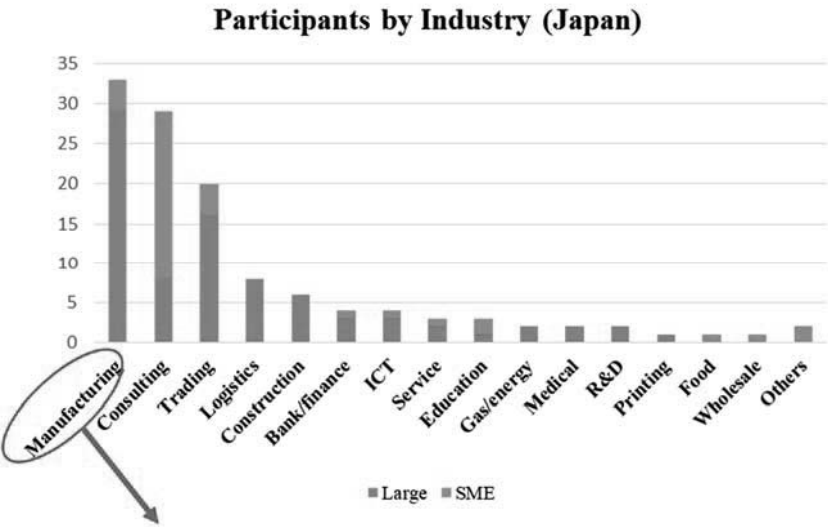
Survey on industrial sectors of participants

10 October 2023

As a follow-up to the Tanzania Investment Webinar targeting Japanese investors held in May this year, a list of participants (names of companies) was shared and a survey was conducted on the industry sectors of the participating companies. Of the 197 participants, approximately 90% (89%, 175) were from Japanese and Japanese-affiliated companies and organizations, of which 70% (69%, 121) were from the private sector. Approximately 30% (38 persons) of the participants from the private sector belonged to small and medium-sized enterprises, of which more than half (55%, 29 persons) were from the consulting sector (including accounting firms). The breakdown of participants from the large companies, which accounted for 70% of the private sector, was dominated by the manufacturing sector (35%, 29 participants), followed by trading houses (19%, 16 participants). Given that 46% (15) of the total number of participants from the manufacturing sector were in the machinery sector and that many were from trading companies, it is highly likely that the participants were interested in the Tanzanian market as a marketing and export destination.

Participants by Country**Participants by Sector (Japan)**

■ Private (L) ■ Private (SME) ■ Public ■ UN ■ Edu/Univ ■ Others



添付資料 2 1

Tanzania Investment Webinar – 18th May 2023

Questions/requests by participants

	Questions/requests	Industry sector
1	I would like to know the policy direction on the automobile market in Tanzania. Intention to limit the importation of used cars?	Manufacturing – Automotive
2	How does Komonoya differentiate itself from the Chinese-owned MINISO? Are all products shipped from Japan?	Consulting
3	Please comment if you know the potential of logistics business using frozen warehouses in Tanzania (cold chain).	Consulting
4	What is the current practice of foreign exchange remittances (Tanzania to foreign countries) in Tanzania?	Freelance
5	Information on Tanzania's macroeconomic trends, public finances, external debt, foreign currency reserves, and external ratings of the government and representative companies.	Finance
6	To Matoborwa Company Limited, St. Parts Co., Ltd. From the initial investment to the time the business started to grow, was the amount actually invested within your expected/planned amount?	-
7	If set up a food manufacturing in Tanzania, where would be the ideal location in terms of infrastructure and logistics? (Assuming sales within Tanzania and East Africa)	Manufacturing - Food
8	I would like to know about the conditions of waste treatment of 1) household waste and 2) organic waste from the agricultural and fisheries industry, and also about the future measures.	Consulting
9	I would like to know the differences of the tax system and company law between the mainland and Zanzibar, and what to keep in mind when doing business in both mainland and Zanzibar.	Consulting
10	I would like to know about the possibility of joint film production between Japan and Tanzania.	Entertainment
11	I would like to know the employment status of university graduates in Tanzania. Does the Tanzanian government expect that FDI including that from Japan, will improve the domestic employment situation?	Research student
12	Info on new business opportunities	Trading and Investment
13	Info on annual sales of tractors, combines, cultivators and other agricultural machineries.	Agricultural machinery
14	Info on Japan Desk	Medical equipment

15	Information on LNG projects and Temporal Work Permit	Energy
16	Information on labor cost of workers, and technicians. Precaution when hiring people in the country	Manufacturing - Machinery
17	Information on legislations, Start-up and Transport/life/industrial infrastructure	Manufacturing – Automotive
18	Detailed information on the process of starting a business. Overview of each sector, etc.	Consulting and investment

添付資料 2 2

TANZANIA BUSINESS ENVIRONMENT

BLUEPRINT FOR REGULATORY REFORMS TO IMPROVE THE BUSINESS ENVIRONMENT

IMPLEMENTATION STATUS REPORT

LYDIA SAMUEL WANGWE

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EXECUTIVE SUMMARY

As the English implementation status report is not available. This document is prepared by Lydia Wangwe (Project coordinator of JICA advisors) in lieu of the unavailable English official report. This report consolidates current available data from the business environment unit regarding the implementation status of regulatory reforms. This report contains the objectives of the blueprint, the ten principles guiding reforms and the overall success of the implementation of blueprint for regulatory reform to improve the business environment.

1. INTRODUCTION

1.1 Objectives of the Reforms

The main objective of the Blue Print is to propose reforms to improve Business Environment in Tanzania through reduction of the regulatory burdens and risks faced by businesses in complying with regulations. The proposed reforms will reduce the regulatory burdens to businesses by:

- i. Adopting and implementing mechanisms that will promote and ensure efficient regulatory policy.
- ii. Simplifying the business-regulatory regime to avoid duplications and overlaps of mandates within the regulatory agencies;
- iii. Promoting transparency of the regulatory regime by using Information and Communication Technology (ICT) platforms that provide information on regulatory processes to the general public.
- iv. Establishing a monitoring and evaluation system for effective implementation.

1.2 Ten (10) Principles of The Regulatory Reform

The blueprint for regulatory reform to improve the business environment has ten principles that guide reform. Implementation of the blueprint follows principles that aim at improving and enhancing transparency of government operations, support rule based decisions and promote accountability in the public sector. They will moreover enhance systematic partnership engagement and dialogue with the private sector; and will allow the application of risk-based approaches to licensing and inspection functions of various regulatory authorities.

The ten principles are as follows:

I. Separate revenue motives from the regulatory rationale of regulatory agencies

The blueprint for regulatory reform objective of licenses, fees and charges by the central and local governments ought to ensure that fees charged for licenses should not be considered as a main source of revenue generation but should be charged to cater for the cost of providing services or administration.

II. Smart revenue motives should use smart instruments

The procedure for payment and service provision to the private sector has been done by respective individual bodies/institutions in their own given time resulting to cost of time and money. The blueprint aims to ensure that where revenue motive is justifiable, the administration of the revenue measures are not too costly and excessively inconvenient to the private sector. Therefore, where possible, single-window payment systems should be scaled up.

III. Consolidate similar regulations and remove overlaps

Laws, regulations and procedures of regulatory authorities overlaps resulting to regulatory burden on the part of the private sector and on the side of the government.

For instance, law sections of Energy and Water Utilities Regulatory Authority (EWURA), Land Transport Regulatory Authority (LATRA) and Tanzania Shipping Agencies Corporation (TASAC) were overlapping for a long time with the law of Tanzania Bureau of Standards (TBS). The blueprint aims to remove overlapping duties/ regulatory burden.

IV. Treat regulations as an integral part of trade policy, competitiveness, protection of consumers and safeguarding the public goods

The regulatory framework should be so engineered as to serve as an instrument of trade policy. Regulations should be enacted with the intent of promoting both domestic industries and export trade.

V. Paying heed to the overlap between the regulatory motive and sector /product promotion

In case the general/central regulatory agencies overlap with a sector specific regulatory agency that is also mandated to promote the sector/product, the sector specific agencies should be assigned to the sector specific agency in order to minimize overlaps

VI. Promoting fair and strategic competition, productivity and innovations

Where applicable, reform should aim at minimizing regulatory burdens and costs that can potentially stifle productivity, innovation and competition. The Regulatory framework should aim at providing the necessary flexibility for the regulated industry to adapt to the rapid pace of technological change and on-going development of business models.

VII. Ensuring predictability , certainty and consistency in application

Ensuring that the regulatory framework is clearly understood by both administrators and the business community and is applied consistently and standardized so that industry has the requisite certainty to secure future investment. Should there be a need for a policy change, a reasonable timeframe should be given to the business community to adjust accordingly.

VIII. Carry out Regulatory Impact Assessment (RIA) for all future regulation proposals

It should be mandatory for all regulations and LGA by-laws which are likely to impact upon a substantial part of the business community to undergo a detailed Regulatory Impact Assessment.

IX. De-regulation does not mean absence of regulation

The implementation of the proposed reforms should lead to a smart regulatory framework, which is more effective in protecting the well being and livelihoods of members of the community. It should also enhance fair competition, provide for sustainable environment and guarantee national interest and security.

X. Address operational inefficiency within and across regulatory agencies

Regulatory agencies should review and enhance internal and external transparency and communication, including strict adherence to performance management culture, e.g. the citizen's client charter, performance pledge and customer strategy, and guarantee feedback to private sector timely as enshrined in the approved client charter

2. OVERALL SUCCESS OF IMPLEMENTATION OF BLUEPRINT FOR REGULATORY REFORM TO IMPROVE THE BUSINESS ENVIRONMENT

The implementation of blueprint has brought various successes i.e. expanding of businesses, increase in employment, improved performance of regulatory agencies , improved means of revenue collection , community development and economic development .

These successes are a result of removal of charges, fees and fines, establishment, single-window payment systems and one-stop service centers. Other outcomes as a result of executing the blueprint includes: increase in number of registered companies, increase in the use of ICT platforms, revenue increase as a result of merging of regulatory agencies.

In making sure that the blueprint is implemented effectively , the Government has successfully established: a department of industry, trade and investment at the local government level and; a business environment unit in the Ministry of Investment, Industry and Trade which has the duty of coordinate the implementation of the blueprint in all sectors.

2.1 Removal Or Reduction Of Charges, Fees And Fines

The Government has removed or reduced 232 charges, fees and fines in a 2017/18 and 2021/22. Charges, fees and fines that were reduced were those which imposed challenges to the private sector in the domestic business environment which were imposed by the Government Chemist Laboratory Authority (GCLA) , Sugar Board of Tanzania (SBT), Tanzania Medicines and Medical Devices Authority (TMDA), Tanzania Bureau of Standards (TBS), Occupational Safety and Health Authority (OSHA) and Fire and Rescue Force (FRF).

Private sector stakeholders have indicated that these improvements have significantly reduced cost and have contributed to ease of doing business in the country including importing and exporting of cargo at the port.

2.2 Increase In Compliance With The Laws, Regulations, Rules And Procedures

The success of implementing the blueprint in removing or decreasing charges, fees and fines along with other changes like establishing ICT system, single-window payment systems, one stop centers has resulted to positive impact from the private sector. This is due to high level of compliance with the law, regulations, rules and procedures. On the other hand, it has simplified the work of regulatory agencies resulting to efficiency. As a result, increase in revenue of regulatory agencies became the unintended outcome.

Nevertheless, the blueprint emphasis is that regulatory agencies continue to reduce or to remove charges, fees and fines in order to enable the private sector to conduct business while adhering to the law, regulations, rules and procedures.

2.3 Increase In Registered Businesses

The implementation of the blueprint by regulatory agencies have influenced domestic investment and business. Baseline research was conducted before the implementation

of the blueprint. In 2022, the Ministry of Investment, Industry and Trade conducted an impact evaluation research. The research findings revealed that Business Registrations and Licensing Agency (BRELA) baseline data in 2018/19 was an average of 7,817 registered companies yearly. Contrary to 2021/2022, BRELA registered an average of 10,656 companies in a year. BRELA has been achieved the significant increase due to the installed Online Registration System (ORS system) and changes in the laws, regulation, rules and procedures of registration.

Private sector stakeholders also indicated that registering of businesses have contributed to increase in employment, new technology, knowledge transfer and economic development.

2.4 Implementation Of ICT Systems

The Government has designed and developed IT systems to simplify the process of service provision to the public and the private sector in a timely manner and to minimize cost. The development of IT systems has facilitated the removal of bureaucracy and reduction of corruption loopholes by reducing physical interaction between the users and regulatory agencies.

Private sector stakeholders enjoys the established ICT infrastructure which has brought immerse contribution by reducing congestion and the regulatory burden through online procedures, integration of agencies (i.e. BRELA, GCLA,TMDA, TCRA etc) databases.

2.5 Establishment Of An Online Platform For One Stop Facilitation Services

Tanzania Electronic Investment Window (TeIW) is an integrated online platform for one stop facilitation services under Tanzania Investment Center (TIC). TeIW is a gateway of 12 (TIC, NIDA, TRA, BRELA, department of work, Immigration, land, TBS, TMDA, NEMC, TANESCO and OSHA) integrated institutional system for investor's compliance and time bound clearance. This will enable an investor to get a national identification number, Taxpayer Identification Number (TIN), tax exemption, business registration, work permit, residential permit, title deed and investment certificate.

2.6 Merging of overlapping functions / mandates

The blueprint implementation has ensures that overlapping functions are removed or merged to avoid duplication of mandates or conflicting mandates. For instance, functions that were performed by both Tanzania Bureau of Standards (TBS) and Tanzania Food and Drugs Authority (TFDA) were removed from TFDA to TBS and henceforth, the establishment of Tanzania Medicines and Medical Devices Authority (TMDA). Similarly, Tanzania Plant Health and Pesticides Authority (TPHPA) and Tanzania Pesticide Research Institute (TPRI) have been merged.

Also, the Government has removed exclusive mandate of Tanzania Shipping Agencies Corporation in clearing and forwarding remaining with four functions. This step has increased competitiveness and participation of private sector.

2.7 Amendment Of Laws And Regulations

Since the adaptation of the blueprint in 2019, the Government has reviewed and amended 40 laws and regulations particularly in investment, industry, trade, agriculture, health, tourism with a sole purpose of improving the business environment.

These amended laws has reduced taxed, ease investors access to land, promote businesses and economic growth.

2.8 Establishment of Joint Inspection

The blueprint has emphasized the initiation of joint inspection plans that takes into consideration risks in order to reduce evaluation time and to remove inconvenience to the private sector.

For instance, the National Environment Management Council (NEMC), Tanzania Bureau of Standards (TBS), Occupational Safety and Health Authority (OSHA) and Fire and Rescue Force (FRF) conduct joint inspection.

2.9 Strengthening Of One Stop Service Centers

The blueprint implementation has succeeded in strengthening one stop service centers to improve service delivery to the private sector.

For Instance, TIC has continued to serve investors through the one stop service center. Employees from the labor department, investment, land, NEMC, TBS, OSHA, TMDA, NIDA are connected with the headquarters of their Institutions to facilitate the provision of services to investors and relevant officials can process in the system applications for permits and licenses while being in TIC .

2.10 Establishment of Departments of Investment ,Industry and Trade

Departments of investment, industry, trade have been established at the local government level to accelerate the improvement of the business environment and serve the private sector and solve their challenges in a timely manner.

These departments are expected to be the catalyst for the implementation of various improvements in Local Government authorities including managing the establishment of service centers and the establishment of a single-window online service. In addition, these Departments will supervise the implementation of the Laws specified in the improvement plan and solve the challenges of business people.

2.11 Establishment of Blueprint Coordination Unit

This unit has been established to work closely with the ministry's sectors on a daily basis in the implementation of the plan. The blue print coordinating unit is responsible for monitoring the implementation of activities in accordance with the blueprint for regulatory reforms to improve the business environment improvement implementation plan.

3. CONCLUSION

The government is continuing to implement the blueprint by reviewing laws ,regulations, rules and procedures and removing charges, fees and fines that were an obstacle for the private sector. According to the head of business environment, the blueprint is implemented based on ten key principles. Moreover, the government in collaboration and consultation with the private sector has improved 42 regulations out of 88 regulations that were major change to the private sector. This achievement is an equivalence of 40% and the outstanding regulations will be changed by 2024. In the process of improving the business environment the Government has also addressed 232 out of 380 fees related to administration and production. The government has removed similar roles in regulatory authorities or in other words merged institutions which had significant overlapping and conflicting mandates to enhance performance and service provision to the private sector.

添付資料 2 3

SPARE PARTS MANAGEMENT IN TANZANIA

Lydia Wangwe

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EXECUTIVE SUMMARY

This report includes both primary and secondary sources of data through review of documents and interview with the Ministry of Industry and Trade departments (Department of Industrial Development and Department of SME)

1. SPARE PARTS MANAGEMENT IN TANZANIA

Effective spare parts management is crucial for supporting industrial development in Tanzania in order to:

- i. **Minimize Downtime:** Industrial machinery and equipment are prone to breakdowns, which can result in costly production downtime. Proper spare parts management ensures that critical components are readily available, reducing the time needed for repairs and minimizing disruptions to production schedules.
- ii. **Optimize Asset Utilization:** Efficient spare parts management allows industries to maintain their equipment in optimal condition. By ensuring timely repairs and replacements, companies can extend the lifespan of their assets and maximize their return on investment.
- iii. **Enhance Reliability:** Reliable machinery is essential for consistent production output and product quality. Through effective spare parts management, industries can ensure that their equipment operates reliably, reducing the risk of unexpected failures and associated losses.
- iv. **Reduce Cost:** Well-managed spare parts inventories help control maintenance costs by minimizing emergency purchases and reducing the need for expedited shipping. By optimizing inventory levels and streamlining procurement processes, companies can achieve cost savings in spare parts management.
- v. **Facilitate Expansion:** As industries grow and expand their operations, spare parts management becomes even more critical. Proper planning and investment in spare parts infrastructure enable companies to scale up their production capacity efficiently and support sustainable growth.
- vi. **Support Supply Chain Resilience:** A robust spare parts management system contributes to supply chain resilience by ensuring continuity of operations, even in the face of disruptions such as supply chain bottlenecks or unexpected equipment failures.
- vii. **Drive Innovation:** Innovative spare parts management practices, such as predictive maintenance and advanced inventory optimization techniques, can drive efficiency improvements and innovation within industrial operations, leading to competitive advantages in the marketplace.

Conversely, factors such as regulatory compliance, quality assurance, and sustainability practices play a crucial role in ensuring the availability and reliability of spare parts supply chains.

Below are institutions responsible for spare parts management.

1.1 Tanzania Bureau of Standards (TBS)

Pursuant to Section 4 (1) of the Standards Act Cap.130, the Tanzania Bureau of Standards major function includes to undertake measures for quality control of commodities, services and environment of all descriptions and to promote standardization in industry and trade (TBS, N.D). This includes the quality control of spare parts.

Tanzania Bureau of Standards (TBS) also urges importers to adhere to rules and regulations on standards to avoid bringing low quality goods into the local market.

Tanzania The inspections go hand in hand with provision of education to sellers of spare parts (TBS 2022) and buyers on adhering to rules and regulations on imports would not only help selling quality goods in the market but also avoid incurring losses that may arise from destroying substandard goods imported into the country (TBS, 2021).

1.3 Tanzania Revenue Authority (TRA)

In Tanzania the Importation of used motor vehicles and spare parts is covered under excise duty on motor vehicle and is overseen by the revenue authority.

Excise duty on motor vehicle charged based on cylinder capacity, imported used motor vehicles are charged extra Excise duty as follows;

- used vehicles excluding agricultural tractors aged 8 years but not more than 10 years charged at the rate of 15%
- used motor vehicles aged more than 10 years from the year of manufactures charged at the rate of 30%.
- used buses aged more than 5 years from the year of manufactures charged at the rate of 10%.
- used spare parts for motor vehicles and motor cycles the rate is 25%.

2. SPARE PARTS MANAGEMENT CASES BY SECTOR

2.1 Industry Machinery and Equipment

According to the Department of Small Medium Enterprises (DSME) processing machines for SMEs are developed locally and the availability of spare parts is guaranteed including imported machines. However, this is limited to mechanical aspect only as spare parts for electronic appliances are difficult to replicate.

According to the Department of Industrial Development Assistant Director, the private sector has the liberty to purchase machines of their choice. However, there are cases where the private sector both small and large enterprises do not take into consideration after sale service of the machinery/ equipment purchased. That is the consideration of availability, lead time required for making them available, cost of spare parts as well as skilled labor to conduct repair and maintenance. There is a need to raise awareness and sensitization to private sector on things to consider before procuring machinery.

My (Lydia) Observation

MIT has 30 divisions under the Department of Industrial Development. Observing the MIT divisions, spare parts are only covered under Division 29: Manufacture of Motor Vehicles, Trailers and Semi- trailers

[Manufacture of motor vehicles, bodies (coachwork) for motor vehicles, trailers and semitrailers, parts and accessories for motor vehicles]

This indicates that there is no specific division that is responsible for all other spare parts (other types of machines that are not of automotive industry) and that the MIT as a coordinating unit is limited to overseeing spare parts management consistent to Division 29 stipulation. This implies that the divisions are focused on establishment of manufacturing plants and production but not repairs/maintenance (spare parts) which is vital for continuity and sustainability of industries

On the other hand, spare parts for large and small industries including the engineering, research, design, prototype and production are done by institutions under MIT. However, since there is no specific division for spare parts management at the Ministry this can subject to lack of coordination and effective supervision for MIT as a coordinating unit to its institutions and the private sector. Therefore, spare parts management should begin at the Ministerial Level translating down to its institutions.

2.2. Automotive and Agriculture Sector

Establishment and review of Customer Service Agreement (CSA) is crucial to ensure after sale services is feasible. There are cases where spare parts purchase is very expensive as a result of not adhering to clauses in the contract before signing. For instance, the loan from Poland to establish a tractor assembling factory that was meant to enhance the agriculture sector. The National Development Corporation (NDC) has done a tremendous job so far of having assembled 770 tractors and 140 ploughs out of 2,400 tractors and 1,300 ploughs supplied in the market (The Citizen, 2021).

According to MIT, In the contract spares were termed to be supplied by the manufacturer, however the rates stipulated were very expensive about three times higher than spares available in the market. For instance, filter is priced at TZS60,000 but other bands are priced at TZS20,000. Consumption is commonly expressed in terms of quantity and value and for an item

like oil filter is of high quantity (will be demanded at a large number) and high turn (frequently changed) therefore rates could have been carefully negotiated.

Based on their origin or source, spare parts are classified as manufactured and purchased. Original Equipment Manufacturers (OEMs) usually have better control over parts that are manufactured inhouse as compared to those that are procured from external sources. As a result of high-priced spare parts, private sector tractor owners opted to purchase spare parts from other brands which worked for some parts but not all. As a result of substitution, tractor owners ended up with breakdowns of other parts. To assist with the challenge faced by the tractor owners, Tanzania Automotive Technology Center (TATC) Nyumbu intercepted to design tractor spares however, this is not for all parts.

2.2 Automobile Spare Parts

African customers prioritize affordability over quality when making purchasing decisions. A strong demand for Chinese tires in African markets is due to their affordability and perceived value. Typically, used spare parts are sourced from damaged vehicles sold by insurance companies or through police auctions. While mechanical components generally sell for 25% of the price of new genuine parts, body parts, which are in higher demand, often fetch around half the price of new ones. However, pricing can vary depending on the condition and availability of the specific spare part in the market. (Africa Business, 2024)

According to MIT Engineer, locally there are private sector companies that have machines that produce spare parts. This includes in areas like Kariakoo and Tabata Dampo. However, they do parts filling of parts that are worn out. However, the material quality used is low as the materials are light causing bursting of i.e. bolts. In addition, refilling has three (3) sizes where with each repair it requires a larger filling and the replacement block expansion later causes decrease in oil efficiency.

The imported spare parts from the manufacturer are expensive. While importers might bring in products with fake license, TBS can trace from the manufacturer using barcode number and other specifications. However, it is not easy for TBS to have an omnipresence to trace all spare parts and other products that are imported and produced in the country.

Most raw materials for spare parts are imported since the local recycled products have low quality.

2.3 Health Sector

In Tanzania, medical devices and their spare parts are highly regulated whereas unacceptable medical devices and their parts, in vitro diagnostics and laboratory equipment purchased or donated are not allowed into the country.

Any person who intends to conduct business related to products regulated under the Act, shall pay fees and charges as specified in the First Schedule. The fees and charges for regulated products i.e. Spare parts and Accessories in covered under the first schedule at a fee of USD 500

Application for importation of spare parts of medical devices including laboratory equipment shall be accompanied by the letter stating reasons for importation and the following;

- a) A contract of preventive and corrective maintenance between the supplier and the facility (where applicable);
- b) A letter from the facility stating the need of such spare part (where applicable);
- c) Proof of availability of machines in the Tanzania Mainland.

3. SPARE PARTS MANAGEMENT IN PUBLIC INSTITUTIONS

Spare parts management is not only a challenge to the private sector but also poses a great challenge to public institutions and authorities.

Spare parts management requires:

- minimizing downtime by ensuring critical components are readily available,
- optimization of asset utilization by ensuring timely repairs and replacements, companies can extend the lifespan of their assets and maximize their return on investment.
- equipment operates reliably, reducing the risk of unexpected failures and associated losses.

However, for the case of TPA, the CAG report reveals operational efficiency of business and strategic public entities in enhancing business environment being of a challenge.

On the other hand, in relation to spare parts management lessons can be learned from the distribution agreements of the purchase of Government motor vehicle. The same can caution fair competition aspect in future dealings and agreements of purchase of spare parts.

3.1 Tanzania Port Authority: Equipment Management And Maintenance

TPA management revealed that in relation to spare parts management the recurring issue of low gang and crane productivity at Tanga and Dar es salaam ports is mainly caused by the frequent breakdowns of critical equipment, including the Gottwald, spreader, and reach stacker. There is a concern that delays in execution of planned activities might lead to extended timelines for cargo handling and dispatch and as such this kind of operation have reputation issue to the Port and customers can shift to other competitive ports.

The CAG recommended that TPA institute a comprehensive and scheduled maintenance program for all tools and equipment utilized in port operations, encompassing regular inspections, preventive maintenance routines, and timely repairs to mitigate the risk of unexpected breakdowns.

3.2 Fair Competition: Distribution Agreements

The CAG report elaborates the exclusive distributorship agreements with anti-competitive clauses on purchase of Government motor vehicles.

Section 9(I) of Fair Competition Act, 2003 prohibits a person to make or give effect to an agreement if the object, effect, or likely effect of the agreement is: (a) price fixing between competitors; (b) a collective boycott by competitors; or (c) collusive bidding or tendering.

According to the CAG report, three supper dealers (Toyota Tsusho Corporation, African Automotive Trading Limited and Tata Motors Limited) have exclusive distributorship contracts

with three motor vehicles distributors/manufacturers as reported in Fair Competition Commission (FCC)'s investigation reports which was conducted under the directive of the Ministry of Finance after noting deficiencies. According to FCC investigation, the contracts contained anti- competitive clauses contrary to Section 9 (I) of Fair Competition Act, 2003.

The clauses limit manufacturers to directly trade motor vehicles to the Government. As a result, the Government must purchase motor vehicles from them because its access to manufacturers has been denied by exclusive distributorship agreements.

On the other hand, while there was suggestion during the first spare-parts management workshop conducted to consider agreements of bulk purchase of spare-parts it is imperative to note cases to mitigate the possibility of breaching section 9(1) of the Fair Competition Act.

4. CONCLUSION

By prioritizing effective spare parts management practices, Tanzania can create a conducive environment for industrial development, attracting investment, fostering economic growth, and enhancing the competitiveness of its industries on both regional and global scale.

Collaboration between government agencies, industry stakeholders, and international partners is essential for enhancing spare parts management practices in Tanzania. This collaboration can involve capacity building initiatives, knowledge sharing platforms, and policy reforms aimed at promoting transparency, accountability, and innovation in spare parts procurement and distribution processes. By prioritizing spare parts management as a strategic imperative, Tanzania can strengthen its industrial capabilities, enhance productivity, and foster sustainable economic growth."

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添付資料 2 4

AIST

(National Institute of Advanced Industrial Science and Technology)



- AIST is one of the largest public research institutes in Japan. It specializes in industrial technologies.
- AIST covers fields such as electronics, manufacturing, materials, information technology, and so on (including semiconductor, quantum computing, AI, material info).

Summary Data

Employees

~ **11,400**

involved in R&D. (2023.7)

Revenue

~ **1130M EUR**

(181B JPY) (FY2022) **Total income**

Bases

12 research bases
in Japan

Research fields

7 research domains
cover a wide range
of research fields.

Researchers (permanent only)

-2,500

Administrative employees

-1,600

Postdoctoral researchers/technical staff, etc.

-3,300

External researchers(industry/academia, etc.)

-4,000

External funds

Commissioned research fund etc.

~27%

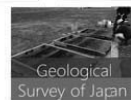
Internal funds

Subsidy etc.

~73%

Private : 12% Government : 15%

Research Domains



Website: https://www.aist.go.jp/index_en.html

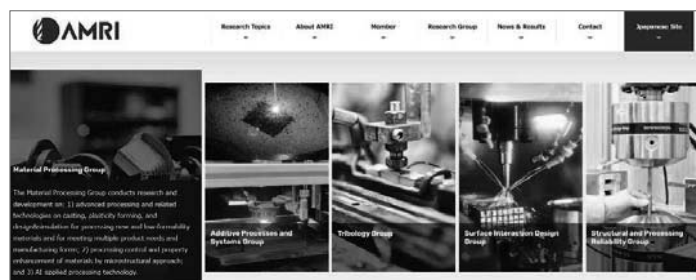
NATIONAL INSTITUTE OF ADVANCED INDUSTRIAL SCIENCE AND TECHNOLOGY (AIST)

AIST-AMRI

(Advanced Manufacturing Research Institute)



- AIST-AMRI conducts R&D of machining (casting, forming, welding), metal 3D printing (additive manufacturing (AM)), coating, tribology, reliability engineering, design, digital manufacturing, and so on.
- AMRI leads R&D of remanufacturing in AIST.



Focused R&D topics of AMRI

Advanced machining

Manufacturing-DX

Remanufacturing

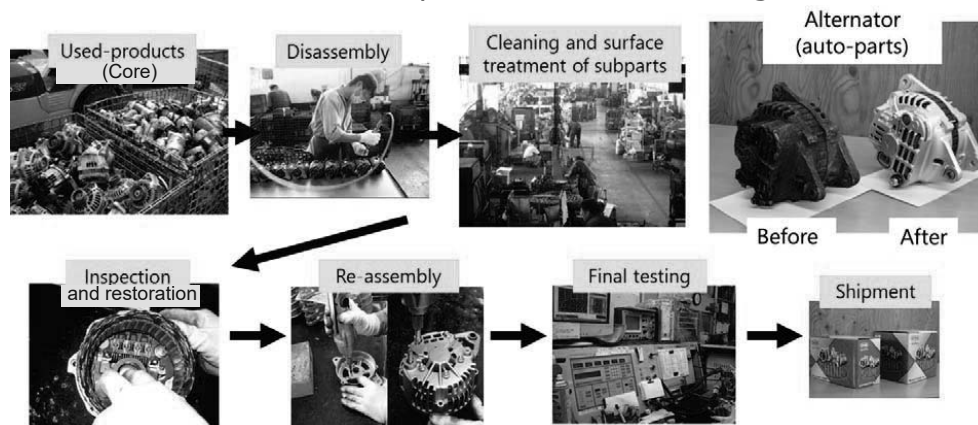
Website: <https://unit.aist.go.jp/am-ri/english/index.htm>

NATIONAL INSTITUTE OF ADVANCED INDUSTRIAL SCIENCE AND TECHNOLOGY (AIST)

Introduction: Automotive parts remanufacturing

- “Remanufacturing” is the industrial process of disassembling, cleaning, inspecting, restoring, replacing, and reassembling the components of a product to restore it to “as-new” condition.
- In automotive parts remanufacturing, the remanufactured products are used as spare parts. Or, a part of sub-components are replaced by new sub-components (=spare parts).

Automotive parts remanufacturing



Shin-Etsu Denso Co., Ltd.

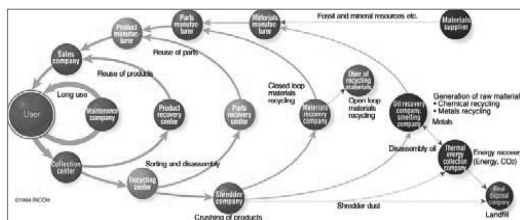
Source: (Matsumoto and Umeda, 2011)

NATIONAL INSTITUTE OF ADVANCED INDUSTRIAL SCIENCE AND TECHNOLOGY (AIST)

Introduction: photocopier remanufacturing

- Photocopier OEMs (original equipment manufacturers) such as Ricoh, Canon, Xerox, etc. have been remanufacturing their firms' photocopiers.
- The OEMs provide remanufactured products in markets in developed countries.

Ricoh "Comet Circle" vision



Ricoh Eco Business Development Center



Source: Presenter's photos

Canon Eco Technology Park (Ibaraki, Japan)



<https://global.canon/ja/environment/ecotechnopark/>

NATIONAL INSTITUTE OF ADVANCED INDUSTRIAL SCIENCE AND TECHNOLOGY (AIST)

Introduction: photocopier remanufacturing in an emerging economy



- In some emerging economy markets, local non-OEM companies have provided remanufactured photocopiers.
- The companies fulfilled the market demands.

Case: Photocopier remanufacturing in Indonesia in 2016

- Companies import used photocopiers from US, Australia, etc., remanufacture the products, and sell them in the market.
- Market configuration (Based on interview)
 - new 30%
 - remanufactured 70%
- Price of refurbished products: 20~30% of new products
- Trends: Reman was decreasing
 - Restriction of imports of used products
 - Increase of labor costs



Source: Presenter's photo
(Kamigaki, Matsumoto and Fatimah, 2017)

NATIONAL INSTITUTE OF ADVANCED INDUSTRIAL SCIENCE AND TECHNOLOGY (AIST)

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NATIONAL INSTITUTE OF ADVANCED INDUSTRIAL SCIENCE AND TECHNOLOGY (AIST)

Cases: Product remanufacturing Automotive parts



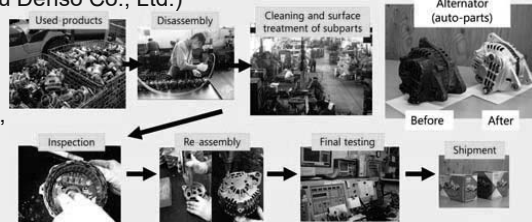
- One of the most active sectors of remanufacturing in global.
- The main actors are independent remanufacturers. Some OEMs do reman.
- The market exists both in developed economies and developing economies.

Cases in Japan

SHINE (Shine Etsu Denso Co., Ltd.)



- One of the largest independent remanufacturers (IRs) of auto parts in Japan
- Annual sales of 160K alternators, 170K starters, and compressors
- Deals with 7,000 type products
- Has a reman facility in Indonesia

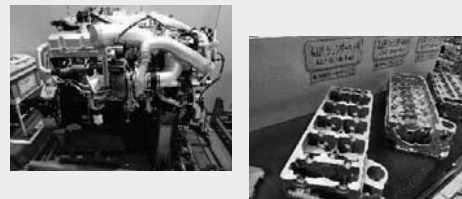


KSS (Engine remanufacturer)



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Isuzu (OEM)

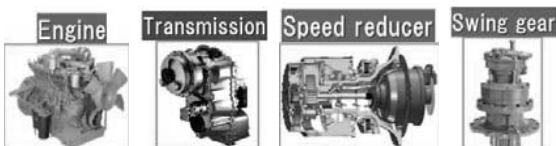


Source: Presenter's photos

Cases: Product remanufacturing HDOR (Heavy-duty and off-road) equipment



- Construction machinery and mining machine OEMs such as Caterpillar, Komatsu, Hitachi Construction Machinery (HCM) provide remanufactured components.
- Agricultural machines and components are also remanufactured.
- Remanufacturing, repairs, spare-parts-provisions are essential.



Source: Hitachi Construction Machinery Co. Ltd.

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Sustainable Development

Benefits of remanufacturing & "Take Back"

Cylinder Head*	Reman vs. New
Green House Gas	61% less
Water use	86% less
Energy use	86% less
Safety	82% advantage
Material use	> 85% less
Landfill space	> 85% less



* 2000 CAT study, 3472 cylinder head



Source: Caterpillar (Disharoon, 2015)

Cases: Product remanufacturing EV battery



- Electric Vehicles (Evs) are increasing globally.
- EV batateries and EV moters are collected and reuse/repaird/remanufactured.
- Some are used in EVs, and some are used in energy grid, etc. (repurposed).

EV battery reuse/repurpose
(4R Energy Corporation, Japan)



Source: Presenter's photos

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Cases: Product remanufacturing Photocopiers/Printing device



- Photocopier OEMs provide remanufactured products.
- Independent remanufacturers also provide remanufactured products.

Photocopier/Printing device remanufacturing in Singapore

OEM's remanufacturing



Independent remanufacturer



Source: Presenter's photos

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Cases: Product remanufacturing Medical device

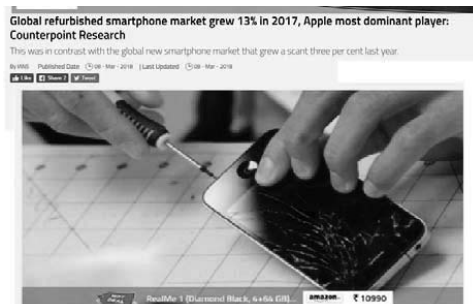
- Remanufactured medical devices are widely used worldwide.
- In Japan, they are not much commonly used. Hospitals tend not to accept remanufactured devices. They are mostly exported both to developed countries and developing countries.



Source: Siemens Healthcare

Cases: Product remanufacturing Mobile phone

- The global mobile phone repair/remanufacturing/refurbishment markets are growing.
- The global sales of remanufactured smartphones in 2018 account for nearly 10% of the total smartphone market (Counterpoint Research, 2019).
- OEMs (e.g. Apple, Samsung), and independent remanufacturers both in developed countries and developing countries provide remanufactured smartphones.



<https://www.digit.in/mobile-phones/global-refurbished-smartphone-market-grew-13-in-2017-apple-most-dominant-player-counterpoint-research-39890.html>
<http://uk.businessinsider.com/r-samsung-plans-refurbished-smartphone-program-source-2016-8>

Rebuy: A remanufacturer in Germany



ReBirth: A spare parts dealer in Japan

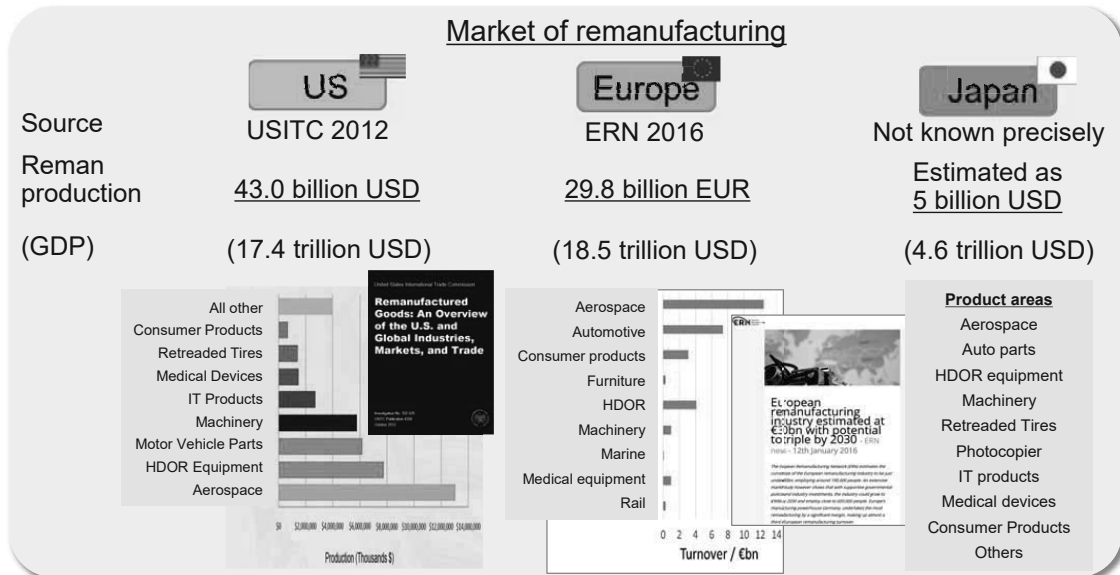


Remanufacturer based in Malaysia



Trends

- Remanufacturing is active in the sectors of aerospace, HDOR, automotive parts.
- The markets are growing: "Potential to triple by 2030 (in Europe)"



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Trends

- Remanufacturing is gaining worldwide attention.

In G7 Summit in Elmau (2015.6), 'remanufacturing' was part of the Summit Declarations

Conferences are held to bring together industry, academia, and government.



Singapore government founded ARTC (Advanced Remanufacturing & Technology Centre) in 2012.

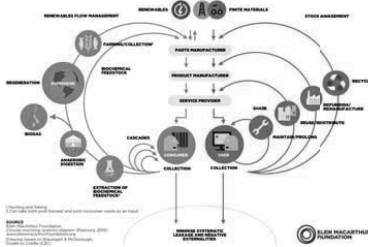
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Opportunities and challenges Circular Economy

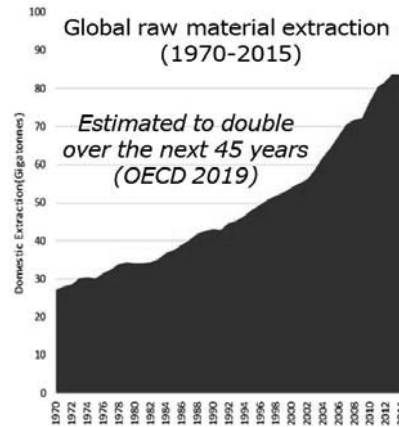
- The increase of material resource consumption is a concern. The “Circular Economy” gains the worldwide attentions. Minimizing the material consumptions is necessary.
- Recycling is important. Moreover, long use of products through reuse/repair/remanufacturing is necessary.



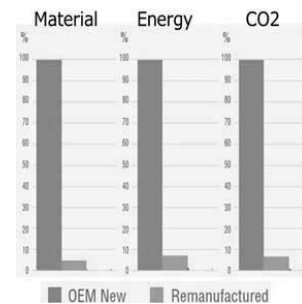
Ellen MacArthur



Source: Ellen MacArthur Foundation, 2013



Source: UNEP-IRP



Source: UNEP-IRP, 2018 (Fig. 22)

Opportunities and challenges Sertization

- Industries are making efforts to increase the portion of services in the product businesses (=“servitization”).
 - Services such as after-sales services are profitable.
- Servitization is customers’ needs.
 - “The main value of the customers is the function of the products rather than the products themselves.”



Source: <https://www.sensorfy.ai/blog/servitization-in-manufacturing/>

Opportunities and challenges Industrial policy in emerging economies

- Some emerging economies' governments promote remanufacturing/repair businesses. The businesses are expected to have good effects on local/domestic economies and have effects of incubating industrial clusters in the long run.

Benefits of remanufacturing in emerging economies

- Cost reduction
- Downtime reduction
- Asset utilization enhancement
- Supply chain resilience
- Local economic growth
 - business and marketing benefits
- Human resource development – skilled workers
- Industrial cluster incubation
- Circular economy & Sustainability



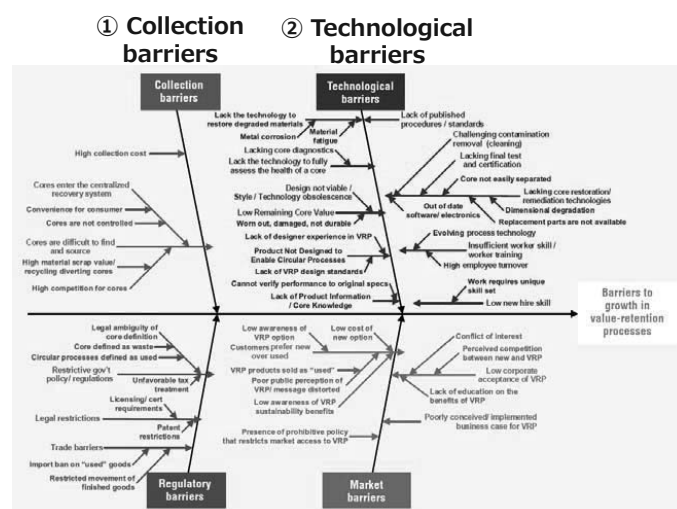
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Opportunities and challenges Barriers

- There are, at least, 4 types of barriers for reuse/repair/remanufacturing.
- The stakeholders are required to take measures to overcome the barriers.



UNEP IRP (International Resource Panel) Report in 2018



NOLOGY (AIST)

Opportunities and challenges

Trade barriers



- The “regulatory barriers” include “trade barriers” for spare parts, used products, remanufactured products, etc.
- Governments in some countries impose import restrictions to prevent e-waste problems and/or to protect their own industries.
- Case: Fuji Film closed the photocopier remanufacturing facility in Thailand in 2019 because cross-border movements of used products became difficult.

Regulations on trades of cores and remanufactured products of APEC countries

Source: Kojima M. “Remanufacturing and trade regulation” Procedia CIRP 61:641–644, 2017.

APEC Economies	Laws or regulations related to tariffs and non-tariff measures on goods that are not newly-manufactured.
Australia	None
Singapore	None
the US	None
Canada	None
New Zealand	None
Brunei	None
Hong Kong	None
Japan	None
South Korea	Restrictions on used medical devices.
Chinese Taipei	None
Chile	N.A.
Russia	None

APEC Economies	Laws or regulations related to tariffs and non-tariff measures on goods that are not newly-manufactured.
Malaysia	Restrictions on old electronic equipment. None on remanufactured goods.
Mexico	None
China	Restrictions on used equipment
Peru	N.A.
Thailand	Restrictions on old electronic equipment. None on Remanufactured goods.
Indonesia	Restrictions on used capital goods
Philippines	None
PNG	None
Vietnam	Restrictions on used equipment.

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Opportunities and challenges

Technological challenges



- The “technological challenges” exist to ensure the quality of remanufactured products and to reduce the costs of remanufacturing.



[https://www.rit.edu/gis/remanroadmap/docs/Technology roadmap for remanufacturing in the circular economy.pdf](https://www.rit.edu/gis/remanroadmap/docs/Technology%20roadmap%20for%20remanufacturing%20in%20the%20circular%20economy.pdf)

High-Priority R&D Projects

1. Develop and integrate **design** for remanufacturing concepts within engineering tools
2. **Standards** development and remanufacturing certification
3. **Inspection** process development and optimization
4. Low-cost **additive manufacturing**
5. Advanced surface **cleaning** technologies
6. **Nondestructive evaluation**
7. **Electronic systems** condition assessment
8. Overcome **data silos**
9. Provide validated **information** to inform **policy and decision makers**
10. Methodology and tools to model global lifecycle value/**impacts** of remanufacturing
11. Multi-level remanufacturing **marketing campaign**

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Technological challenges and trends Product disassembly & re-assembly

- The disassembly process is labor intensive and thus costly.
- Automating the process is a solution, but it is difficult.



Disassembly of starter motors



Re-assembly of engine



Automation of smartphone disassembly
ProAutomation GmbH, Austria
The development was supported by EU funded project.

Source: Presenter's photos

Technological challenges and trends Cleaning



- The cleaning process is a costly process. A survey (Hammond et al., 1998)* indicates that it is the most costly process in auto parts remanufacturing.

* Hammond, Amezcua and Bras, "Issues in the Automotive Parts Remanufacturing Industry: Discussion of Results from Surveys Performed among Remanufacturers", International Journal of Engineering Design and Automation, 4(1), pp.27-46, 1998

Cleaning



Mechanical cleaning
(Shot-blasting)



Source: Presenter's photos

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Technological challenges and trends Deterioration diagnosis

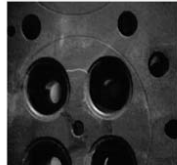


- The deteriorations and defects must be evaluated and diagnosed. They need to be restored (if they are diagnosed as repairable).

Fracture



Fatigue



Breakage



Gear in transmission

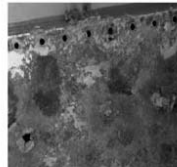


Drive shaft
(Driveshaft splines restored by welding)

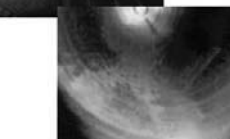
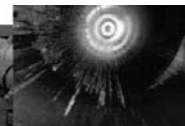
Wear



Corrosion



Hydraulic cylinder tube



Scratch and corrosion

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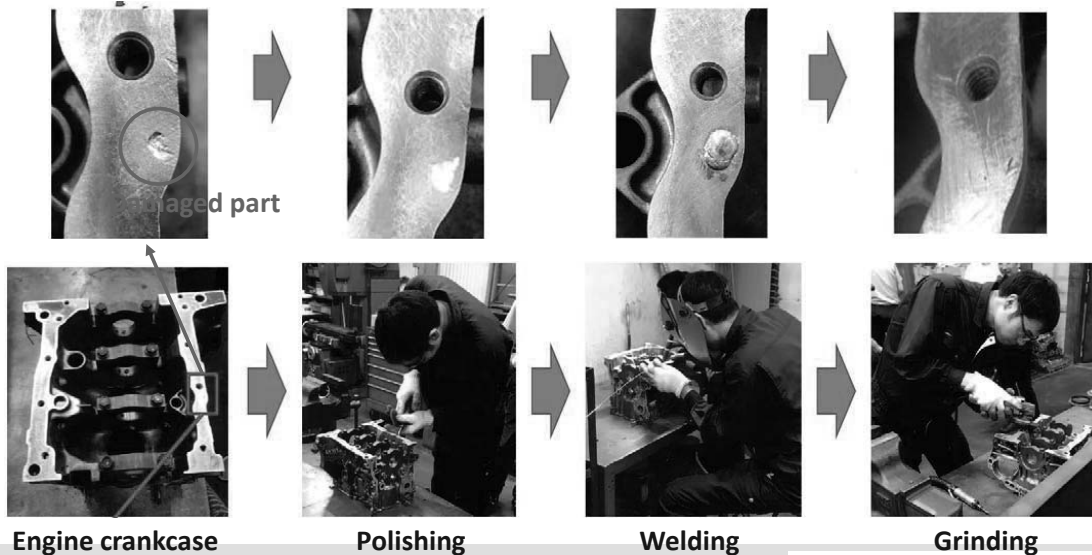
Technological challenges and trends

Repair processing



- Defects are repaired by welding, cladding, re-plating, re-coating, spraying, etc.
- Developing flexible, reliable, cost-effective repair techniques is a challenge.

Repair of damage in engine crankcase by welding



Engine crankcase
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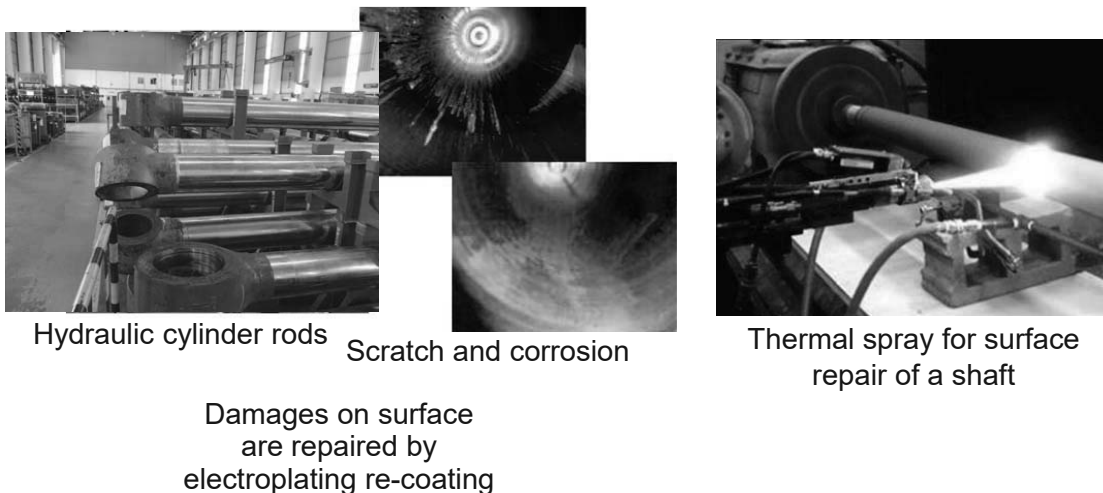
Source: Matsumoto et al., 2021

Technological challenges and trends

Surface repair processing



- Defects on surface are repaired by welding, cladding, re-plating, re-coating, thermal spraying, cold spraying, etc.



Damages on surface
are repaired by
electroplating re-coating

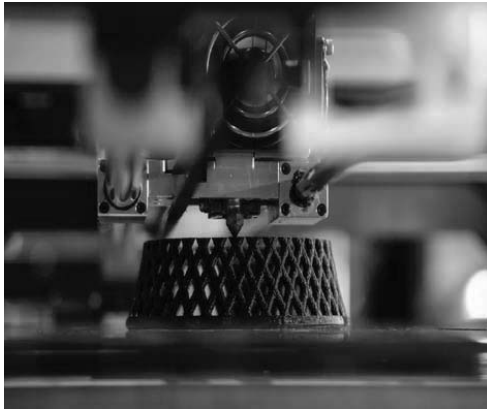
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Technological challenges and trends 3D printer spare parts fabrication

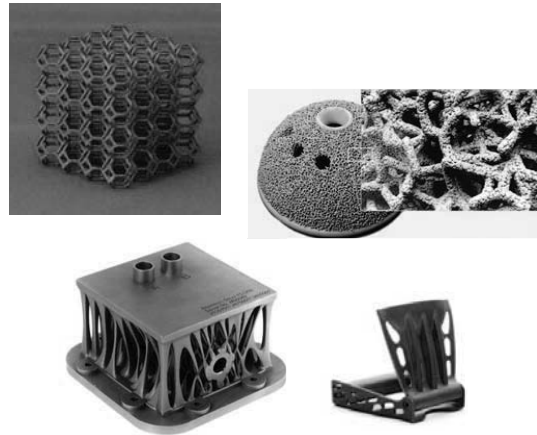


- 3D printing (additive manufacturing: AM) has been bringing innovation to manufacturing. 3D printing enabled fabrication of complex geometry parts and enabled on-site manufacturing.
- 3D printing can innovate the spare parts management.

3D printing



3D printed objects



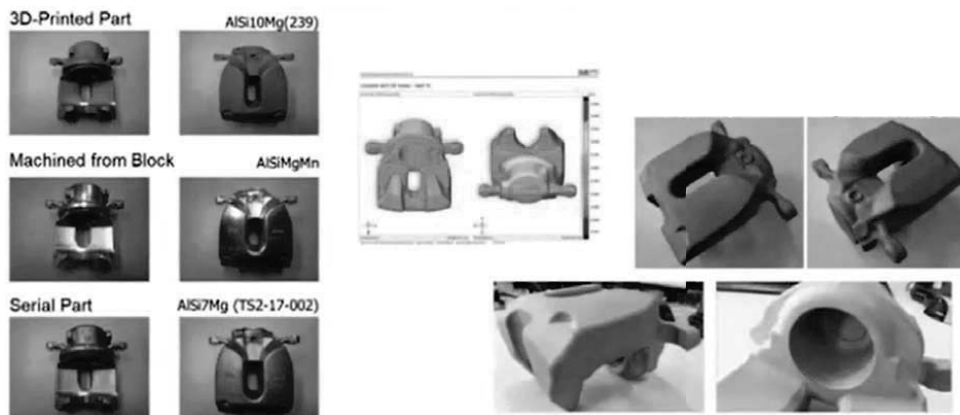
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Technological challenges and trends 3D printer spare parts fabrication



- 3D printers are used to make spare parts. On-site spare parts manufacturing is enabled.
- 3D printers' technology levels are improving innovatively. Plastics 3D printer technologies are even more mature.

Spare parts manufacturing by metal 3D printer



Source: ZF Friedrichshafen AG

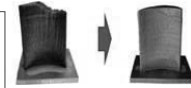
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Technological challenges and trends

Parts repair by metal 3D printer



- 3D printers (additive manufacturing) are used to repair components.
- On-site repair is enabled. Repair processes' automation is enabled.



(Piya et al., 2014)

Fuji Co. Ltd. (Saitama, Japan) — A mold/die manufacturer

- The company started AM die repair in 2022
- Conventional die repair: TIG welding – manual labor
- New repair technique: DED-AM repair – automated
- TIG welding – 8 hours / AM repair – 1.5 hours
- TIG welding – non-uniform / AM repair – uniform
- AM repair – smaller heat fatigue -> 3 times longer lifespan
- Confirmed the reliability of AM repaired dies
- Challenges (barriers) of AM repair: Powder cost, customer acceptance

TIG welding



DMG Mori's AM machine



AM repair test sample



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Source: Fuji Co., Ltd.

Technological challenges and trends

Parts repair by metal 3D printer



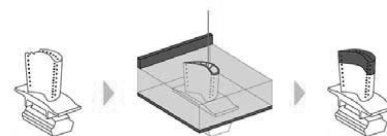
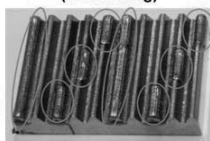
- We (AIST) have been conducting research in metal 3D printing repair. We apply: (1) powder-DED (direct energy deposition), (2) wire-DED, and (3) PBF (powder bed fusion) 3D printings.
- There is room for improvement in mechanical properties of repaired parts.

Experiments at AIST

Broken parts sample



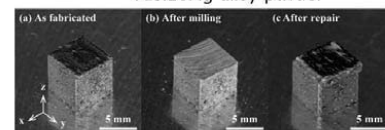
Repaired
(no finishing)



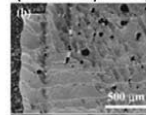
- Problems
 - Misalignment in restoration
 - Boundary area
 - 1) More keyhole defects and gas pores
 - 2) Polycrystals in the restored part (microstructures)
- Heat deformation

Searching the AM processing conditions, heat treatment conditions, and other conditions, to solve the problems

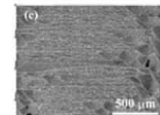
AlSi10Mg alloy powder



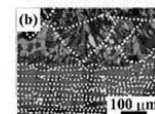
Boundary area
(more keyholes)



Other area



Microstructure



Restored part
← Boundary
Original part

NA (Kajino et al., AIST) INDUSTRIAL SCIENCE AND TECHNOLOGY (AIST)

Source: (Sato, Matsumoto et al., 2022)

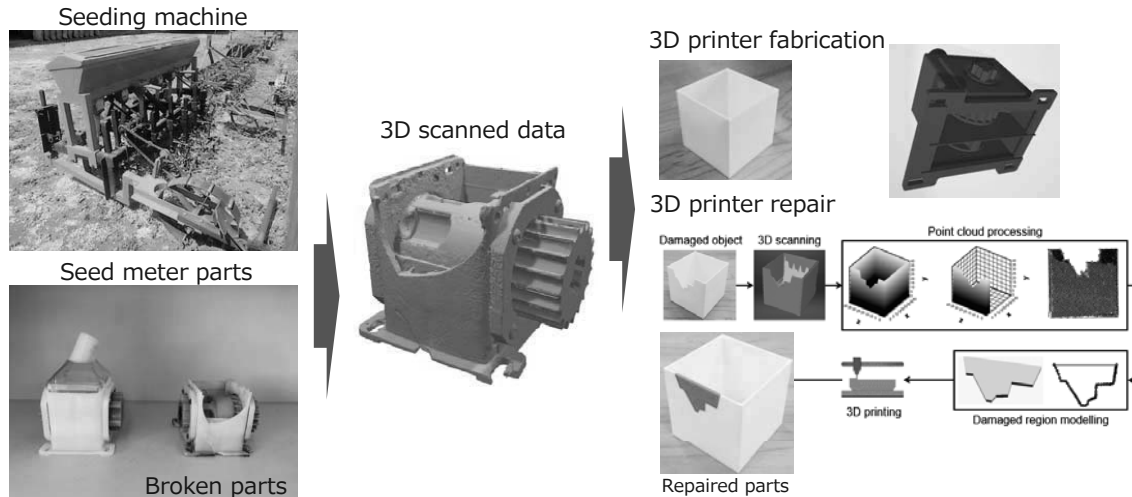
Technological challenges and trends

Parts repair by plastic 3D printer



- We (AIST) conduct experiments to fabricate/repair spare parts by using plastic 3D printer.

Experiment of fabricating/repairing plastic spare parts (AIST and Kitami Institute of Technology)



NATIONAL INSTITUTE OF ADVANCED INDUSTRIAL SCIENCE AND TECHNOLOGY (AIST)

Source: (Matsumoto et al., 2023)

Technological challenges and trends

Reliability assessment / Residual life prediction



- Testing, reliability assessment, and residual lifetime assessment for repaired parts are critically important for remanufacturing.
- We (AIST) work on reliability assessment technology development.

3D printing repair Repairing damaged dies/molds by DED-AM 3D printing.

実際のパンチ金型



New parts sample 1mm × およそ100mm

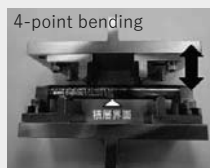


Repaired parts 1mm × およそ50mm

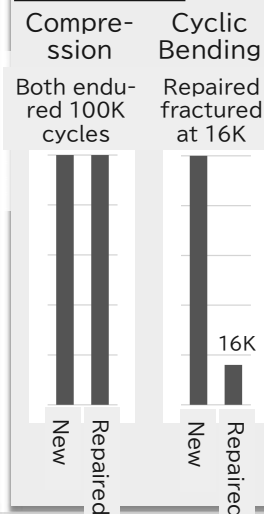


Testing

Compression fatigue test (left)
Cyclic bending fatigue test (right)



Test results



NATIONAL INSTITUTE OF ADVANCED INDUSTRIAL SCIENCE AND TECHNOLOGY (AIST)

Source: (Kajino et al., 2024 (AIST))

Technological challenges and trends

Surface repair by cold spray



- Cold spraying (CS) deposits particles by spraying without melting the particles.
- Due to smaller heat effects, cold spray's repair properties are higher than thermal sprays.

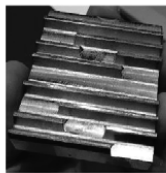


Cold spray equipment

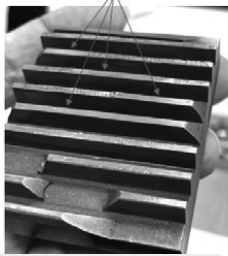
Starting material:
Inconel 738

Material supply speed:
300 g/min (~18 kg/h)

Broken parts sample



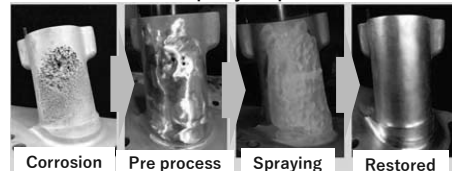
Repaired (After finishing)
Repaired regions



NATIONAL INSTITUTE OF ADVANCED INDUST

(Shinoda, et al., AIST)

Cold spray repair

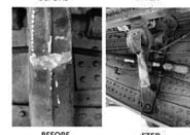
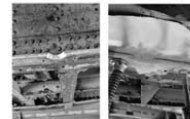


Source: Schell (MOOG) CSTAT, 2016

AFRSO (Air Force Rapid Sustainment Office)

Cold spray demo on a non-service C-130 at Robins Air Force Base, GA.

- Battle damage was simulated on two areas of the aircraft. Working alongside the Aircraft Battle Damage Repair (ABDR) Unit of the Warner Robins Air Logistics Complex's 402nd Expeditionary Depot Maintenance Flight and the University of Dayton Research Institute, the team used an aluminum blended powder to rapidly repair the areas in under 10 minutes.



2023.6.12 LinkedIn

Summary



- The importance of the after-sales service industries like remanufacturing is increasing in the context of the trend towards servitization (of manufacturing industries) and growing global focus on the circular economy. The industries are important for the local economies.
- There are barrier factors to the promotion of the industries. It is important to overcome the barriers through policy measures, business model innovations, and technological development.
- New technologies such as 3D printing, cold spray, monitoring, digitalization, and automation/robotics will bring innovation to the after-sales service industries.

NATIONAL INSTITUTE OF ADVANCED INDUSTRIAL SCIENCE AND TECHNOLOGY (AIST)

添付資料 2 5

Problem Solving

JICA Advisor for Investment Promotion
Hideki Tabuchi



JICA Advisors for Industrial Development and Investment Promotion



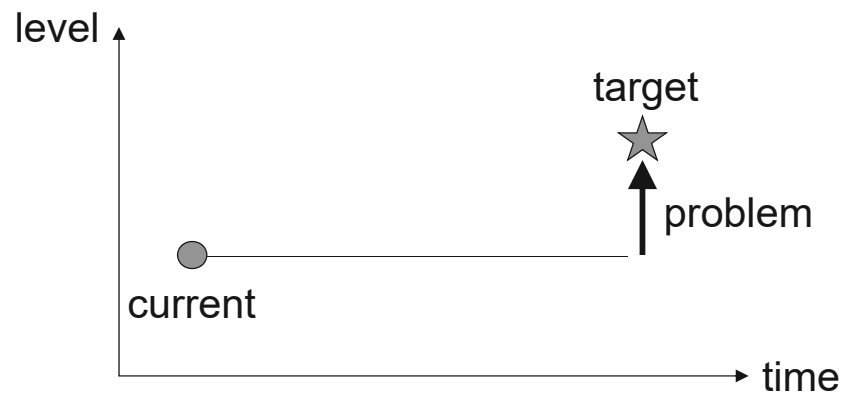
1. C/P: Ministry of Investment, Industry and Trade (MIIT), Dodoma
2. Duration: June 2022 – May 2025
3. Objectives : (i) strengthening the capacity of MIIT officials ; (ii) formulating industry and investment-related measures and strategies for their implementation, and strengthening mutual coordination of human and information resources for industrial development; and (iii) promoting domestic and foreign investors' understanding of business and investment opportunities in Tanzania.
4. Principal activities:
 - Assist implementation of measures and strategies related to industrial development and investment promotion
 - Assist establishing an information centre for industrial development
 - Assist the development of industrial parks and special economic zones
 - Assist establishment of infrastructure development funds
 - Build relationships with Japanese companies: issues and improvement of the business environment, provision of information related to industry and investment.
5. Team composition: Yuko Tanaka (Leader/Industrial Development/Investment Climate), Jun Nishida (Promotion of Industry + supporting the Information centre), Hideki Tabuchi (Investment Promotion (1)), Hidekazu Gocho (SEZ Development/Investment Promotion (2)).
6. Implementation structure: Shuttle programme - 3 advisers work at MIIT on a rotational basis. Each Advisor stay 1 month x 2 times a year (total of 7 months per year)

Contents

1. What is a problem
2. Six Steps for Problem Solving
3. Affinity Diagram
4. Exercise

1. What is a problem?

1.1 What is a problem?



Problem is a gap between target and current situation.

1.2 What is your problem?

Current: FDI is 1Billion USD in Tanzania.

1.2 What is your problem?

Current: FDI is 1Billion USD in Tanzania.

Target: FDI is 2Billion USD in Tanzania.



Problem: FDI is not enough.

We recognize the situation as a problem when there is a gap between the set goal and the current state. Conversely, if the ideal state (goal) has not been determined, it is not possible to define what the problem is.

2. Six Steps Problem Solving

2.1 Six Steps Problem Solving

1. Define the problem
2. Determine the root cause of the problem
3. Develop alternative solutions
4. Select a solution
5. Implement the solution
6. Evaluate the outcome

2.2 Other methods for Problem Solving

QC Story

- 1) Problem Definition
- 2) Understand the current situation
- 3) Analysis root cause
- 4) Actions
- 5) Check
- 6) Standardization
- 7) Conclusion

Six sigma

- 1) Define
- 2) Measure
- 3) Analyze
- 4) Improve
- 5) Control

2.1 Six Steps Problem Solving

1. Define the problem
2. Determine the root cause of the problem
3. Develop alternative solutions
4. Select a solution
5. Implement the solution
6. Evaluate the outcome

2.3 Define the problem

1. Define the problem

Clarify the problem to be solved from the difference between the ideal state and the current situation.

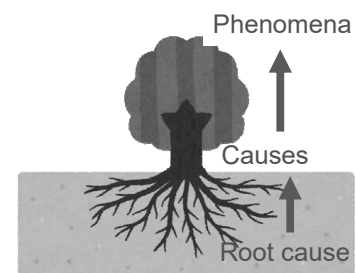
Techniques used in this step;

- Interviewing
- Questionnaires

2.4 Determine the root cause of the problem

2. Determine the root cause of the problem

Analyze the cause based on the results of the investigation of the current situation. From the viewpoint that "there must be a cause" for the problem, need to search for the cause. There may be another cause for the cause you found. This is how we find the real(root) cause.



2.5 What is “Root cause”

Phenomena: Phenomenon what you can see.
=> Car is stopped.

Direct (Proximate) cause: Engine is overheated.

Direct (Proximate) cause: Cooling water is lost.

Direct (Proximate) cause: There is a clack on the pipe.

Root cause: The pipe is too old and deteriorated.

2.5 What is “Root cause”

Phenomena: Phenomenon what you can see.
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Direct (Proximate) cause: Engine is overheated.

Direct (Proximate) cause: Cooling water is lost.

Direct (Proximate) cause: There is a clack on the pipe.

Root cause: The pipe is too old and deteriorated.

=>This analysis is called “5 whys” or “why-why analysis”.

2.6 Determine the root cause of the problem

2. Determine the root cause of the problem

Techniques used in this step;

- 5 whys
- Affinity Diagram

2.7 Determine the root cause of the problem

5whys and Affinity Diagram

5 whys is used to find deep(root) cause of one defect.

Affinity Diagram is used to summarize large amounts of language data.

2.8 Develop alternative solutions

3. Develop alternative solutions

In formulating solutions, it is fundamental to eliminate the causes identified by previous step. If the cause can be removed, the problem will be resolved.

Finding as many solutions to the problem, no matter how outlandish they may seem.

Techniques used in this step;
• Brainstorming

2.9 Select a solution

4. Select a solution

There may be more than one solution. Several solutions will be proposed.

If there are multiple solutions, prioritize them.

Measures to prioritize;

- Efficiency
- Cost
- Long-term value
- What resources you have

2.10 Select a solution

4. Select a solution

Evaluate each solution by prioritization table.

Give score, and add all. Score: 5...high, 1...low

	Efficiency	Cost	Long-term value	resources	Total	Priority
Solution A	5	3	4	4	16	2
Solution B	3	5	3	4	15	3
Solution C	3	4	3	3	13	4
Solution D	5	5	5	4	19	1

2.11 Implement the solution

5. Implement the solution

Develop a plan to implement the proposed solution and proceed steadily according to the plan.

PDCA is important to implement according to plan.

P: Plan your implementation.

(Who, what, when)

D: Do as planned.

C: Monitor the progress.

A: Take counter if delay happens.

2.12 Evaluate the outcome

6. Evaluate the outcome

Evaluate the results of implementation against the plan.

If the evaluation is insufficient, new measures must be taken.

If the problem is resolved, this assessment will be used for future similar problems.

2.1 Six Steps Problem Solving

1. Define the problem
2. Determine the root cause of the problem
3. Develop alternative solutions
4. Select a solution
5. Implement the solution
6. Evaluate the outcome

3. Affinity Diagram

2.6 Determine the root cause of the problem

2. Determine the root cause of the problem

Techniques used in this step;

- 5 whys
- Affinity Diagram

3.1 What is an Affinity Diagram?

An affinity diagramming is a tool that

- 1) converts facts, opinions, and ideas for a given issue into language data,
- 2) finding the "affinity" between language data, and
- 3) creating an integrated diagram.

✂ It is used to derive solutions to problems that are unclear or chaotic, future, unknown, and inexperienced problems.

3.2 When you can use an affinity diagram?

Affinity diagramming can be used to clarify complex problems and identify challenges.

It can be used when you don't know where to start improving your business, or when you want to clarify business issues.

- When customer satisfaction is low, it's easy to pinpoint what the problem is.
- What products are currently in demand by customers, and what kind of people are in need of new products.

3.3 How to implement an affinity diagram?

Step1 - Collect language data about theme

Step2 - Write language data on cards one by one

Step3 - Collect cards with high affinity in the same group

Step4 - Create header cards

Step5 - Write down the information

3.4 Collect language data about theme

Write down as many facts, opinions, ideas, etc. that relate to the topic as you can.

It is also effective to use the brainstorming method with multiple people.

✕Do not use difficult phrases, and use simple sentences that consist of only the subject and predicate as concisely as possible.

3.4 Collect language data about theme

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Example: Why the customer didn't choose our car?

Higher price than competitors, Shorter lifetime, Higher consumption, Too big size, Don't like the design, etc.

3.5 Write language data on cards one by one

Write it down and make cards.

Do not use difficult phrases, and use simple sentences that consist of only the subject and predicate as concisely as possible.

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Example: Why the customer didn't choose our car?

Higher price than competitors	Shorter lifetime	Higher consumption	Too big size
Don't like the design	Break down often	Few dealers	Low resale value
Low brand value	Small discount	Lack of knowledge of the staff	No leather seat
No navigation system	No safety equipment	Low score of customer review	

3.6 Collect cards with high affinity in the same group

Collect and group "affinity" things with similar meanings from the language data cards.

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Collect and group "affinity" things with similar meanings from the language data cards.



3.7 Create header cards

Give the group a title.

3.7 Create header cards

Give the group a title.

Example: Why the customer didn't choose our car?

Suitable pricing

Higher price than competitors

Small discount

Low resale value

Low score of customer review

Point of customer service

Few dealers

Lack of knowledge of the staff

Customer oriented design

Don't like the design

Too big size

No safety equipment

No leather seat

No navigation system

Break down often

Shorter lifetime

Higher consumption

Brand value

Low brand value

3.8 Write down the information

Affinity diagramming is a series of processes up to the point of drawing a conclusion on the first set theme, not to illustrate it.

3.8 Write down the information

Affinity diagramming is a series of processes up to the point of drawing a conclusion on the first set theme, not to illustrate it.

Example: Why the customer didn't choose our car?

Conclusion

- Design does not meet customer requirements.
- Price is not suitable compared to competitors.

3.3 How to implement an affinity diagram?

Step1 - Collect language data about theme

Step2 - Write language data on cards one by one

Step3 - Collect cards with high affinity in the same group

Step4 - Create header cards

Step5 - Write down the information

4. Exercise

4.1 Exercise

Problem: FDI is not enough as we expected.

Please determine the causes of the problem.

添付資料 2 6



GOOD PRACTICE OF IPAs
JICA ADVISORS FOR INDUSTRIAL DEVELOPMENT AND INVESTMENT PROMOTION
CAPACITY-BUILDING TRAINING SESSION

DOING BUSINESS REFORMS: PAKISTAN'S CASE

Friday - 13 October 2023

BY

ZUHFRAN QASIM

Former Director for Planning, Prime Minister's Office Board of Investment

Sequence

- Doing Business Methodology
- Pakistan's DB Reforms Journey
- Challenges faced in EODB Journey
- Lessons learnt

Methodology-Doing Business

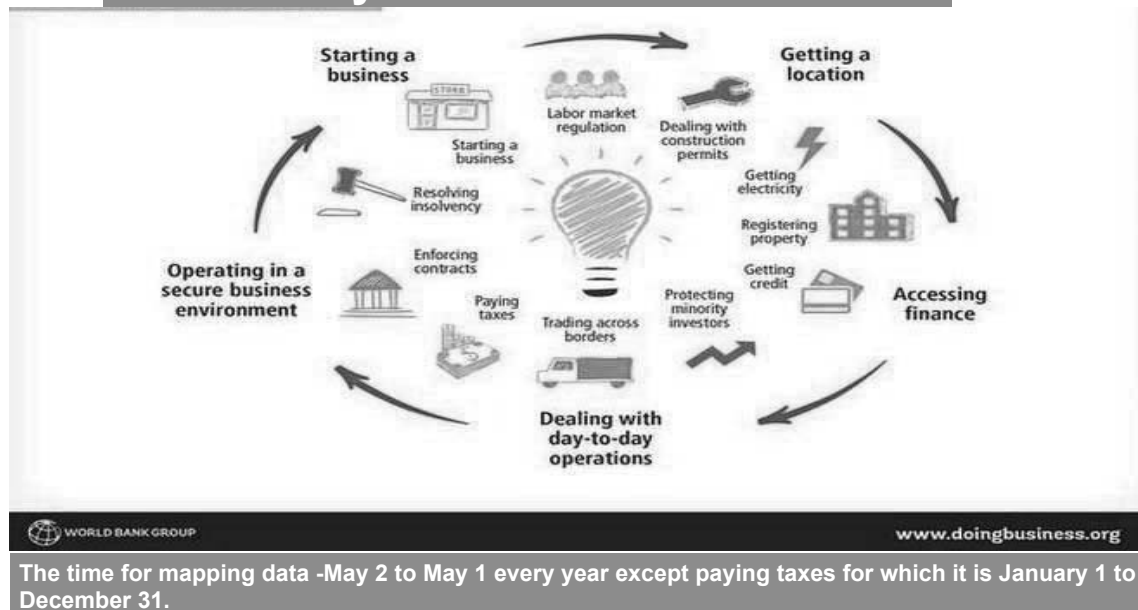
The index is based on study of laws and regulations, with input and verification by more than **48000** government officials, lawyers, business consultants, accountants and other professionals in **190** economies.

- **Measures business regulations and their enforcement for SMEs**
- 190 economies ---- **10 areas** ----largest business city
- For **11 economies** having 100 million population a second city is covered.(Karachi:65 % and Lahore: 35 %)

Doing Business study over the Years

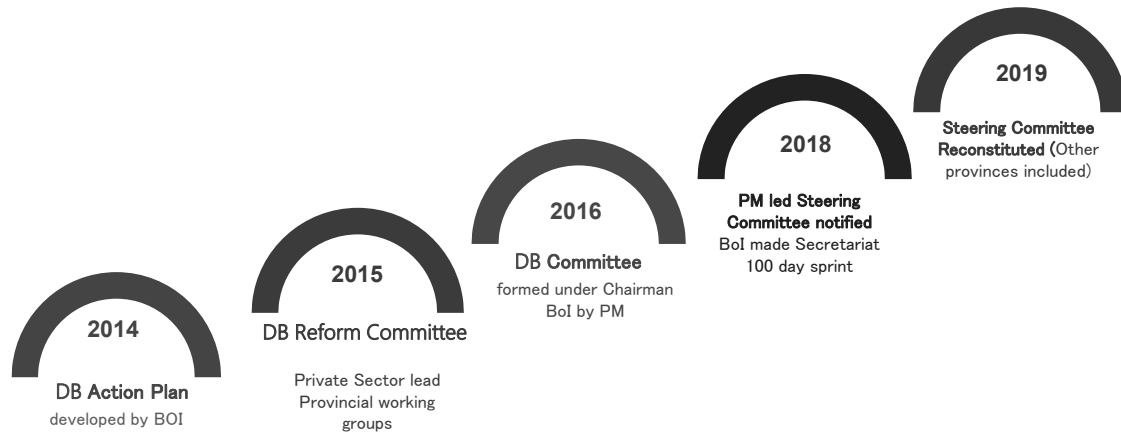
Topic	DB2005	DB2006	DB2007	DB2008	DB2009	DB2010	DB2011	DB2012	DB2013	DB2014	DB2015	DB2016	DB2017	DB2018	DB2019	DB2020
Contracting with the government																
Getting electricity																
Dealing with construction permits																
Trading across borders																
Paying taxes																
Protecting minority investors																
Registering property																
Getting credit																
Resolving insolvency																
Enforcing contracts																
Starting a business																
Number of economies	145	155	175	178	181	183	183	183	185	189	189	189	190	190	190	190

Business Cycle



PAKISTAN'S DB REFORM JOURNEY

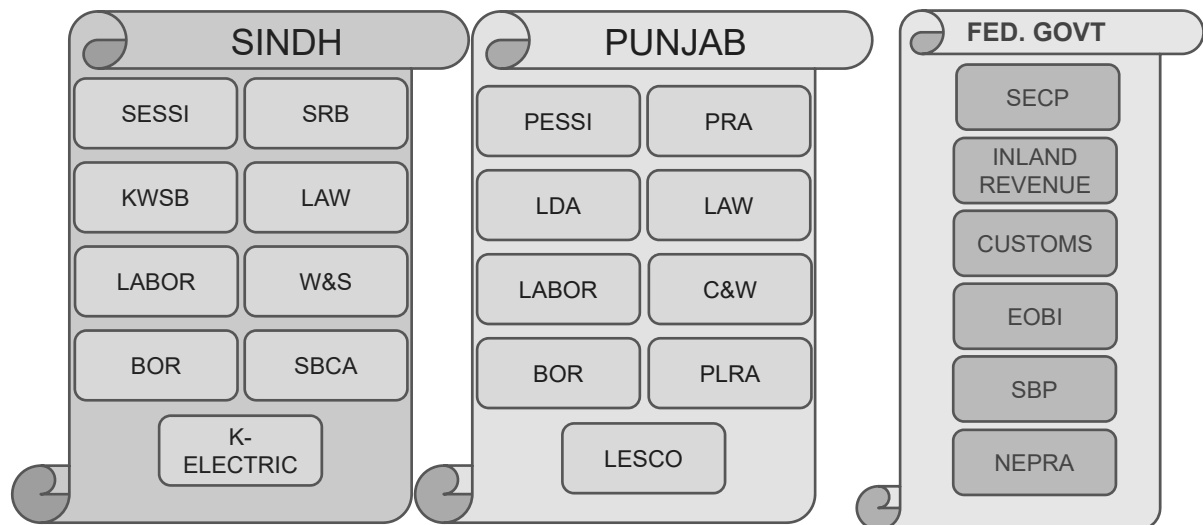
Pakistan's DB Reforms Journey



EoDB – Institutional Arrangements



Main Departments & Agencies involved



10

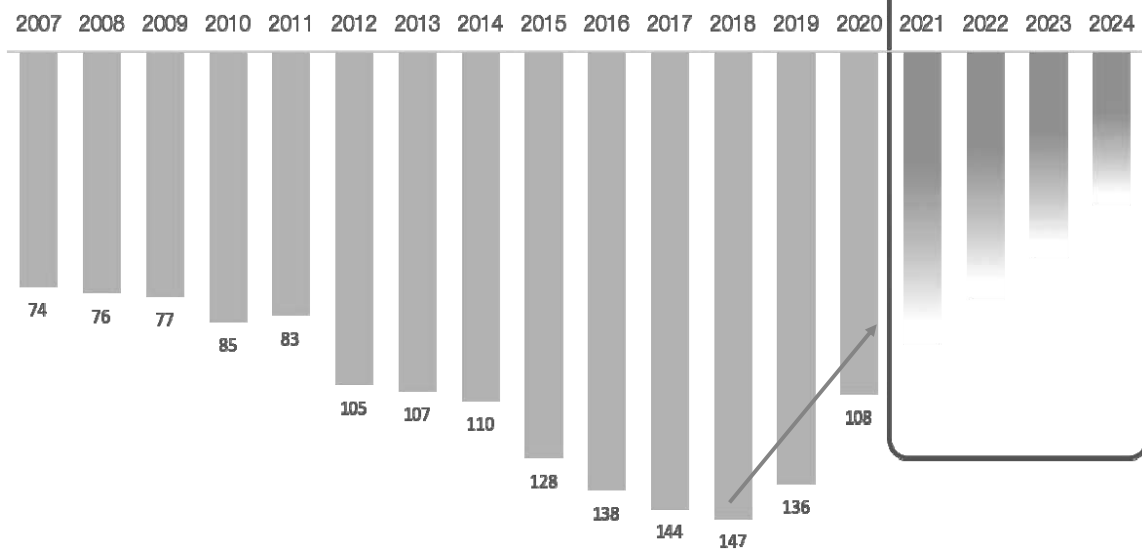
Coordination with Stakeholders



Team Pakistan Approach

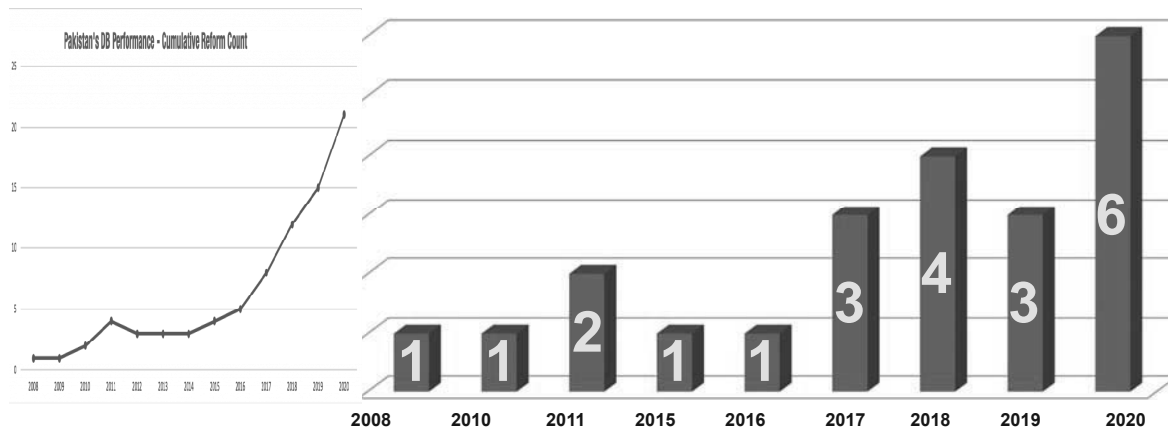
- ✓ Sound Planning
- ✓ Formal, as well as informal, communication
- ✓ Face to Face Meetings
- ✓ Indicator Specific/Review Meetings
- ✓ Video Conferences
- ✓ Workshops/Exhibitions
- ✓ Regular Interaction with WB Group
- ✓ Regular Meetings at Provincial level
- ✓ Contributors Sessions
- ✓ Coordination at every level

PAKISTAN'S DOING BUSINESS RANKING



12

Reforms History of Pakistan



Indicator-wise ranking

S. No	Indicator	Ranking -2019	Ranking -2020
1	Starting A Business	130	72
2	Getting Electricity	167	123
3	Dealing with Construction Permits	156	112
4	Trading Across Borders	142	111
5	Paying Taxes	173	161
6	Registering Property	161	151
7	Resolving Insolvency	53	58
8	Getting Credit	112	119
9	Protecting Minority Investors	26	28
10	Enforcing Contracts	156	156

REFORMS COMPLETED IN DB
2019 TO DB 2021

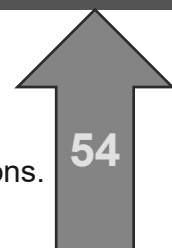
Factors that led to **58-Point Improvement** in Starting a Business indicator (from 130-72)

- End to End integration of 9 departments with SECP
- Mandatory registration with federal and provincial entities in 04 hours
- Obtaining STRN online
- Waiver of fee by Sindh Labor Department
- Removal of Company seal requirement
- Single Registration Certificate



Factors that led to **54-Point Improvement** in Getting Construction Permit Indicator (from 166-112)

- o Joint inspection of water & sewerage connection by WASA
- o Only one inspection for buildings up to 38ft.
- o LDA introduced insurance policy to cover structural flaws.
- o Automation of construction permits and electronic submission of applications.
- o Online payment system
- o Time reduced in getting permits from 266 days to 25 days in Lahore



Factors that led to **54-Point Improvement** in Getting Construction Permit Indicator (from 166-112)

- o Integration of SBCA with 11 Land Owning Agencies
- o Online one window facility for SBCA
- o Outsourcing of inspections to town planners/architects and completion certificate
- o Removal of NOC requirement from EPA
- o Only 2 inspections for case study buildings
- o Completion certificate is issued by SBCA in 15 days (instead of 30)
- o Time reduced in Getting construction from 261 days to 100 days in Karachi

54



Factors that led to **10-Point Improvement** in Registering Property Indicator (from 161-151)

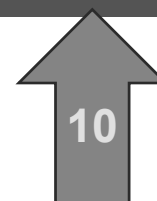
- Automation of Property Registration by PLRA
- Issuance and payment process of Fard has been automated in Lahore.
- Time for execution of deed has been reduced from 15 to 8 days .
- Cadastral plans in Lahore are computerized and fully digitalized.
- All the privately held land plots in Lahore are registered with PLRA.

10



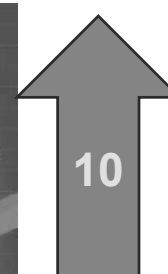
Factors that led to **10-Point Improvement** in Registering Property Indicator (from 161-151)

- Online complain mechanism to facilitate businesses by BOR Sindh
- Rates of Stamp duty, CVT and registration fee reduced in Karachi
- BOR has launched online sales certificate application in Karachi
- Standardized templates of deeds are available online.
- BOR, Sindh, has set time limit of 6 days for execution and registration of the deed.
- BOR, Sindh has eliminated Registration Fee and CVT.
- Time reduced in Property registration from 208 days to 100 days in Karachi



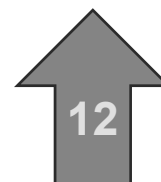
Factors that led to **31-Point Improvement** in Trading Across Borders Indicator (from 142-111)

- Time to export for border compliance reduced from 75 hrs to 58 hrs and time for Imports for documentary compliance from 143 hrs to 96hrs
- QICT introduced online payment of port charges
- Introduced a new channel Risk management system-container scanners
- WeBOC risk management system upgraded by inclusion of elements like Predictive Analytics and machine learning



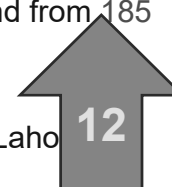
Factors that led to **12-Point Improvement** in **Paying Taxes** Indicator (from 172-161)

- Online payment of Taxes. The number of payments measured as 21 from 47 Online pension contributions by EoBI
- Online social security contributions by PESSI
- e-payments (OTC) of Social Security Contributions by SESSI
- Introduction of Automated Sale Tax e-Refunds (FASTER)



Factors that led to **44-Point Improvement** in **Getting Electricity** Indicator (from 167-123)

- Introducing Online portals by LESCO and K-Electric.
- Advance announcement of Tariff changes.
- Time reduced in getting connection from 117 days to 58 days in Lahore and from 185 days to 73 days in Karachi
- Payment of Demand note has been automated.
- Number of total procedures has been reduced from 6 to 4 in Karachi and Lahore
- KE has reduced the cost of Electricity Connection
- LESCO has reduced the total time for issuance of connection from 58 to 48 days.



Getting Credit (112-119)

- Financial Institution (Secured Transactions) Amendments Ordinance 2020
- Operationalization of e-registry
- SBP expanded e-CIB to maintain default history for a period of 2 years
- STR is linked with the register of companies-integrated interface
- The amended law allows absolute priority to secured creditors

07



Contract Enforcement (156-156)

- ADR law by government of Punjab
- Designated commercial courts by Lahore High Court in five big cities of Punjab
- Code of Civil Procedure (Punjab Amendment) Ordinance 2020(VIII of 2020)
- E-filing & Case management systems introduced
- Court shall not grant unnecessary adjournments more than two for a specific purpose
- Mediation, Conciliation defined -Code of Civil Procedure (Sindh Amendment) Act, 2019
- Establishment of commercial courts in Sindh

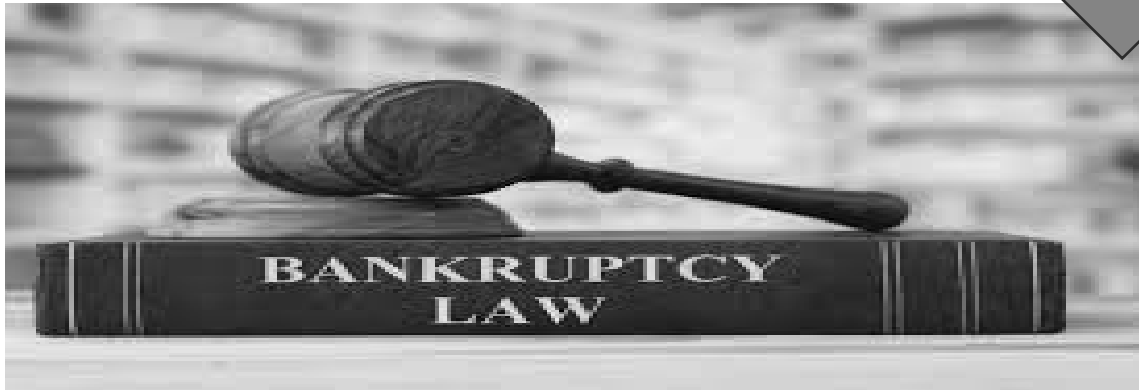
**CONTRACT
ENFORCEMENT**



Resolving Insolvency (53-58)

- Rules notified for Corporate Rehabilitation Act 2018.
- Rules notified for Corporate Restructuring Companies Act 2016

05



Protecting Minority Investors (26-28)

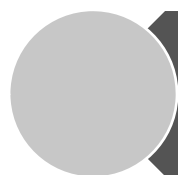
- Procedure of the Court and appeal amended to allow submission of application for discovery of documents or any category or classes of documents from the defendant.
- Threshold for members to give notice of resolution being reduced to 5% from 10%.
- Mandatory disclosure of remuneration package of directors and chief executive of a company is being introduced
- *Broadening the ambit of powers of the court to declare any transaction void*

02





CHALLENGES FACED IN EODB JOURNEY



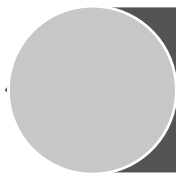
Realization of EODB



Meeting the Timelines



Conflict of Interest



Frequent Changes in Leadership



Sustainability



Resource Constraint

LESSONS LEARNT FROM EODB

Political Will

Forming a Team

Involvement of All Stakeholders

Regular Review Meeting

Result Oriented Goals

Automation

Support of the World Bank

Persistence of Efforts

Simplifying Processes

Communication of Reforms

Feedback from Private Sector

Recognition of Team



THANK YOU

添付資料 2 7

Handling Complaints

JICA Advisor for Investment Promotion
Hideki Tabuchi



JICA Advisors for Industrial Development and Investment Promotion



1. C/P: Ministry of Investment, Industry and Trade (MIIT), Dodoma
2. Duration: June 2022 – May 2025
3. Objectives : (i) strengthening the capacity of MIIT officials ; (ii) formulating industry and investment-related measures and strategies for their implementation, and strengthening mutual coordination of human and information resources for industrial development; and (iii) promoting domestic and foreign investors' understanding of business and investment opportunities in Tanzania.
4. Principal activities:
 - Assist implementation of measures and strategies related to industrial development and investment promotion
 - Assist establishing an information centre for industrial development
 - Assist the development of industrial parks and special economic zones
 - Assist establishment of infrastructure development funds
 - Build relationships with Japanese companies: issues and improvement of the business environment, provision of information related to industry and investment.
5. Team composition: Yuko Tanaka (Leader/Industrial Development/Investment Climate), Jun Nishida (Promotion of Industry + supporting the Information centre), Hideki Tabuchi (Investment Promotion (1)), Hidekazu Gocho (SEZ Development/Investment Promotion (2)).
6. Implementation structure: Shuttle programme - 3 advisers work at MIIT on a rotational basis. Each Advisor stay 1 month x 2 times a year (total of 7 months per year)

Purpose of this workshop

- 1) To learn other country's case : Korea and Japan
- 2) To start thinking what system is good for Tanzania

Contents

1. "Foreign Investment Ombudsman" in Korea
2. "The Office of Trade and investment Ombudsman" in Japan
3. Let's think about Tanzanian case

What is “Ombudsman”?

Ombudsman

- a person who investigates, reports on, and helps settle complaints : an individual usually affiliated with an organization or business who serves as an advocate for patients, consumers, employees, etc.

1. “Foreign Investment Ombudsman” in Korea

1.1 What is Foreign Investment Ombudsman ?

The Foreign Investment Ombudsman system was first introduced on October 26, 1999, under the Foreign Investment Promotion Act, in an aim to resolve grievances of **foreign-invested companies** operating in Korea.

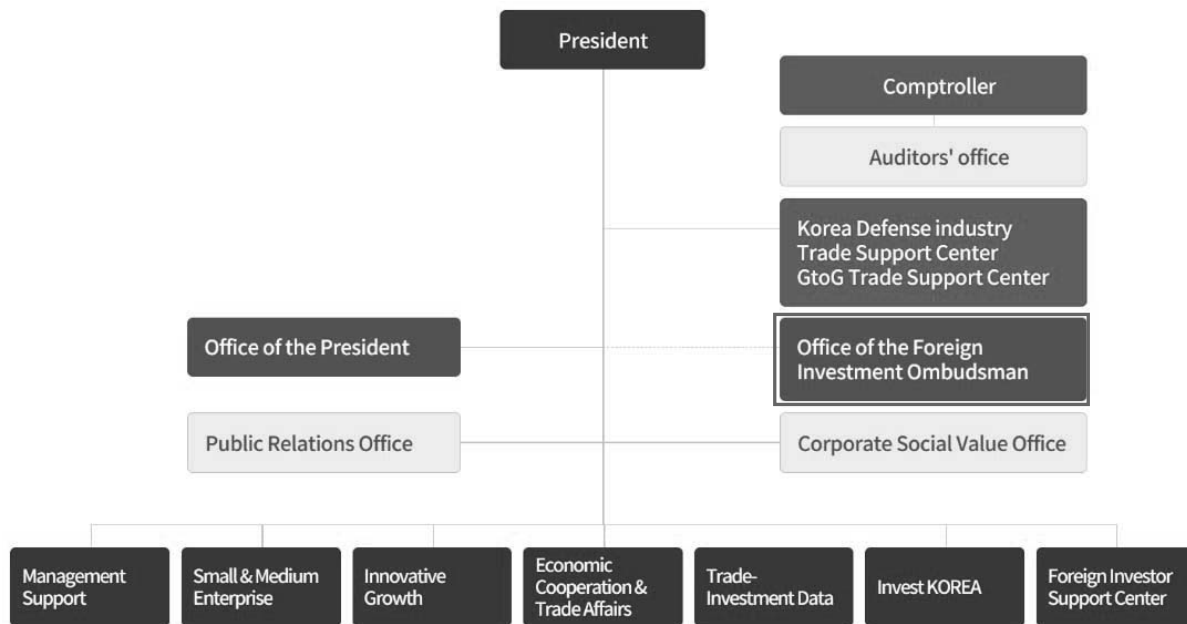
Foreign Investment Ombudsman is commissioned by the President on the recommendation of the Minister of Trade, Industry and Energy following deliberation by the Foreign Investment Committee. The Foreign Investment Ombudsman also heads the grievance settlement body, which supports the duties of Ombudsman.

1.2 What is Foreign Investment Ombudsman ?

The Office of the Foreign Investment Ombudsman has been established under **KOTRA**(Korea Trade-Investment Promotion Agency) in order to support the foreign investment ombudsman, and the head of the office is the foreign investment ombudsman.

This head may request cooperation of related administrative organizations or competent authorities to handle complaints from foreign investors and foreign-invested companies. In such cases, organizations that have received requests must send notifications of results or opinions within seven days.

1.3 Organizational chart of KOTRA

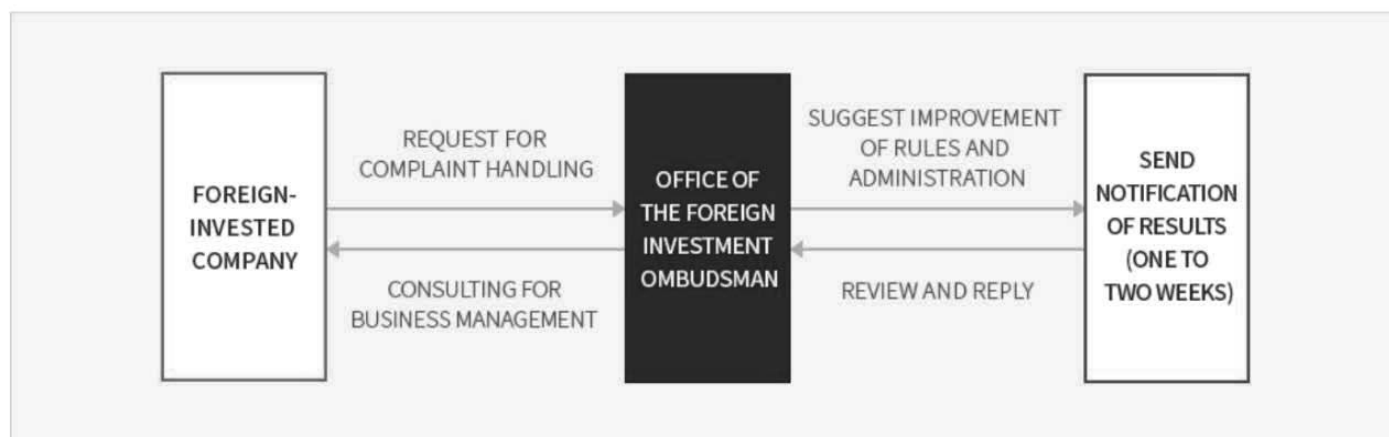


1.4 What is their function?

Foreign Investment Ombudsman and his grievance resolution body collect and analyze information concerning the problems foreign firms experience, request cooperation from and recommend implementation thereof to relevant administrative agencies, **propose new policies to improve the foreign investment promotion system**, and carry out other necessary tasks to assist foreign-invested companies in resolving their grievances.

1.5 Procedures to request complaint handling

● Procedures



1.6 Resolved case(1)

Grievance	(Background) A company is subject to tax reduction regarding its imported goods. Nonetheless, the Customs imposed tariffs of 5.6 billion won to the company due to conflicting interpretation of regulations regarding the calculation of royalties and depreciation period when determining the customs value. (Main issue) The company has requested for a review of the decision as their depreciation period is in accord with the company's accounting standards as well as relevant laws.
Resolution	We visited Incheon Main Customs in April 2017 and requested for a review of their decision, pointing out that unquantified royalties should not be considered in determining the customs value according to the WTO Customs Valuation Agreement and that depreciation period other than that which was accepted in the actual accounting process should not be applied according to tax laws.
Results	The Korea Customs Service set up the Audit Decision Deliberation Committee in April 2017 and made decisions to return previously levied tariffs of 5.6 billion won to the company. The return procedure was completed in June 2017.

1.7 Resolved case(2)

Grievance	(Background) Although sourdough is accepted in most countries, it has been prohibited in Korea since propionic acid was detected in 2014. (Main issue) During the visit to the parent companies in December 2012, the company expressed grievances regarding Korea's import prohibition on ingredients including those used for bakery and requested for measures to lift the ban on importing sourdough.
Resolution	After the visit to the company and the Belgium Embassy in Korea in 2017, a meeting was organized with the Ministry of Food and Drug Safety from which it was found that unlike deliberate ingestion of acids, naturally occurring propionic acid is not regulated. Thus, we requested that the company submit supporting documents.
Results	The Ministry of Food and Drug Safety confirmed that propionic acid found in sourdough from the company occurs naturally and took necessary measures to allow imports of sourdough.

1.8 Resolved case(3)

Grievance	(Background) As Power Supply Unit (PSU) is an item subject to safety certification pursuant to the Electrical Appliances and Consumer Products Safety Control as well as the Radio Waves Act, it does not undergo a separate electromagnetic compatibility (EMC) testing when imported as a replacement part. This creates a problem in the customs clearance process, causing difficulty with server replacement. (Main issue) Imported PSU as a replacement part should not be subject to EMC testing.
Resolution	Requested that PSU be exempt from being subjected to customs verification of clearance requirements has been submitted as it has already been certified as a component part of a server/storage.
Results	Server/storage PSU (internal) is no longer subjected to customs verification of clearance requirements.

1.9 Resolved case(4)

Grievance	(Background) With regard to chemical accidents, the Chemicals Control Act requires facilities handling hazardous chemicals to prepare an off-site consequence analysis, while the Occupational Safety and Health Act provides for the submission of process safety report, thereby placing great burden on the facilities to conduct inspections as well as submit reports. (Main issue) <u>Off-site consequence analysis reports and process safety reports are similar in nature, yet each require different documents for submission.</u> Therefore, suggestions were made to either unify the submission requirements or allow both ministries to accept documents required from the other ministry in order to eliminate redundancy.
Resolution	In December 2016, negotiations with the relevant organization and the Roundtable on Chemical Product Regulations were conducted to stress the need to address redundant regulations. Next, in cooperation with the Ministry of Environment, Ministry of Employment and Labor, and MOTIE, an 'Investigation Team to Eliminate Redundant Regulations' was formed to unify submission requirements and create a system of mutual acceptance of documents. Finally, the Ministry of Environment newly inserted the Article 5-3 on the Regulations on Off-site Consequence Analysis, providing a legal basis for unified submission requirements for off-site consequence analysis reports in January 2017.
Results	The National Institute of Chemical Safety informed the company about the publication of the <u>Guidelines on Unified Process and unified notification procedure for off-site consequence analysis and process safety report.</u>

2. "The Office of Trade and investment Ombudsman(OTO)" in Japan

2.1 What is The Office of Trade and investment Ombudsman?

[Mission]

- We receive complaints from overseas and domestic enterprises concerning specific government regulations, which are obstacles to export or investment to Japan.
- In response to the complaints, we improve regulations and clear up any misunderstandings.
- In this way, we improve access to the Japanese market.

[History]

OTO was established in January 1982.

The number of filed complaints is 1065 (as of July,2005).

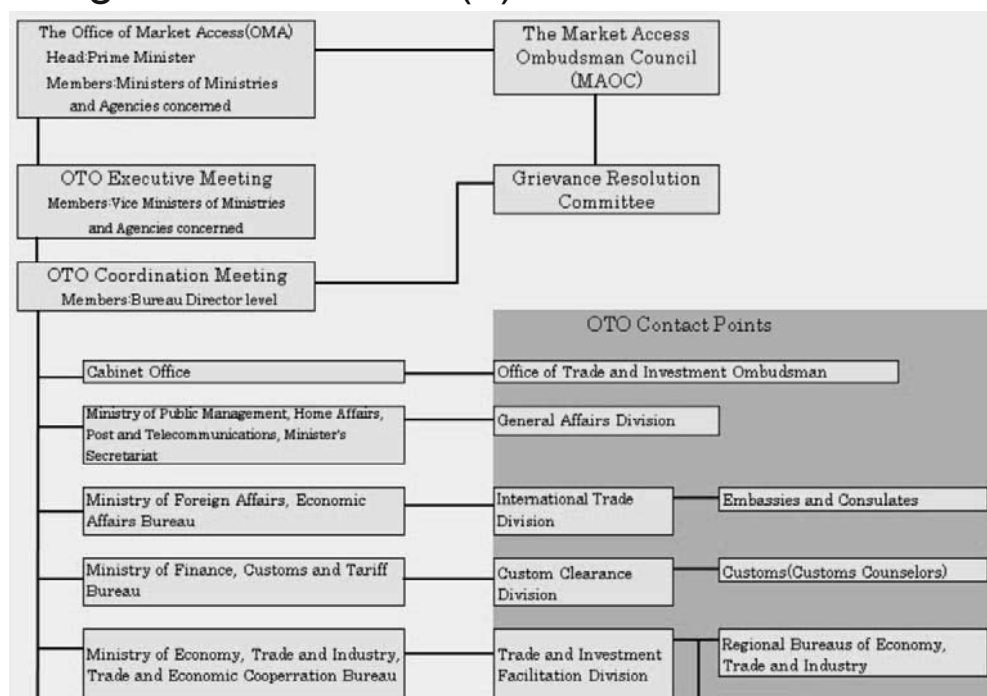
2.2 What is their function?

Network between the secretariat and related ministries/agencies

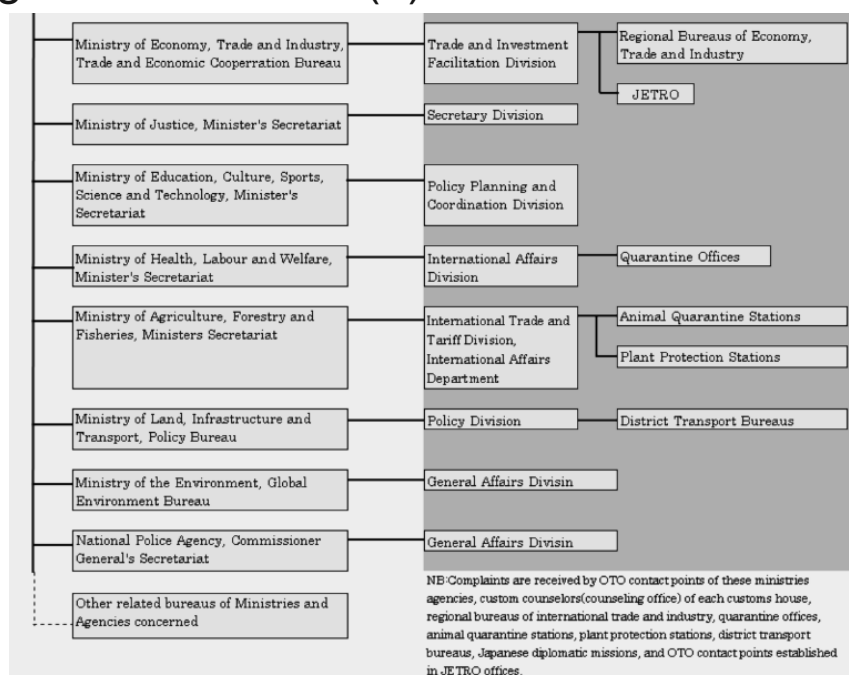
The secretariat (Cabinet Office) informs related ministries/agencies of filed complaints.

To complainants, related ministries/agencies make replies such as explanations on present regulations and proposals for improvements by using this network. The complainants subsequently make known their opinions on these replies through this network.

2.3 Organizational chart(1)



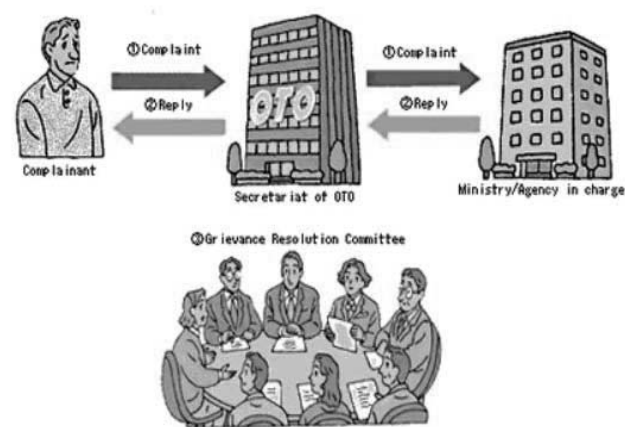
2.4 Organizational chart(2)



2.5 How to file a complaint

Complaints can be filed in any form, by telephone, facsimile, e-mail, postal mail and/or going to the contact point in person.

The name, address and telephone number of the complainant along with an outline of the complaint should at least be indicated. Even when you fill in the "Format to Address Issues to OTO," you only need to complete those parts that you are able to fill out at the time. The Secretariat will contact you in due course.



2.6 Format to Address Issues to OTO

OTO への案件連絡様式	
※ わからない部分につきましては、御記入いただかなくても結構です。	
ふりがな 氏 名	(匿名は受けません。匿名御希望の場合は、代理申立制度を御利用下さい。)
連 絡 先	住所
	会社名(個人として申し立てる場合は結構です。)
	電話番号
	FAX 番号
件 名	
内 容	(1) 関係省庁名、関係法令等
	(2) 苦情の内容

2.7 Resolved case(1)

Grievance	<u>Simplification of the commodity tax exemption procedure for re-imported aircraft parts.</u>
Details of Measures	<u>It was explained to the complainant that a re-imported article was exempted from the commodity tax if it is confirmed to have been exported within past 5 years and have already been taxed (according to the Commodity Tax Law, Article 27 - 2), that this procedure is so simple as to be only confirmed by the authorities. In this case, the importer had neglected this procedure and asked the complainant to pay the amount equivalent to the commodity tax he had paid, and that the importer intended to improve his disposal system to prevent the recurrence of troubles.</u>

2.8 Resolved case(2)

Grievance	<u>Relaxation of the obligation to submit the Phytosanitary Certificate for small packaged seed for retail use.</u>
Details of Measures	The countries in the world impose an obligation, according to the International Plant Protection Convention, to submit the Phytosanitary Certificate issued by the plant protection agency of the exporting country, for importation of plant. Especially as for seeds, strict measures are taken, as there is a high possibility of pests on seeds being directly brought to the stage of agricultural production. Thus, Japan cannot be an exception to excuse submission of the Phytosanitary Certificate even for importation of, for instance, small packs for retail sale. <u>It was explained that a phytosanitary certificate is required for each import lot.</u>

2.9 Resolved case(3)

Grievance	<u>Abolition of regulations</u> that deboning knives are classified as swords.
Details of Measures	It was replied that Japan has a long history of knives and swords being used to inflict injury, that knives and swords are the weapon of choice for Japanese gang stars, that there is a strong likelihood of their being used for criminal purposes, and that there are therefore laws regulating the possession of knives and swords. Along with explaining exactly what types of knives and swords are regulated, <u>it was explained that these regulations are not framed to ensure owner safety but are seen as necessary to preventing the criminal use of knives and swords.</u>

3. Let's think about Tanzanian case

3.1 Ombudsman in Tanzania

Tax Ombudsman Service Tanzania(TOST)

[Our Background]

On 13th June 2019, the Parliament of Tanzania passed the Finance Act 2019 which came into force on 1 July 2019. The Act amended the Tax Administration Act, Cap. 438 R.E. 2019 to establish an office known as “Tax Ombudsman Service Tanzania”.

The Office intended to protect taxpayers’ rights against abuse of power by tax officials and ensure transparency, efficiency, and effective tax administration in Tanzania. The Office of Tax Ombudsman Service is an independent body responsible for reviewing and addressing all complaints by taxpayers regarding services, procedural and administrative matters that may arise in administration of tax laws by Tanzania Revenue Authority (TRA), the Commissioner General or staff of the TRA.

<https://www.tos.go.tz/>

3.2 TOST Mandate

[Mandate]

The Tax Ombudsman is an independent and impartial officer who will operate Tax Ombudsman office at arm's length from the Ministry of Finance and report to the Minister for Finance. The Tax Ombudsman will be charged with reviewing service-related complaints about Tanzania Revenue Authority (TRA) and upholding the Taxpayer’s Service Charter as set by TRA with regard to service matters. The Ombudsman will be the final level of review in the TRA complaint resolution process.

3.3 TOST Mission and Vision

[Our Guiding Statement]

As the Office of the Tax Ombudsman, we strive to align our activities, strategies, policies, structure and operations towards ensuring that we become an institution that taxpayers can rely on and trust. Who we are, what we value, how we do it, and where we are going forms the cornerstone of our Vision, Mission and Values.

[Vision]

To be an autonomous center of excellence in handling tax complaints.

[Mission]

To provide quality services in handling tax complaints equitably and efficiently.

3.4 Resolved case

No information in the website

3.5 What kind of organization helps investors

[Key to success]

- 1) Powerful Authority
- 2) Integrity of staff
- 3) Easy access to the organization

3.6 Powerful Authority

The organization must have the right to investigate other ministries/agencies and, if necessary, change their decisions.

3.7 Integrity of staff

When people have power, they think about abusing it. How to prevent this?

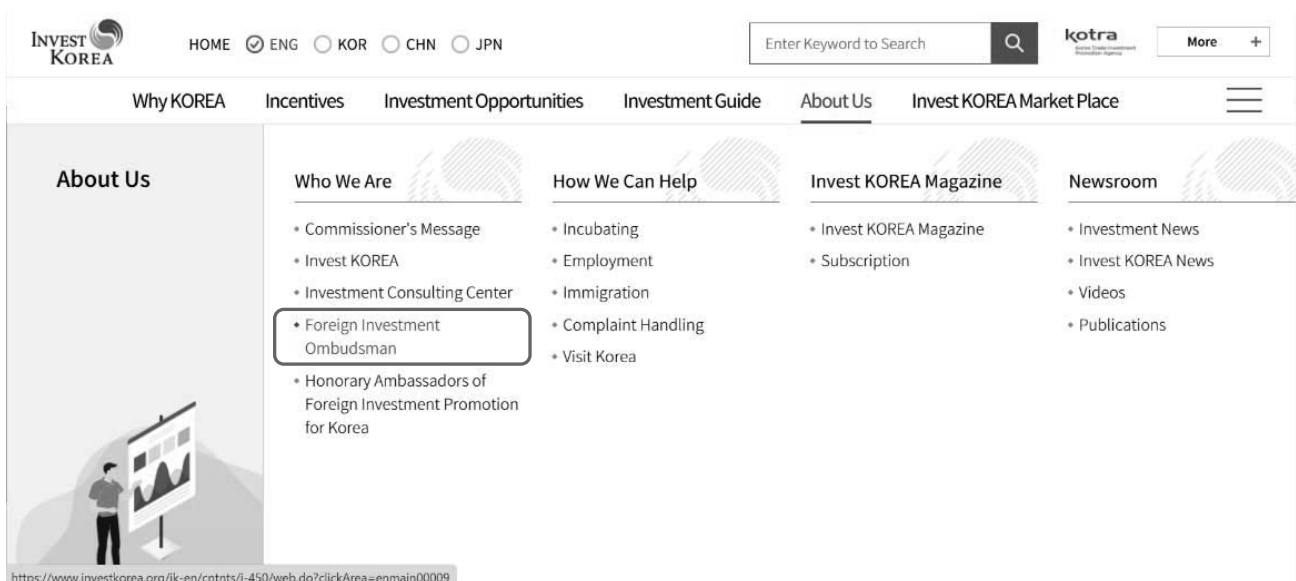
3.8 Easy access to the organization

Let's see other countries case.

3.9 Korean case (1)



3.10 Korean case (2)



➡ Only 3 steps to reach the site.

3.11 Japan case (1)

YAHOO! JAPAN Invest Japan X Q 検索 + 条件指定

<http://www.invest-japan.go.jp> ▼

INVEST JAPAN 対日直接投資推進 - 内閣府

対日直接投資は、内外資源の融合によるイノベーションや地域での投資拡大・雇用創出を通じて、日本経済の成長力強化及び地域の活性化に貢献します。

<http://www.invest-japan.go.jp> > en_in... ▼

INVEST JAPAN Foreign Direct Investment Promotion

Japan promotes foreign direct investment in Japan by being "the best country in the world in which to do business". Topics. April 10 ...

<https://www.jetro.go.jp> > invest ▼

Investing in Japan | Japan External Trade Organization - JETRO

We introduce the various incentives and support services offered by the national and local governments for companies investing in Japan.

Invest Japan Hotline - Japan Insight - Investing in Japan Q&A - Cost Estimation

<https://www.jetro.go.jp> > invest ▼

3.12 Japan case (2)

JETRO Japan External Trade Organization **INVEST JAPAN**

Investing In Japan > Business Opportunities > News & Reports > Language > GO

Why Invest Setting Up Business **JETRO's Support** Government Support Insights Resources Events & News

JETRO's Support >

Support for Establishing and Expanding a Business Base in Japan

Our Support Services >
Invest Japan Business Support Center (IBSC) >
Invest Japan Hotline >

Support for Collaboration between Japanese and Foreign Companies

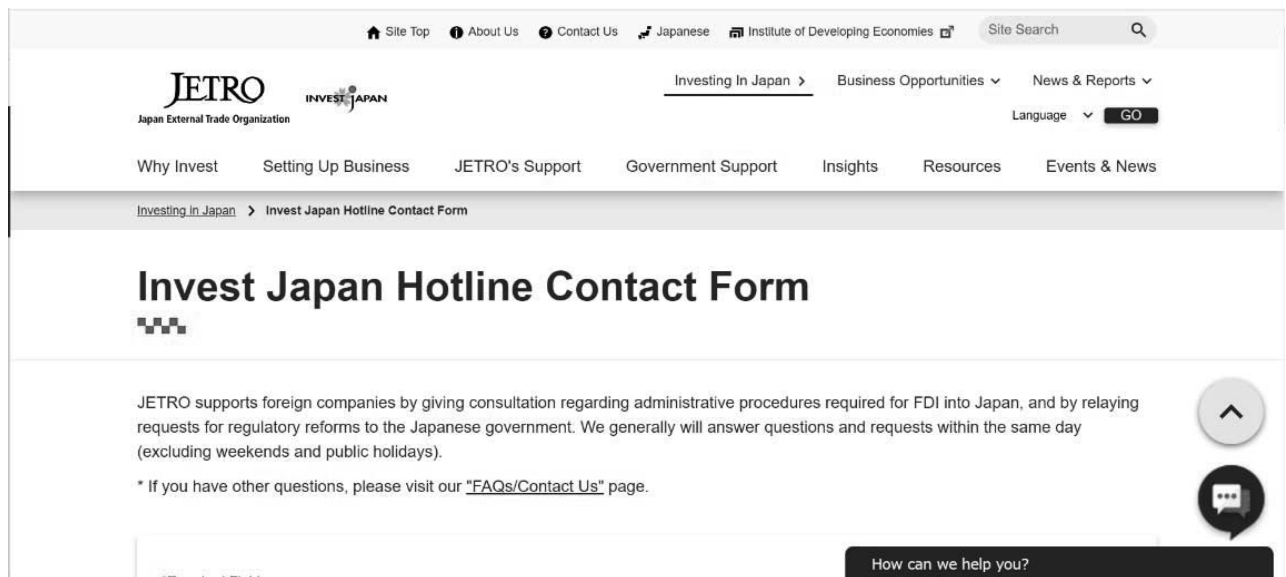
JETRO's Effort for Promoting Investment in Japan

JETRO's Events and Programs >
Initiatives for attracting foreign/foreign-affiliated companies to regional ecosystems in Japan >

Succeed Together with JETRO

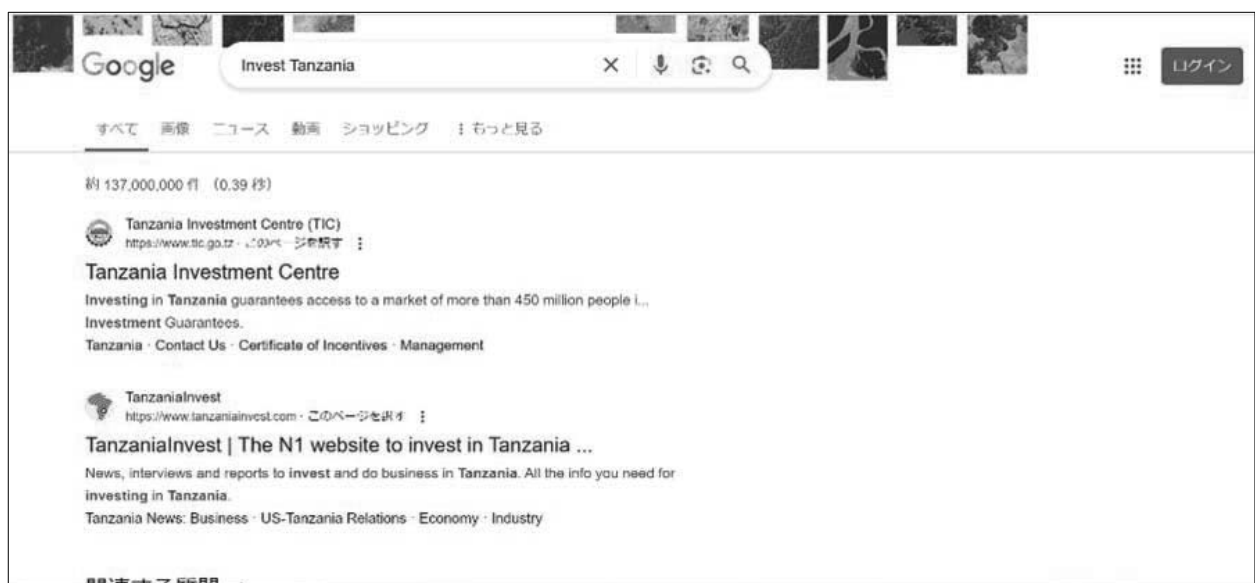
How can we help you?

3.13 Japan case (3)



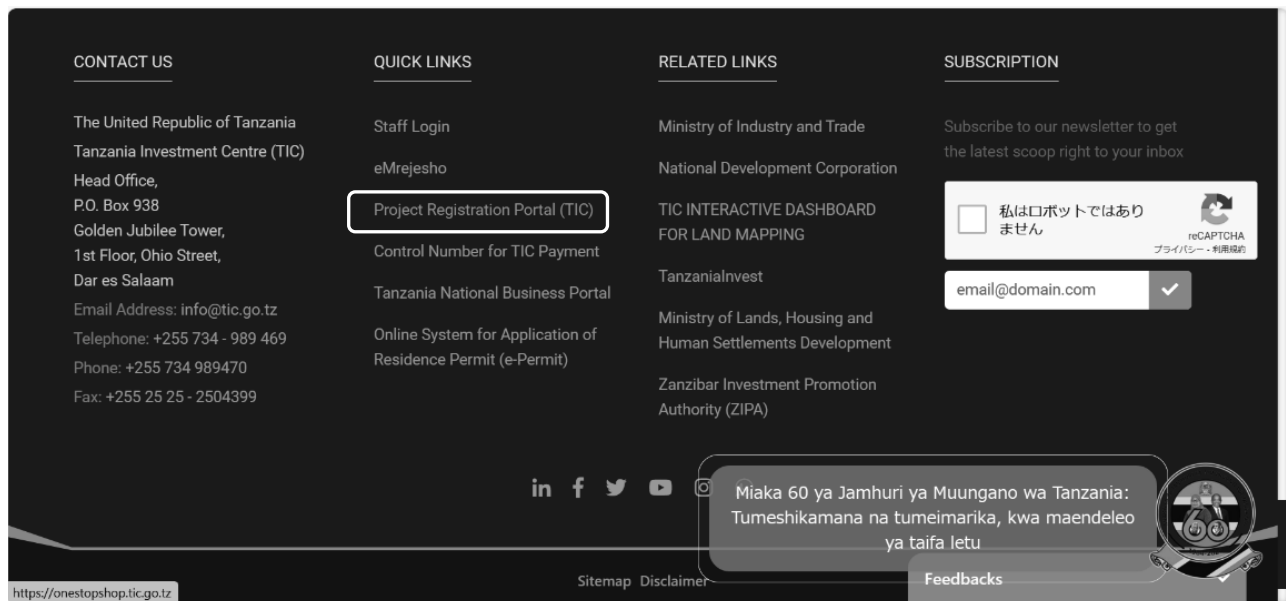
➡ I could find the form. It's not OTO form, but somebody will contact.

3.14 Tanzanian case(1)



<https://www.tic.go.tz/>

3.15 Tanzanian case(2)

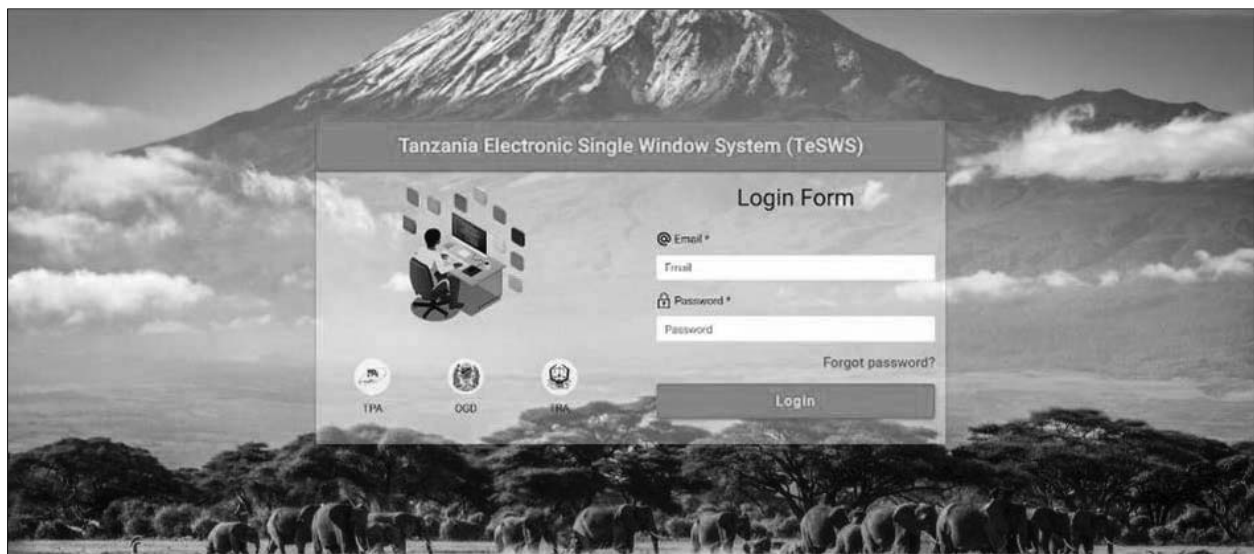


3.16 Tanzanian case(3)



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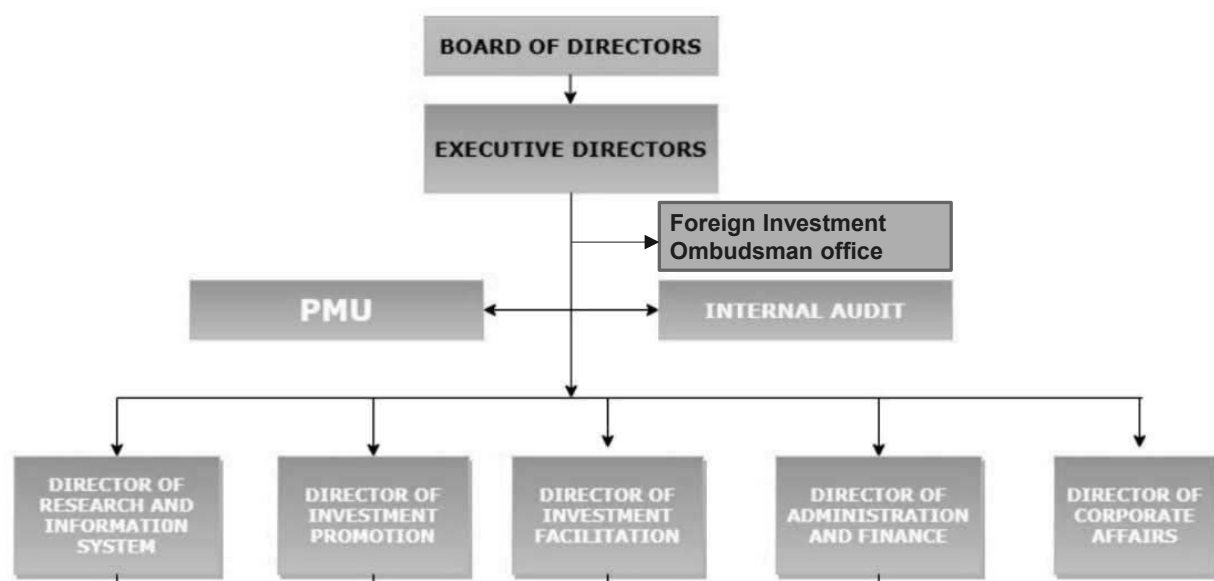
3.17 Tanzanian case(4)



➡ I thought this page is the newest.

<https://tesws.gov.go.tz/login>

3.18 Proposed structure of TIC



3.19 Proposed procedure of handling complaints

Procedures



3.20 What to do

- 1) Organize the ombudsman
- 2) Establish the procedure to handle complaints
- 3) Revise the web-site

3.21 Q & A

Any comments, opinions or suggestions?

添付資料 2 8

What is KPI

(for Monitoring & Evaluation)

JICA Advisor for Investment Promotion
Hideki Tabuchi

Contents

1. What is KPI
2. KPI and Monitoring & Evaluation
3. Failure case
4. Steps to set KPI

1. What is KPI

1.1 What is KPI

KPI : Key Performance Indicator

KPI is an indicator that shows how close a company or organization is to show the status of process.

It defines "what to measure" and "how to measure" and expresses management results in concrete numerical values.

1.2 KPI and KGI

KPI : Key Performance Indicator

KGI : Key Goal Indicator

While KGI measures the achievement of the government goal itself, KPI measures the process or activities toward achieving that goal.

Normally, only one KGI can be set per project by the top of the government.

The points to set KGI are the same as for KPIs

1.3 Example of KGI

KGI : Tanzania Development Vision 2025, which aims to transform Tanzania into a middle-income country by 2025.

1.4 Example of KPI

KPI1 : Industrial parks and/or clusters for natural resources and agro processing developed by 2031.

KPI2 : Supportive infrastructure for 11 SEZ/EPZA developed by 2031.

KPI3 : Strengthen and sustain industrial financing.

1.5 Why KPI is used?

Setting KPIs has the following benefits:

1. It helps you determine which areas of your organization are working well or need improvement.
2. It helps everyone in your organization work toward the same goal.

1.6 How KPI should be?

Use SMART criteria when setting KPIs.

SMART is an acronym for the following five elements:

- Specific: The indicator is specific.
- Measurable: The indicator is measurable.
- Achievable: The indicator is achievable.
- Relevant: The indicator is related to the core objectives of the organization.
- Time-bound: The indicator is time-bound.

1.7 Check a KPI by SMART

"Increase GDP by 20% by 2025"

1.7 Check a KPI by SMART(1)

"Increase GDP by 20% by 2025"

- Specific ...

1.7 Check a KPI by SMART(1)

"Increase GDP by 20% by 2025"

- Specific ... ○, Because it focuses on the clear outcome of "GDP" and sets a specific numerical target of "20% increase".
- Measurable

1.7 Check a KPI by SMART(1)

"Increase GDP by 20% by 2025"

- Specific ... ☐ ,Because it focuses on the clear outcome of "GDP" and sets a specific numerical target of "20% increase".
- Measurable ... ☐ ,Because the target of "20% increase" can be calculated from current GDP.
- Achievable ...

1.7 Check a KPI by SMART(1)

"Increase GDP by 20% by 2025"

- Specific ... ☐ ,Because it focuses on the clear outcome of "GDP" and sets a specific numerical target of "20% increase".
- Measurable ... ☐ ,Because the target of "20% increase" can be calculated from current GDP.
- Achievable ... ☐ ,Because the target is set as a realistic growth rate, assuming past GDP data, industrial trends, and a feasible growth strategy.

1.7 Check a KPI by SMART(2)

"Increase GDP by 20% by 2025"

- Relevant ...

1.7 Check a KPI by SMART(2)

"Increase GDP by 20% by 2025"

- Relevant ... ☐, Because increasing GDP is a central goal for many countries.
- Time-bound

1.7 Check a KPI by SMART(2)

"Increase GDP by 20% by 2025"

- Relevant ... ☐, Because increasing GDP is a central goal for many countries.
- Time-bound ... ☐, Because a clear deadline of "by 2025" is set, and the time frame for achieving the goal is fixed.

1.8 Example of KGI

KGI : Tanzania Development Vision 2025, which aims to transform Tanzania into a middle-income country by 2025.

1.8 Example of KGI(1)

KGI : Tanzania Development Vision 2025, which aims to transform Tanzania into a middle-income country by 2025.

=>Good KGI

1.9 Example of KGI(2)

The specific objectives of the FYDP III are:

- (i) To build on achievements realised towards attainment of TDV 2025 to make Tanzania a semi-industrialised, middle-income country by 2025;
- (ii) To strengthen capacity building in the areas of science, technology and innovation to enhance competitiveness and productivity in all sectors especially the productive, manufacturing and services sectors to enable Tanzanians to benefit from the opportunities available within the country;
- (iii) To strengthen the industrial economy as a basis for export-driven growth including investing in new products and markets and enabling Tanzania to become a production hub in the countries of the East, Central and Southern Africa and thus increasing the country's contribution to international trade;
- (iv) To enhance the scope of Tanzania's benefits from strategic geographical opportunities through enabling improved business environments and strengthening the country's regional position as a hub for production, trade, supply and transportation;
- (v) To facilitate increased business start-up and private sector involvement to find the best way to promote the growth of the sector in tandem with job creation and make the sector a strong and reliable partner in development;

1.10 Example of KPI

KPI1 : Industrial parks and/or clusters for natural resources and agro processing developed by 2031.

KPI2 : Supportive infrastructure for 11 SEZ/EPZA developed by 2031.

KPI3 : Strengthen and sustain industrial financing.

1.10 Example of KPI

KPI1 : Industrial parks and/or clusters for natural resources and agro processing developed by 2031. =>Not enough

KPI2 : Supportive infrastructure for 11 SEZ/EPZA developed by 2031

KPI3 : Strengthen and sustain industrial financing.

1.10 Example of KPI

KPI1 : Industrial parks and/or clusters for natural resources and agro processing developed by 2031. =>Not enough

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KPI3 : Strengthen and sustain industrial financing.

1.10 Example of KPI

KPI1 : Industrial parks and/or clusters for natural resources and agro processing developed by 2031. =>Not enough

KPI2 : Supportive infrastructure for 11 SEZ/EPZA developed by 2031.=>Good

KPI3 : Strengthen and sustain industrial financing.
=>Not good

1.11 Check points of KPI

- Does it support government goals?
- Is the KPI based on realistic **data**?
- Is it possible to collect and analyze **data** regularly?
- Is the KPI designed to improve the motivation of staffs, department and unit?

See actual documents(IIDS2025)

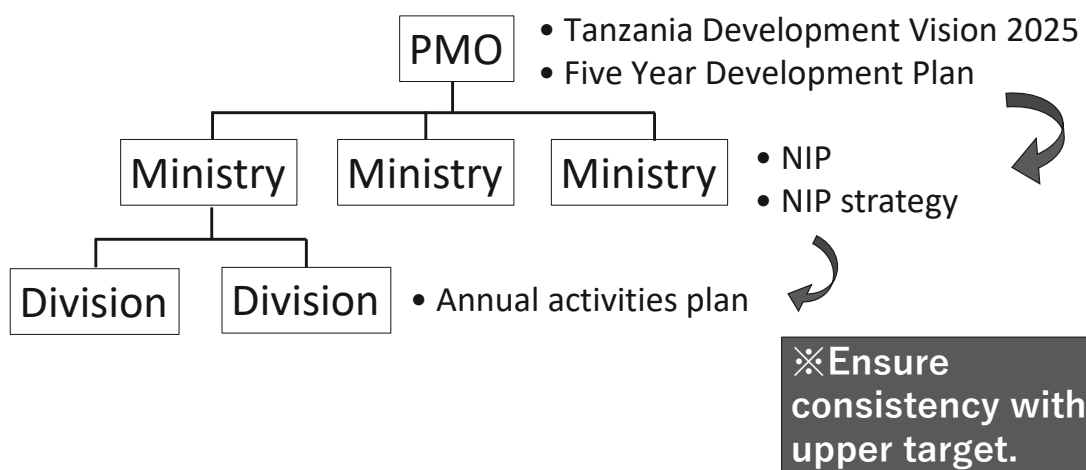
2. KPI and Monitoring & Evaluation

2.1 Policy deployment

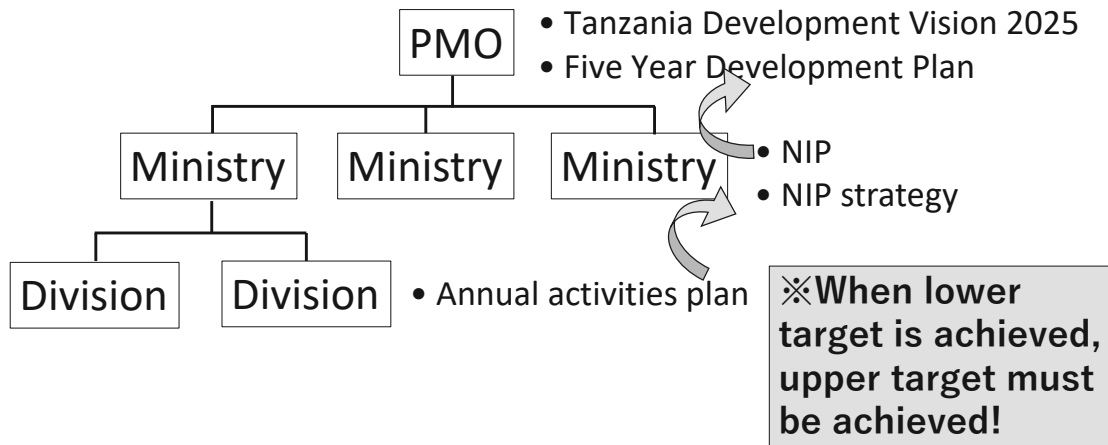
Policy Deployment is a method for ensuring that an organization's strategic goals drive progress and action at every level within that organization. This method eliminates the waste that comes from inconsistent direction and poor communication.

Policy Deployment strives to get every staff pulling in the same direction at the same time. It achieves this by aligning the goals of the organization (Strategy) with the plans of middle management (Tactics) and the work performed by all staffs (Operations).

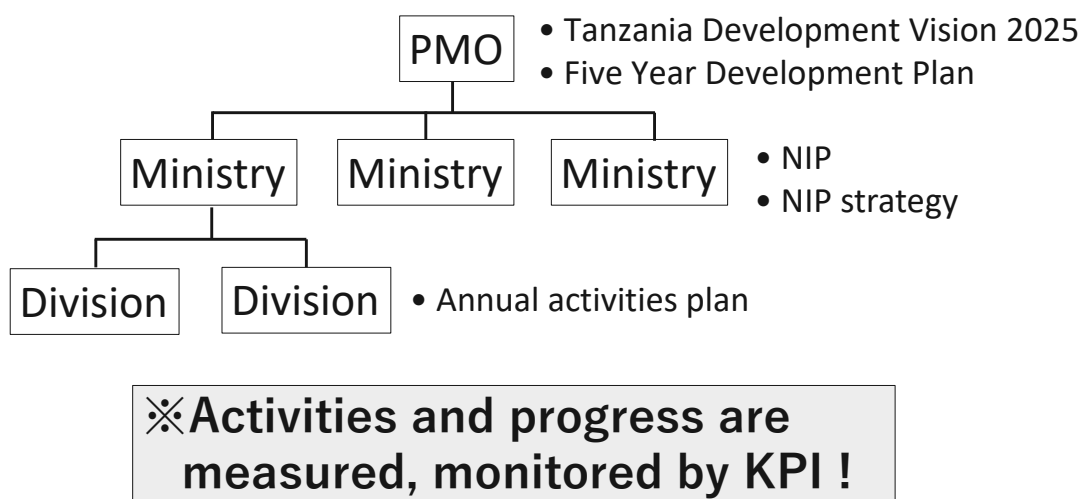
2.2 Policy deployment (Planning)



2.3 Policy deployment (Result)



2.4 Policy deployment (Implementation)



2.5 Monitoring & Evaluation

Regularly check how effectively your KPIs are working against your activities.

Periodic reports can be used to monitor your KPIs.

- Plan ... “Annual activities plan”
- Do ... Implement according to the plan.
- Check ... Monitor the activities compare with plan.
- Act ... Take recovery action if necessary.

2.5 Monitoring & Evaluation

Regularly check how effectively your KPIs are working against your activities.

Periodic reports can be used to monitor your KPIs.

- Plan ... “Annual activities plan”
- Do ... Implement according to the plan.
- Check ... Monitor the activities compare with plan.
- Act ... Take recovery action if necessary.

※Without KPI, no monitoring, no evaluation !!

3. Failure case

3.1 Failure case(1)

Common mistakes when setting KPIs include:

- **Not aligned with the objectives (KGI)**
- **Difficult to measure**
- **Choosing unclear indicators**

For example, a KPI that focuses only on productivity may bring short-term benefits, but it may ignore other important factors that affect long-term success, such as citizen's satisfaction and product quality. In this way, biased KPIs can cause problems such as reduced citizen's loyalty and damaged country credibility.

3.2 Failure case(2)

- **Too many KPIs**

Keep the number of KPIs to a minimum and focus on the ones you need to focus on.

Having more than five KPIs can distract your organization and lead to strategic mistakes, such as overlooking important performance indicators.

4. Steps to set KPI

4.1 Four steps of KPI setting

1. Clarify KGI
2. Identify which activity / processes are important and select relevant KPIs
3. Decide on the data collection method
4. Set KPI targets

4.2 Clarify KGI

First, define the KGI, the primary goal for the entire organization. Setting a clear KGI will support the organization's overall strategy and serve as the foundation for its success.

KGIs are set based on the country's vision and mission and indicate the specific results the organization must achieve. KGIs should support the long-term success of the organization and be aligned with the government's strategic direction.

4.3 Select relevant KPIs

Once you have set your KGI, the next step is to identify the processes that are important to achieving your KGI.

Identifying these processes involves analyzing activities that directly impact to achieve KGI.

4.4 Decide on the data collection method

When deciding how to collect KPI data, you need to consider the quality of the data, the efficiency of collection, and the ease of access.

Specific points to consider for each element are as follows:

4.4 Decide on the data collection method

Factors to consider	Points to consider
Data quality	Can you use accurate and reliable data, such as data from NBS?
Efficiency of collection	Can you collect data as quickly as possible and with as few resources as possible (saving costs and time)?
Ease of access	Can the relevant staff easily access the data they need?

4.5 Set KPI targets

Once you have decided on the indicators and measurement methods to be set as KPIs, the last step is to set the target values for the KPIs.

Setting specific target values for each KPI establishes clear standards for achievement. Also, by breaking down the organization's expectations of staffs into specific indicators, it can encourage everyone to work in the same direction and strive to achieve the target.

The end