**THE UNITED REPUBLIC OF TANZANIA**

**PRESIDENTS OFFICE**

**REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT**

**TANDAHIMBA DISTRICT COUNCIL**

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**TANDAHIMBA DISTRICT COUNCIL INVESTMENT PROFILE – 2016**

DISTRICT EXERCUTIVE DIRECTOR OFFICE

PO. BOX 03

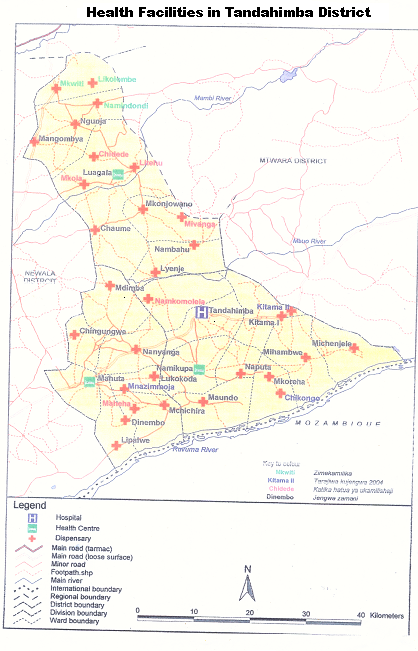
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# **Tandahimba District Map**



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# **Abbreviations and Acronyms**

**ABC -**African Banking Corporation

**AIDS -**Acquired Immune Deficiency Syndrome

**CCM -**Chama Cha Mapinduzi

**CRDB -**Cooperative Rural Development Bank

**ICT -**Information Communication Technology

**IPA -**Investment Opportunity Authority

**JCSID -** Judicial Centre for the Settlement of Investment Dispute

**KG -**Kilograms

**KM -**Kilometres

**LTD -**Limited

**MIGA -** Multilateral Investment Guarantee Agency

**NGO -**Non Governmental Organisation

**NMB -**National Microfinance Bank

**SACCOS -**Saving Community Cooperative Societies

**TACOBA -**Tandahimba Community Bank

**TIC -**Tanzania Investment Centre

**TIN -**Tax Identification Number

**TRA -**Tanzania Revenue Authority

**TTCL -**Tanzania Telecommunication Company

# **Preface**

Tandahimba District Council vision is to provide better services and economic sustainable building better lives to the citizens’ .And its mission of Using Existing Resources and Opportunities to Enhance Care Social, Economic, and Improved Quality of Life and Good Governance through Community Participation. With all this it facilitate and coordinate maintenance of peace, order, and provision of high quality socio-economic services to its people sustainably in a participatory manner which are derived from participatory approach, democracy, good governance and rule of law and through the use of opportunities and proper use of available and future resources so as to improve the quality of the life and increased income by 2025. To achieve this aspiration, the Council is aiming at facilitating the utilization of investment resources so as to be able to generate revenues to finance services. In essence, the investments will create employment opportunities around invested areas.

Therefore the investment profile document is prepared in order to inform all potential investors on the types, potential market and land available for investments in the District. Despite the fact that the Council has many potential opportunities for investments, but still focus on small and medium scale processing industry and agriculture.

The council has developed an incentives system which will enable the investor to obtain all necessary information regarding investments, facilitation in land acquisition as well as procedures for obtaining license

# **Mission and Vision**

**Vision:**

***"By 2018 Tandahimba District Council, Using Existing Resources, Specialist and Community involvement, has provided Better Services and Economic Sustainable Building Better Lives to the Citizens”***

**Mission:**

**“*Using Existing Resources and Opportunities to Enhance Care Social, Economic, and Improved Quality of Life and Good Governance through Community Participation”***

# **Introduction**

# **Geographical location**

Tandahimba District Council is one of nine councils in Mtwara Region. Tandahimba District Council is located in Makonde plateau 900m above sea level between, Easting: 569000 and Northing: 881000. It has an area of 167,331Ha. The District is bordered with Newala in the West, Mtwara Rural District in the East, Lindi Region in North and Ruvuma River to the South which is the official border with Mozambique.

# **Area**

Tandahimba District Council has an area of 167,331Ha form that a total of 157,304Ha is arable land of which 129,507 Ha is under crop cultivations.

# **Administrative structure**

Administratively the district has 3 divisions namely Litehu, Mahuta and Namikupa, 31 wards, 157 villages and 654 hamlets. Starting from 01/01/2015 the council raised 2 Township Authirities of Mahuta and Tandahimba.

|  |  |  |  |
| --- | --- | --- | --- |
| **CONSTITUENCY** | **DIVISION** | **WARD** | **NUMBER OF STREETS/VILLAGES** |
|
| TANDAHIMBA | LITEHU | 1.Litehu | 4 |
| 2.Luagala | 6 |
| 3.Ngunja | 7 |
| 4.Mkwiti | 4 |
| 5.Lyenje | 3 |
| 6.Mkonjowano | 5 |
| 7.Nambahu | 6 |
| 8.Chaume | 7 |
| **Subtotal 8** | **42** |
| NAMIKUPA | 1.Tandahimba | 3 |
| 2.Malopokelo | 3 |
| 3.Kitama | 7 |
| 4.Michenjele | 6 |
| 5.Mihambwe | 6 |
| 6.Mkoreha | 5 |
| 7.Namikupa | 6 |
| 8.Naputa | 6 |
| 9.Miuta | 3 |
| 10.Milongodi | 5 |
| 11. Kwanyama | 4 |
| 12. Maundo | 5 |
| **Subtotal 12** | **59** |
|  | MAHUTA | 1.Mahuta | 4 |
| 2.Dinduma | 5 |
| 3.Nanhyanga | 6 |
| 4.Mnyawa | 5 |
| 5.Mkundi | 7 |
| 6.Lukokoda | 4 |
| 7.Chingungwe | 7 |
| 8.Mdimba | 4 |
| 9.Mndumbwe | 5 |
| 10.Chikongola | 4 |
| 11.Mchichira | 5 |
| **Subtotal 11** | **56** |
| **TOTAL** | | **Gland Total 31** | **157** |

Each Division has a number of wards as shown in the above table; in this regard Tandahimba District Council has a total of 31 wards.

# **1.4 Population characteristics**

Tandahimba District Council is estimated to have a current population of about 239,947 as according to new projections done by National Bureau of statistics taking care of AIDS epidemic. Male are estimated to amount to 111,007 while female amount to 128,869.

The annual growth rate of Tandahimba District Council is estimated to amount to 1.2 percent with the sex ratio of 86 males per 116 females.

Population projection of Tandahimba District for 2012 - 2016

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Tandahimba** | **2012** | **2013** | **2014** | **2015** | **2016** |
| **Male** | 105,514 | 106,780 | 108,567 | 109,355 | 110,579 |
| **Female** | 122,192 | 123,658 | 125,137 | 126,640 | 128,057 |
| **Total** | 227,514 | 230,438 | 232,997 | 235,795 | 238,636 |

# **Climate**

The district receives a mono-modal type of rainfall, which usually starts at the end of November and ends in mid-May. There is a dry spell of two to three weeks at the end of January to early February. Average annual rainfall is about 900mm; also there is uneven distribution of rainfall. Temperature ranges from 21o to 28oc.

# **1.6 Soil and Topography**

# **1.7 Agro-ecological Zones**

The district has 3 agro-ecological zones which includes;

## **1.7.1.1 Central Zone**

This zone comprises flatland; it is almost covered with grassland and cashew trees. It is very rare to find other types of trees except cashews as cashew crop is intensively crown in this zone. Other crops include groundnuts, Bambara nuts, cassava, sorghum, and cowpeas. It is characterised by sandy and loam soils with poor water holding capacity.

## **1.7.1.2 Highland Zone**

This zone is covered with hills and its soil is mostly composed with humus and deep soils. There are forests (both natural and planted) and bushes. There are few cashew trees in this zone due to the low temperature. Major crops that are cultivated in this area include maize, pigeon peas, sorghum, cassava, and other legumes.

## **1.7.1.3 Ruvuma Basin**

This zone lies along the river basin. It is composed of tall grasses and there is forest and bush. The soil type is deep alluvial soil from deposits arising from river overflows. Crops grown include paddy, maize, sesame and vegetables.

# **1.8 Physical Features**

Topography of the district is flat plateau with few hills. There is an escarpment descending to the Valley of Ruvuma River. The district borders Newala District to the West, Mtwara Rural to the East, Lindi Region to the North and South is Ruvuma River which forms the border to the Republic of Mozambique.

## **1.8.1 Soils and Vegetation**

Type of soil depends on zones; the low land of Ruvuma basin has clay soils and the rest dominated by sandy soils. About 75% of vegetation present in the district is covered by cashew trees, the remaining portion consist of natural woodland with tall grasses, seasonal ponds, and forest (reserved and natural)*.*

# **1.9 Economy Information**

The main economic activities performed by residents of Tandahimba District is cultivation of crops and livestock husbandry. Cashew being the main cash crop followed by other crops namely sesame and groundnuts. Food crops include Cassava (staple food), Sorghum, maize, rice and legumes. Livestock kept are poultry, goats and cattle. Some other economic activities taking place in Tandahimba District Council are retailing businesses including small and medium shops, Lodges, bars and restaurants, Transportation services, Medical businesses, Handcraft Businesses, Banking businesses

# **1.10 Revenue collection**

The District revenue depends on collections levies on several economic activities taking place in its area. These economic activities include export levy from cashewnuts almost 85% of the District source of revenue and other Industrial and Agricultural production activities, Commercial activities of selling goods and services. These activities play a significant role to the District economy in terms of revenue and in provision of job opportunities to the residents.

## **1.10.1 Revenue**

The main sources of revenue for the District are:

* Service Levy
* Guest House Levy
* Levies on Business Activity
* Other produce cess
* Tender fee
* Advertising fee
* Plying permit fees
* By law fines
* Fines and penalties
* Revenue from renting of assets
* Revenue from renting of houses
* Magulio fees
* Market stalls / slabs dues
* Intoxicating liquor license fee
* Other business licence fees
* Vehicle licence fees
* Abattoir slaughter service fee
* Artificial insemination service fee
* Sanitation fees and charges
* Building permit fee
* Permit fees for billboards, posters or hoarding
* Revenue from sale of building plans
* Sale of plots
* Land survey service fee
* Forest produce license fees

# **1.11 Budget Structure of the District Council**

The annual budget of Tandahimba District Council has been progressively growing each year for the purpose of covering the needs of its growing population. For the last three years annual budget of the District was as follows;-

|  |  |  |
| --- | --- | --- |
| **YEAR** | **TOTAL REVENUE** | **TOTAL EXPENDITURE** |
| 2012/2013 | 20,999,657,193.9 | 19,857,539,047.0 |
| 2013/2014 | 23,102,927,089.4 | 22,153,537,304.0 |
| 2014/2015 | 23971061059.4 | 23,029,868,861.0 |

The resource allocation to social and economic sectors have been accorded priority, these are mainly Agriculture, Education and Economic Infrastructure. The allocation to these sectors for this year is as follows in the Table below:

|  |  |
| --- | --- |
| **SECTORS** | **2015/2016** |
| Agriculture | 812,327,129/= |
| Education | 1,114,541,000/= |
| Roads | 1,854,127,744/= |

# **2. Productive sector**

# **2.1 Agriculture:**

Tandahimba District has an estimated area of 166,535Ha as arable land sufficient for urban agricultural activities. Out of this area, an estimated 129,507 Ha are under cultivation.

Main cash crops grown in the area is Cashewnuts with some food crops like maize Paddy, Cassava and Rice. In the year 2015/2016 a total of 40,742,200tonnes were collected and through the auction that was conducted a total of 104 Billion was paid to farmers.

|  |  |
| --- | --- |
| **YEAR** | **PRODUCTION (KG)** |
| 2012/2013 | 34,856,208 |
| 2013/2014 | 36,060,280 |
| 2014/2015 | 57,310,381 |
| 2015/2016 | 40,742,200 |

Revenue from Cashewnut business to farmers in Tandahimba District as per the past four years,

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **PRODUCTION (KG)** | **PRICE PER KG** | **REVENUE** |
| 2012/2013 | 34,856,208 | 1250/= | 41,827,449,600/= |
| 2013/2014 | 36,060,280 | 1,196/= | 43,128,094,880/= |
| 2014/2015 | 57,310,381 | Average of 1000/= | 57,310,381,000/= |
| 2015/2016 | 40,742,200 | Average of 2552/= | 104,000,000,000/= |

# **2.2 Livestock:**

|  |  |  |
| --- | --- | --- |
| **NO** | **TYPE OF ANIMAL** | **NUMBER** |
| 1 | Origin Cattle | 3,117 |
| 2 | Dairy Cattle | 459 |
| 3 | Goats | 292,887 |
| 4 | Sheep | 18,239 |
| 5 | Pigs | 67 |
| 6 | Origin Chicken | 322,468 |
| 7 | Broilers | 4,239 |
| 8 | Dogs | 1,038 |
| 9 | Cats | 452 |

# **3.0 Economic infr****astructures:**

# **3.1 Transport and Telecommunication**

## **3.1.1 Road**

Tandahimba District Council has a total of 982.5km of road infrastructures which are passable throughout the year. The distribution of roads according to type is as here below in the table,

|  |  |
| --- | --- |
| **Type of road services** | **Total** |
| **Road** | **KM** |
| Regional roads | km 225 |
| District roads | Km 485.2 |
| Village roads | Km 436 |
| **Types of roads** |  |
| Tarmac road | Km 2.5 |
| Gravel road | km 59.9 |
| Earth road | km 921.2 |

## 

## **3.1.2 Tele-Communications networks**

In the District there are several communications networks which are available these are Tanzania Telecommunication Company Limited (TTCL) Vodacom-Tanzania, Tigo, Airtel Halotel and Zantel. Also there other communication networks at Tandahimba District Council.

* Telephone
* Fax
* Internet
* Postal

# **4.0 Banking services:**

A bank is an institution authorized to receive money on current account subject to withdrawal by cheque. Below is a list of licensed banks operating in Tandahimba District Council.

|  |  |  |  |
| --- | --- | --- | --- |
| **S/N** | **Name of Bank** | **Postal Office Box Number** | **Physical Location of Head Office** |
| 1 | National Microfinance bank (NMB) | Box 15 Tandahimba | Namikupa Road |
| 2 | Cooperative Rural Development Bank (CRDB) | Box 88 Tandahimba | District Council Building Namikupa Road |
| 3 | Tandahimba Community Bank (TACOBA) | Box 06 Tandahimba | CCM Building Namikupa Road |

# **4.1 Financial institutions**

A financial institution is an institution licensed by Bank of Tanzania and authorized to engage in banking business not involving the receipt of money on current account subject to withdrawal by cheque. The following are the licensed financial institutions operating in Tandahimba District.

|  |  |  |  |
| --- | --- | --- | --- |
| **NO** | **NAME** | **SERVICE PROVIDED** | **REMARKS** |
| 1. | SACCOS | Providing service to the member depositing there money and receiving loans | There are 38 SACCOS with 4,162 members in the District but only one (1) SACCOS with 84 members operating |
| 2. | MABOTO ENTERPRISE | Microfinance cash and cheque transaction | Microfinance cash and cheque transaction |
| 3. | BAYPORT | Microfinance cash and cheque transaction | Microfinance cash and cheque transaction |
| 4. | African Banking Corporation (ABC) | Microfinance cash and cheque transaction | Microfinance cash and cheque transaction |
| 5. | LETSHEGO | Microfinance cash and cheque transaction | Microfinance cash and cheque transaction |

# **5.0 Social services:**

# **5.1 Water:**

Tandahimba district has an estimated population of about 238,632 out of the 107,988 residents have access to clean and safe water equal to 45.25 percent of the total population. The District with other stakeholders will ensure that the remaining projects accomplished by providing services reach 51% of the population with access to safe water. After completion all projects completed a total of 35,070 people expecting to gain access to safe water as an increase of 15.41%. The increase will make Districts have about 131,158 people with access to clean and safe water which is equivalent to 54.96% of the entire population of Tandahimba.

# **5.2 Education**

## **5.2.1 Pre and Primary Education**

Tandahimba District Council has total school 126 primary with 125 schools and usually have students 46,909 (Girls 23,721 and Boys 23,188) and one Special School for children with intellectual disabilities with 43 students (Girls 10 and Boys 33). In 2016 the District has made a total enrolment of previously 7,261 (Girls 3,546 and Boys 3,715) equal to 113% of the target and the primary school of the children, 10,584 (Girls 4,997 and Boys 5,587) were recruited equal to 156% of the target for 2016.

## **5.2.3 Secondary Education**

The District has 28 secondary schools, where schools are 27 Form one to Form four and Form school one has form one to form six. All these schools have a total of 7,616 (Girls 4033 and Boys 3583). In 2016 a total of 3283 (Girls 1,791 and Boys 1,492) were selected to join Form One but that report is 3,104 (Girls 1,678 and Boys 1,426) in school all day and 49 (Girls 31 and Boys 18) report on the boarding school similar and 97.2 percent

# **5.3 Health**

The Department of Health in the Council has a total of 35 stations to offer health care for the people. In which there is 1 District Hospital, 3 Health centers in which one is owned by a religious organization of the Roman Catholic and other 2 Health centers are owned by the government .Also there are 30 clinics, dispensaries, 29 of which are owned by the government and two owned by an individual. There is also 27 cool pharmacies owned by individuals.

# **5.4 Staffing**

The Council has a total of 2,174 staff in 13 departments and units 6. However with this amount, the number is not sufficient demand. The actual needs of employees who are required to do so is 2876 that means the staff shortages in various departments is 702. This is equivalent to 24.4% of servers are needed.

# **6.0 Stakeholders Involvement**

Tandahimba District Council use Community participation appraisal especially in planning priority projects for Development at the Ward level ,arrangements of Strategic plan of 2013/14-2017/18 Stakeholders were involved a few to mention Businessmen Informal sectors, NGO’S, Community Based Organization, Heads of Central/Local government Authorities , Civil Servants and Others.

# **6.1 Investment Status in Tandahimba District Council**

This part gives a brief overview of investment status in Tandahimba District Council. Also shows both areas which have already been invested and those potential but not yet started the investment.

# **6.2 Areas Partial Invested**

* Construction of Amama plant and installation of mechanical still goes on to this project has cost the amount of funds totalling TShs. 2,500,000,000.0, both are from AMAMA FARMS LTD investor. At present this factory is capable of crashing an average of 1,500 tonnes per year with 239 labourers. The prospect of this factory after the construction and installation of the mechanical completion of the second phase and the third would be capable of crashing 4,000 tons per year.
* In Tandahimba town a total of 26 plots have been measured each with 5000m2 (width 50 meters and height 100 meters). So a total of 130,000m2 has been prepared for investment in construction of processing Industries.
* At Libobe village an area of 500hectare has been prepared for investment in dairy cattle keeping. In this area boundaries have been identified, sources of water have been earmarked and pastures have been demarcated.
* Irrigation along Ruvuma River Basin with 6520 hectares (an area of 672 hectares has been designed and construction of irrigation infrastructure have been built and so far production has increased from 1.2 to 3.5 tons per hectare)
* In Litehu Valley a total of 989 hectares design and construction of major drainage length of 3 km and 11 small channels with a length of 4.6 km and built 32 hectares have been developed and appropriate for the irrigation of rice.
* Shelling factory has been constructed and up to now only 300 tons of cashew nuts (kernel) for the year is carried out by 50 groups, the shelling factory that are registered legally. Medium cashew shelling factory has been set up and Kitama Farmers Co. Ltd is crashing capacity 100 tons of kernel per year. In addition in this area titling process of the construction area of the factory has been done and installation of plant and machinery crashing cashew has been done.
* Cassava Processing in Litehu division an area of 30,000 hectares is potential for the cultivation of cassava. Cassava processing has reached 100 tons per year. The pace of losses after harvest cassava has declined following the processing technology. There are 15 groups that deal with the processing of cassava.

## **6.2.1 Potential Areas for Investments**

* Open spaces
* Education
* School ICT facilities for primary and secondary school
* Students transport system for primary and secondary school
* Libraries
* Establishing colleges and universities outside city centre
* Waste management
* Information and Communication Technologies
* Business and Marketing
* Water
* Health

# **7.0 Challenges**

Although Tandahimba District Council is endowed with a lot of opportunities indicated above, the Council is faced with the following challenges:

* Weak infrastructure
* Low level of education amongst its population
* Low level of compliance to the law
* Weak strategies of Revenue collection
* High level of Unemployment
* Low level of the Central Government grants

# **8.0 INVESTMENT POLICY AND INCENTIVES**

The central government and the District Council are keen to promote local and foreign investment to stimulate economic growth, reduce poverty and obtain more social and economic benefits, especially in the rural areas where most people live. These areas describe investment incentives that have been adopted, and there are policies, management procedures and a legal framework to facilitate investors and economic activities in Tandahimba. District Council.

# **8.1 Investment Incentives**

The Tanzania government recognizes the importance of adequate and effectiveness in attracting and increasing amount of appropriate local and foreign investment. The investment policy objectives are specified in the directives towards investments in the investment code. The incentives provided are aimed to be competitive and economic development to suit the country needs. The incentives are broadly standardized to avoid the high administrative costs associated with a large number of incentives differentiated by activities and sectors. They are also performance based depending on sector and thus will be available to investors subject to the satisfaction of performance criteria. This performance will largely be reflected in the investment plans submitted by the investor and agreed upon with the IPA. The investment incentives are categorized into fiscal and Non-fiscal incentives. The fiscal of tax incentives include investment allowances on capital expenditure, reinvestment allowance on capital expenditure, infrastructure allowances on infrastructures expenditure, preferential tax rates for withholding tax on dividends, royalties and interest and double deductions of approved/specified costs and expenses. In addition the incentives provided are stable, affordable and competitive.

# **8.2 Fiscal Incentives**

In order to facilitate investment incentives other than tax incentives are necessary. These are called Non-fiscal incentives. They are incentives that are necessary and facilitated by the Government and the Investment Promotion Authority (IPA) will inform and assist investors to obtain and use the non-fiscal incentives. These will be subject to continuous reviews in order to improve the investment environment. Non-Fiscal Incentives provided by the Council.

# **8.3 Access to Land**

Potential Investors passing through IPA will be assured priority access to land set aside by the government for allocation to investors. The investor is entitled to apply to the government for a lease of land outside registered villages.

**8.4 Priority Access to Utilities, Transportation and Communication Services**

Investors passing through IPA will have priority access to utilities (water and power) transport and communications connection services.

# **8.5 Expatriate employment**

Investors are assured the right to employ expatriate personnel required for enterprises development and for the use of technology and skills that are not available locally particularly if such personnel will facilitate the adoption and acquisition of skills by local personnel. IPA will ensure that investors have the final say on what they desire and the engagement of expatriate personnel without any condition.

# **8.6 Business license**

It takes one day to get the business license after filling the application forms. The business license issued once (Non-renewable) at the beginning of such business and shall remain valid until the business is closed or run bankruptcy. At the District Council there is trade department which is responsible mainly for facilitation of business licensing and also on giving clarification of policies and laws related to business operations. Business license is the final document required commencing business operations.

# **8.7 Tax Identification Number (TIN)**

It takes 3 – 7 days to obtain a certificate after filling the application forms at TRA, it is obtained free of charge and TIN is a prerequisite for obtaining a business license.

# **8.8 Certificate of incorporation**

A specified fee is paid as directed by the registrar’s office. Application for the registration of a company is made directly through agents to the registrar of companies (BRELLA).

# **8.9 Land for Investment Surveying**

Where the applicant is non-citizen or foreign company, the application shall be accompanied by a certificate of approval granted by TIC under Tanzania investment Act 1997. Land Act No. 4 of 1999 and the Land regulation of 2001 provide the legal procedure for land allocation in Tanzania. If application for a right of occupancy or a derivative right, which is made by Noncitizen or foreign company is for residential purposes the use of such land shall be secondary or ancillary to the investment approved under the Tanzania investment Act. Revocation of right of occupancy is provided under section 45 – 49 at the land Act. 1999. Tandahimba District Council has complied with the provision of Section 26(1) of the Urban Planning Act No. 8/2007 whereby development consent and Building Permit are issued within three days. The provision of Section 29(1) States as follows:- “Notwithstanding the provisions of any other written law to the contrary no person shall develop any land within a planning area without planning consent granted by the planning authority or otherwise than in accordance with planning consent and any conditions specified therein” The land allocated to any developer under the statutory right at occupancy may be revoked under the following groups; upon breach of terms and condition subject to which any right of occupancy has been granted. Renovation for the public interest, the President of Tanzania may acquire any land for the public interest.

# **8.10 Work permits**

The maximum duration of work permit is two years (renewable). Business rises for a maximum of six months are also granted.

# **8.11 Non fiscal Incentives**

The government will provide tax incentives in order to improve investment productivity and to facilitate this; the Government will make taxes affordable and provide investment allowances that allow investors to contribute to tax revenues. Tax incentives will facilitate various investments policy objectives. Types of incentives under this category include corporate taxes, Cooperative society taxes, Re-investment allowance on capital expenditure, Withholding tax on dividends, royalties and interest, Personal income tax, Indirect taxes, Infrastructure allowance, Double dedications of specified approved costs and expenses, Double dedications of specified approved costs and expenses, Accelerated depreciation allowances, Specified tax Incentives and Investment allowances on capital expenditure that include Non-designated area, Designated area, Local participation in the equity, Export oriented project, Project generating significant local employment, Project depending on domestic resources, Sectorial linkages, New technology and Training.

## **8.12 The Legal Framework**

The legal framework underlying the investment policy is provided by the investment Facilitation Act of 1996 and the new code designed to facilitate the promotion of all forms of investment activities in Tanzania, and cater to both local and foreign investors. The legal framework clearly stipulates the guarantees, right and obligations of investors under the constitution and the law of Tanzania and the arbitration procedures. Protection and guarantees to investors; The Constitution of the United Republic of Tanzania confers the right to private acquisition and ownership of property. Arbitration of investment disputes; A dispute between an investors and government in respect of an approved enterprise is to be dealt with through discussion between the two parties with the aim of reaching an amicable settlement. In the unlikely event that the amicable settlement of disputes fails, arbitrations will follow. At this juncture, several options will be open to the parties concerned and arbitration will take place in accordance to the following.

1. The frame work of any agreement on investment protection both national and international. For the case of foreign investors arbitration can also take place within the framework of any bilateral or multilateral agreement on investment protection to which the government and the country of which the investors in a national are parties or.
2. In accordance with any other machinery for the settlement of investment disputes agreed by the parties. Both National and international machineries are involved depending on whether an investor is foreign or local,
3. The rules and procedures for arbitration of the International Centre for the Settlement of Investment Disputes (JCSID), the Multilateral Investment Guarantee Agency (MIGA) and the related authorities.
4. Dispute between the government and a local investor can also be settled through legal channel and both parties are equal before the law.
5. An approval of any enterprise any specify the particular mode of arbitration to be resorted to in the case of disputes relating to that enterprise.

# **9.0 Conclusion**

In order to provide services efficiently and make attract to Investors Central government in collaboration with Tandahimba District Council and other Stakeholders, Have to do the following:-

* Improve Infrastructures like Roads, Drainage system, Sewerage System and Environmental Sanitation.
* Improve Education facilities – Classrooms, Sitting facilities, teaching materials increase number of teachers and expansion of new Primary/Secondary schools.
* Law enforcement and amendment to be done for the expired ones.
* Improve strategies of revenue collections especially property tax always
* Provision of loans of affordable interest from government/Financial Instructions to reduce unemployment level.
* Central government grants have to be increate timely reachable.
* Improve conducive environment for Investments (availability of water sanitation and Electrical energy).

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