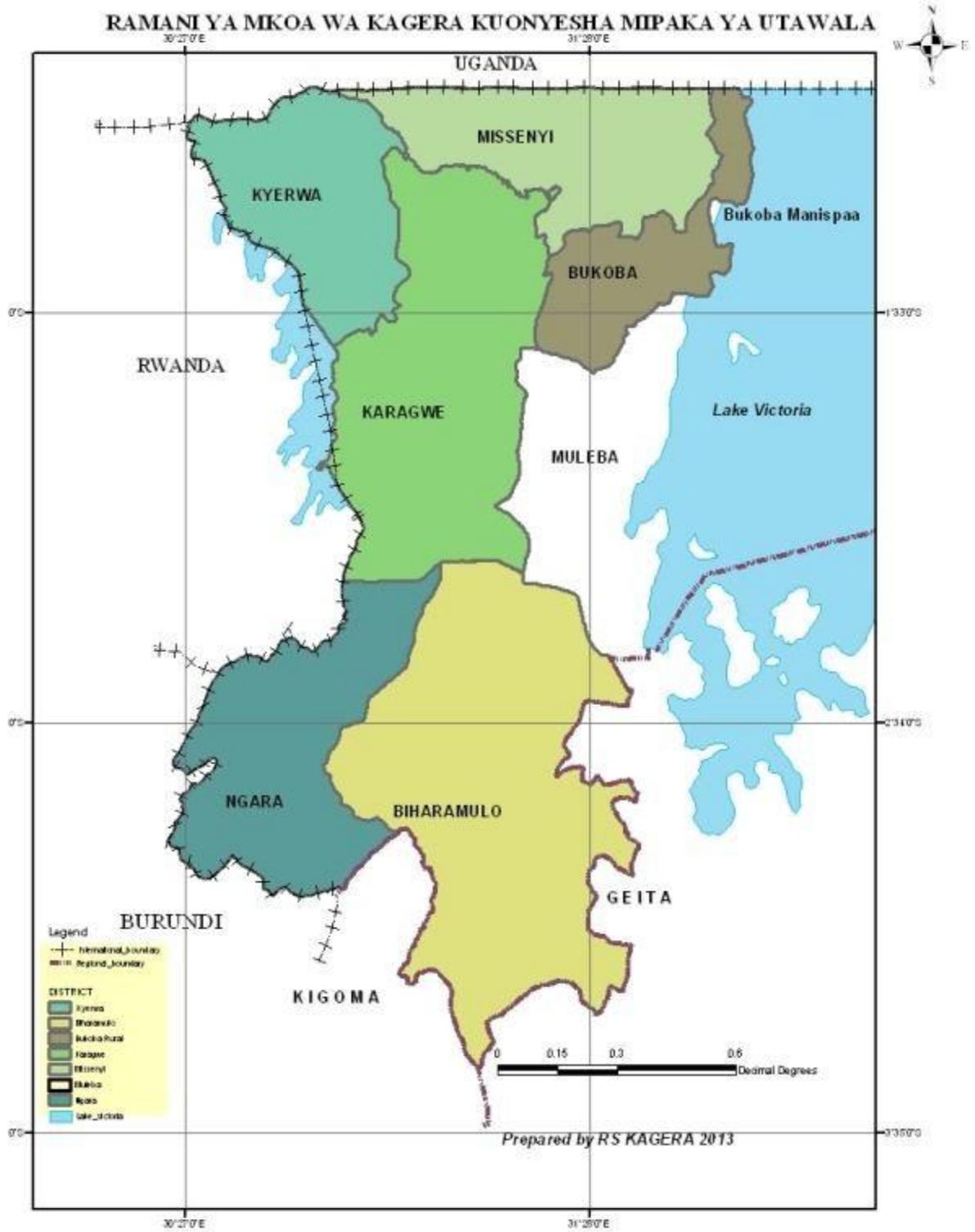


THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE
DISTRICT ADMINISTRATION AND LOCAL GOVERNMENT
KYERWA DISTRICT INVESTMENT PROFILE, 2017



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KYERWA DISTRICT COUNCIL
TANZANIA-EAST AFRICA



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Disclaimer

This profile was published to assist potential investors, both local and foreign, to access essential information regarding investments and investing in Kyerwa. The document does not in any way give exhaustive information or detailed practical instructions. Most or all of information contained in this profile was derived from consultation among Sector department of the District Council, private sector, and other agencies in the District. Materials in this document therefore should only be used for the intended purposes and not to be used for defense in a legal dispute or any matter of that nature, the attainment of the available information should be handled with care to the guidelines given by the law of the land.

Executive Summary

This profile has been prepared in seven (7) chapters as follows:-

Chapter one; Covers the broader District context, District cooperation, the economy and the markets, District location, land, climate and topography, population, agro ecological zones, administrative as well as concept of investment. The concept of investment is discussed in chapter one to remind the investor on how well to invest in the viable investment projects due to available investment opportunities in Kyerwa District.

Chapter two; Explains the existing economic profile using macroeconomic indicators including the following sectors; agricultural sector that is dominated with smallholder farmers who operate on a relatively small area growing different crop enterprise such as coffee, beans, banana, and other crops. Others are such as agro-processing particularly on coffee and timber, transport (road and air), tourism (hotels) and natural inheritance and others. Provision of education and health services is largely by the government and private sectors. Utilization of available natural resources includes fishing, lumbering, bee keeping and small scale mining especially on tiny mines. Tourism is an area that is more profitable as there are Rumanyika and Ibanda Game Reserves with a lot of wild animals plus other tourist sites. A relatively big water surface has provided an opportunity for fishing activity and fish processing.

Chapter three; Presents the existing investment situation in the District in the sectors of agriculture, livestock, fishing, Water, Works, mining, industries, tourism, bee keeping, and wildlife. The chapter elaborates investments opportunities exist in the District implying that there is still a huge potentials for investment.

Chapter four; Generally, Kyerwa District has diversified investment opportunities that have not been exploited to benefit the people in the area. The District possesses a range of investment potentials in areas of agriculture, natural resources (such as minerals, forest, bee keeping, land, fisheries, and water), livestock, tourism (especially tourist attractions including historical sites, culture and values). Other areas with investment opportunities include a series and/or network of hills in the area, processing, waterfalls, trade, transport, fisheries, and the Kagera river that makes a boundary with the republic of Tanzania and neighbouring countries and strategic location.

Chapter five, explains the management and facilitation of investment including investment policy & legislation and guidelines, land matters, areas earmarked for land banks as well as the way the District government is facilitating investors in acquiring land for investment.

FOREWORDS FROM THE COUNCIL CHAIR PERSON



Kyerwa presents itself with investment opportunities that can aid her to become a hub of economic development in Kagera Region and Lake Zones. In order to foster District socio-economic development, the District has been able to maintain peace, security and harmony given the strong leadership on ground.

This profile has been prepared with an objective to highlight the development status of Kyerwa District. This profile will also serve as a source of information and guide to all prospective investors and development partners both local and foreign who may be interested to invest in Kyerwa District as well as cooperate with us to bring about sustainable investments for sustainable development. However the following can be listed as the major development objectives/challenges with which the District is striving to achieve;

- a) To fight very strongly and ultimately to eliminate poverty, ignorance, disease, insecurity and environmental degradation so that the District possesses conducive investment environment with strong human capital.
- b) To provide and maintain adequate services, peace and security to meet the needs of investment.
- c) To accord every opportunity for full access and participation of both local and foreign investors.
- d) To improve and maintain the physical infrastructure such as roads, sewerage systems, markets etc.
- g) To faster good working relations and Cooperation's with the private sector, non-government organizations, and religious Institutions for the common goal of our people and the nation at large.

KASHUNJU S.R
COUNCIL CHAIRPERSON
KYERWA DISTRICT COUNCIL

MESSAGE FROM THE DISTRICT EXECUTIVE DIRECTORS OFFICE



The preparation of District investment profile is drawn as part of the Kyerwa District strategy towards accelerating economic growth and reducing poverty through increasing in investment flow and Industrialization. It was guided by an overall objective of undertaking critical analysis of the investment profile of Kyerwa District and come up with an informative and enticing District investment profile and strategy which will attract potential investors to exploit investment potentials for economic growth and poverty reduction in the District.

Kyerwa economy depends heavily on agriculture, which accounts for more than a quarter of GDP, it provides 85% of exports and employs about 90% of the work force in GDP composition by sector in 2015, services accounted for about half with the rest divided more or less equally between agriculture and industry.

Despite available investment potentials in Kyerwa District, it has not fully benefited in terms of investment flow from both within and outside the District, therefore Kyerwa District Council calls various investors to come and join their efforts to utilize these potential opportunities, reasons to Invest in Kyerwa;

- ✚ A climate suitable for both tourism and agriculture
- ✚ Peace and political stability that offers a safe environment with low crime rates.
- ✚ High growth potential.
- ✚ An inexpensive and trainable workforce
- ✚ A source of skills in the local education institutions
- ✚ Transport links with other regions and proximity to neighboring countries (Kenya, Uganda, Burundi, Rwanda, and DRC.)

None of the existing investment opportunities in the District have been enough tapped and exploited at its maximum yield capacity, though exploitation of some of them requires minimum strategic interventions by the District authorities. Apart from that, some strategic action has been set by the District includes; preparing the District master plan, preserving of tourist attractions as there a number of attractive historical sites and episodes so as fasten investment flow in the District. There are various sources of capital in the market (both local and external) since that the District borders two countries (Uganda and Rwanda) in the East Africa. The District government has been targeting potential investors and meeting with them for negotiations to attract them for investment in Kyerwa District.

SHADRACK M. MHAGAMA
DISTRICT EXECUTIVE DIRECTOR
KYERWA DISTRICT COUNCIL

INTRODUCTION AND BACKGROUND

1.0: Kagera Region at a glance

Kagera is one of the 30 Region of Tanzania located in the extreme north-western corner of the Mainland. Bukoba serves as the Region's capital. Kagera Region lies just below the Equator between latitudes 1° 00' and 2° 45'south. In terms of longitude it lies between 30° 25' and 32°40' east of Greenwich. It has a common border with Uganda to the north, Rwanda and Burundi to the west, Geita and Kigoma Districts to the south. The Region includes a large portion of Lake Victoria the second largest lake in the World. The Region's large water area of Lake Victoria provides the border to the east with Mwanza, Geita and Mara Districts.

1.1: Kyerwa District in a broad context

1.1.1: Location and Area

Kyerwa district is one of eight districts comprising the Kagera region. It is situated between 0-5' South of the equator and between 31°00- 32°00 east of Standard Meridian. It covers an area of 3,086 Km². The District borders the Republic of Uganda in the North, the Republic of Rwanda in the West. The Kagera River forms the boundary between Kyerwa and the Republic of Rwanda and Uganda. The District of Misenyi borders the in the North East while Karagwe District borders in the East and South. The distance from Kyerwa District Head Quarter to Dar es Salaam is about 1,880 kms, Dodoma is 1,200 and to the Regional Headquarter (Bukoba) is about 195 kms.

1.1.2: Administration:

Kyerwa is divided into 4 Divisions, 24 Wards, 99 Villages, and 670 Hamlets (Vitongoji).

1.1.3: Demography

According to 2012 Population and Housing census, Kyerwa district had a population of 321,026 people of which 163,828 are female and 157,198 are male with average household size of 4.8, sex ratio is 96. Due to annual growth rate of 3.2% by December, 2016 the District is estimated to have 368,360 people.

1.1.4: Topography and Climate

The District is characterized by mountain ranges, which are separated by swampy valley bottoms and wet lands. The altitudes range between 1,500 to 1,800 meters above the sea level, while valley bottoms and wet lands are 1,150 meters to 1,450 meters above the sea level.

The District has a tropical highland climate. The annual average temperature is 26° C. Rainfall distribution is bi-modal with peak rains from September to December and from March to May. The

District receives rainfall between 800mm/yr - 1000mm/yr annually. The high ridges get over 1000mm/yr and generally rainfall decreases from East to West.

The natural vegetation is categorized as lush savannah bush interspersed with patches of natural forests in the plateaus and papyrus reeds and Acacia species in the lowlands along the riverbanks and swamps. The impact of demographic, frequent bush fires and use of forest products for household consumption and development activities has resulted into more land been opened up from woody vegetation to bare land. The impact of such activities has left the District with only 93,000 hectares of forests under conservation and 120,000 hectares of bush, swamps and rivers. Wet lands situated at valley bottoms are intensively cultivated and overgrazed thus can no longer perform ecological and hydrological functions such as bio-diversity conservation.

1.1.5: Land Use

Greater part of the District is not well cultivated and the remaining are protected areas (forests, game reserves and ranches). Some patches are left uncultivated because they are on very steep slopes and some are swampy areas. Livestock keeping is also practiced in wooded and open grasslands. Land is more intensively used in the northern part of the District than in the southern part. Tree planting is now becoming common and livestock grazing by agro pastoralists. Natural regeneration is the main reforestation mechanism. Due to permanency of settlement by the communities, land ownership has been passed from one generation to another i.e. land has been transformed to family ownership. Village governments preserve some land for public uses and provision to landless people. In most cases women do not own land, due to patri-lineal inheritance system but have access to the land of husband.

2.0 District Economic Blocks

Tanzania is a member of two major Regional organizations. One of these is the Southern African Development Community (SADC). Although it is now primarily an economic organization, SADC began in 1980 with objective that was as much political as economic: to reduce dependence on then apartheid South Africa.

It has evolved considerably since then and hopes one day soon to achieve a customs union. Negotiations were also launched in June 2011 in Johannesburg, South Africa, to create a Tripartite Free Trade Area with two other Regional organizations the common Market for Eastern and southern Africa (COMESA) and the East African Community (EAC)

The second Regional organization to which Tanzania belongs is the East African Community (EAC). The EAC is one of the oldest Regional co-operation arrangements in Africa. The EAC has set very ambitious goals for itself. It intends to be far more than a free (or preferential) trade area. Kyerwa District has greater potentiality to enjoy this opportunity being neighbouring with more than Two East African Countries.

Markets for Investors

There are mainly three markets of interest to investor:

- The domestics in Tanzania;
- The District market serves Tanzania and Uganda and other neighbouring Countries;
- Strategic markets constructed in the District
- The export markets in the East African Community.

The domestic market is significant, given Kyerwa's population of 368,360 people, growing at a rate of nearly 3.0% p.a., even if it is limited by the low purchasing power is growing, and its quite ample to furnish a market for a product like food crops, which is one of the leading opportunities identified in chapter II below, Within the domestic market. Then there is the District Strategic markets on construction in Nkwenda town and Murongo town bordering Uganda Country.

3.0: KYERWA ECONOMIC SITUATION

About 90% of the population in Kyerwa District depends largely on agriculture for subsistence. Small enterprise self-employment (shops, traders, labourers) amounts 4% of the potential workforce and the remaining 1.3% are mainly employed in the public sector. District labour force is 49.3% of the total population of 368,360.

The main source of income is the sale of farm products, especially coffee, banana, Beans, livestock and livestock products. The main side-lines are waging labour and petty business, local brewing (banana beer). The per capita income of Kyerwa District is estimated to be 817,627 per annum by 2015.

Kyerwa economy depends heavily on agriculture, which accounts for more than a quarter of GDP, provides 85% of exports and employs about 90% of the work force.¹⁹ in GDP composition by sector in 2015, services accounted for about half with the rest divided more or less equally between agriculture and industry.

3.1: Kyerwa Agro-Economic Zones

Identification of different agro-ecological zones in Kyerwa District is based on its topography and other geographic features as well as climatic conditions. For practical purposes, Kyerwa District could be subdivided into three agro-ecological zones.

Zone 1: Liver Shore is characterized by undulating rolling plains having soils rich in yellow – red sandy clay. The area has an altitude of 1300ms to 1400ms above sea level. Crops grown are mainly bananas, cassava, beans, coffee . The zone covers Kibingo, Murongo, and Kibare wards .

Zone 2: Plateau Area The zone is characterized by moderately high rainfall with annual rainfall reaching 1000 mms to 1400mms. On average the zone is a heavily dissected plateau with an altitude of 1300ms to

1899ms above sea level. Crops grown for food in the zone are mainly bananas, beans, maize and cassava. Coffee is the main cash crop in the zone and livestock keeping is also another main activity. Kamuli, Businde, Kibare, Kikukuru, Bugara, Nyakatuntu, Kyerwa , Rwabwere, and Iteera Wards fall within this zone.

Zone 3: Low Land This zone includes lowlands at 1,100ms to 1200ms above sea level. These are flat plains with occasional ridges. Annual rainfall averages 800mms to 1000mms. The soils are of complex patterns. Black-grey clays dominate. Principal food crops grown in the zone include cassava, rice, sorghum, millet and maize. Coffee is the main cash crop and livestock keeping is also another main activity. The lowland zone covers some small parts of Muongo, Kibingo, Kitwechenkula, Songambere, Nkwenda, Kimuli, Kakanja Isingiro, Kaisho and Rutunguru Wards

3.2: Trade

Kyerwa Coffee production has brought a significant increase in the income of the people since Kyerwa District Council was established. Coffee production contributes more than 60% of the District Council revenues, the production trends are as follows;

Table 1:3 Coffee production and revenue collected by 2013-2016

YEAR	Tone produced	Revenue collected
2014	14,420	865,200,000
2015	22,700	1,532,250,000
2016	26,997.5	1,619,847,300

Source: Kyerwa District Council

Table 2:1 Summary of Cash Crop and Food Crops grown in each Wards

Division	Major cash crops	Major food crops
Murongo	Coffee, beans, sorghum	Banana, beans, maize, potatoes, cassava, fruits and vegetables.
Mabira	Coffee and beans	Banana, beans, maize, potatoes, cassava, fruits and vegetables.
Kaisho	Coffee, and beans	Banana, beans, maize, potatoes, cassava, fruits and vegetables.
Nkwenda	Coffee and beans	Maize, rice, cassava, banana, beans, potatoes, fruits and vegetables.

3.2.1 Production of major food crops

Analysis indicates 18 percent of total District arable land is cultivated. According to District agricultural statistics, the major food crops grown are bananas, maize, sorghum, cassava, sweet potatoes, legumes, and beans. Table 6 indicates that banana is the dominant crop.

Table 2:2 Food Crops Production Targets from 2013/14 - 2016/17

Year	Target Area (Ha)	Harvest-Tar get (Tonnes)			
		Banana	Roots	Cereals	Legumes
2016/2017	27,949.80	419,247	6,953	741.6	24,850.5
2015/2016	27.917	474,803	4,497	669.6	24,750
2014/2015	27,905.8	312,089	4,773	396	22,750.2
2013/2014	26,906	311,765	4,451	387.7	22,876

Table 2:3 Food Crops actual Production 2013/14 - 2016/17

Year	Area maintained	Actual harvests			
		Banana	Roots	Cereals	Legumes
2016/2017	27,899	419,207	6,742	711.6	24,680.5
2015/2016	27,857	474,743	4,190	649.6	24,639
2014/2015	27,827	312,039	4,173	364.2	22,580.2
2013/2014	26,886	302,705	4,201	337.4	22,784

3.2.2 Production of Major Cash Crops

The major cash crops grown in the District is coffee .The table 2.4 shows crops grown in Kyerwa District.

Table 2:4 Production of Major Cash Crops 2013/14 - 2016/17

Crops/Year	Area (Ha)	Coffee (Ton)
2016/2017	18,666.6	27,999.9
2015/2016	18,474.	25,652.6
2014/2015	17,541	22,620
2013/2014	17,046.8	14,941.7

4.0: Agriculture Potentials

Kyerwa district has a total of arable land of about 253,215 hectares and only Ha.77, 968 which is 30% of arable land is under cultivation. 98% of the total cultivated land done by human power and 1.7% is done by tractor power.

4.1: Soils and Vegetation.

Due to variation in parent material, age, past landform, climatic conditions and biological history, the soils of Kyerwa differs considerably from place to place. Based on the soil properties, which farmers take into account when searching for good land and while making land-use and land-management decisions, the soils of Kyerwa is divided into 5 major soil groups:

- (i) Deep and freely drained sandy soil – covers about 10% of the district.
- (ii) Deep and freely drained loamy soil - covers some 35% of the district.
- (iii) Deep and freely drained clay soil - covers an approx. 17% of the district.
- (iv) Wet soils –covers some 22% of the district.

5. EXISTING INVESTMENTS

5.1. Production of cash and food crops

Performance of this sector has not been impressive as it is characterized by low capital flow. Smallholder farmers characterized with a relatively small area under production and lack of technology dominates investment within this sector.

Banana is a staple food, which is widely produced. Part of it is marketed in neighbouring Districts such Karagwe and Misenyi. Value addition to this important crop is through banana wine processing which is still rejuvenating in a very slow pace implying low-level of commercialization of the crop in comparison with the existing potentials.

5.2. Irrigation schemes

Kyerwa District has enormous potential areas for irrigation. The waters of Lake Rushwa, Kilela natural spring, kihinda damp and Murongo river are all enormous sources. This is in addition to enormous groundwater and a number of big swamps potentials.

The District have one planed area for irrigation which is SINA irrigation scheme to date the scheme haven't utilized efficiently.

Table 3:1 Area for Irrigation Development

WARD	Specific Area	Name of the river flowing
Isingiro	Ishaka and Nyabishenge	Nyabishenge
Kitwechenkura	Rushwa	Rushwa
Kibingo	Kihinda	Kihinda
Songambebe	Kitega	Kagera River
Rutunguru	Rutunguru	Kilela

5.3. Livestock production systems

There are three main livestock production systems

Agro-pastoralism

Livestock farmers keep indigenous cattle (Zebu & Ankole) on communal open grasslands and or in the remaining arable village land. The major objective is to produce milk for home consumption and manure for fertilizer. This production system poses problem in villages especially when herds becomes large.

Semi-nomadic

Semi- nomadism is undertaken on communal grazing lands, amongst them being Siina , Ruhita Katabe and Ibanda One set aside by the district council by the enactment of the grazing lands and natural resource Management by Law through GN No.620 of 1987.. Herds are large and

move from one pastoral area to the other in search of water and good pastures especially in dry seasons. The average production is very low, caused by low calving rate, high mortality rate, slow growth rate and low milk production. Movement and interferences of livestock under this system causes frequent disease outbreaks and environmental degradation.

Smallholder dairy farming

Farmers involved in this production system have an average herd size of 2 cattle per household. The types of cattle reared are mainly Friesian crosses. There are 2,972 dairy cattle in the district of which 2,369 are cows. 25% of the cows are usually in milk at any time, producing the average of 6 lts of milk per cow per day.

Improved pasture management, insemination/fertility and husbandry practices, dairy production can increase up to 10 liters per cow per day. The percentage of cows in milk production can increase up to 50%. The calving interval can be reduced to 365 days while calving rates can increase up to 80%. The milk produced is usually consumed at home and the surplus is sold to the neighbors or to the nearby market. The second useful product especially in rural areas is manure.

Table 3:2 Livestock Distribution by District 2011

Ward	Cattle	Goats	Sheep	Pigs
NKWENDA	776	2,651	194	709
SONGAMBELE	2,198	205	405	690
KIKUKURU	521	2,475	74	570
KIMULI	977	3,508	321	761
KAMULI	7,352	3,589	855	522
RUTUNGURU	521	2,399	200	1,182
KIBARE	8,093	4,151	1,458	342
BUGOMORA	743	2,554	558	586
NYAKATUNTU	200	2,190	274	488
RUKURAIJO	2,414	4,852	284	1,119
KYERWA	4,628	6,689	584	703
ISINGIRO	15,891	6,763	366	1,115
KAISHO	3,295	3,074	250	818
MABIRA	2,384	4,935	417	1,116
BUSINDE	12,182	4,963	717	359
RWABWERE	1,334	5,020	358	1,292
MURONGO	5,512	3,494	180	491
KIBINGO	5,512	4,760	302	287
Total	72,955	72,754	7,193	13,150

Source: District Livestock Development and Fisheries Office 2017

5.4: Livestock infrastructures

Kyerwa District has a total of 7 dips (Table 3:3) and 4 Farmers Extension Centres(FECs)-Table 3:4. These facilities are under the management of Kyerwa District Council. All Cattle dips are non-functional. The Charco dams are nonexistent. The presence of livestock markets in the District shows the potentiality of livestock production.. The most common local breed in the livestock markets is Ankole(Table 3:5).

Table 3:3 Cattle Dips statistics in the District

Ward	Existing Dips	Function, In Good Order	Not Function, In Good Order	Not Function
ISINGIRO	2	0	0	2
NKWENDA	1	0	0	1
MABIRA	1	0	0	1
BUSINDE	1	0	0	1
MURONGO	1	0	0	1
KIMULI	1	0	0	1

Source: District Livestock Development and Fisheries Office 2017

Table 3:4: Farmers Extension Centres(FECs) Kyerwa District.

S/N	WARD	Name of FEC	Types of Service Delivery
1	ISINGIRO	Katera	Extension Services
2	NKWENDA	Nkwenda	Extension Services.
3	MABIRA	Mabira	Extension Services.
4.	BUGOMORA	Nyakatera	Extension Services.

Source: District Livestock Development and Fisheries Office 2017

Table 3:5 Livestock Markets in Kyerwa District

S/N	WARD	Name of Market/Place	Types of animals sold
1	ISINGIRO	Katera	Cattle
2	KIBARE	Kigorogoro	Goats,Cattle

Source: District Livestock Development and Fisheries Office 2017

5.5: Natural Resources and Land Development

5.5.1 Forestry

The District has one potential forest reserves (Mutagata Game reserve) as well as only one game reserve (Ibanda/Rumanyika Game Reserve).

5.5.1.1 Mutagata Forest Reserve

Mutagata forest reserve located in Kamuli ward. It has 229 Acres and consists of different tourist attractions such as birds, different tree species, butterflies, monkey and fantastic hot spring. In

fact, Mutagata hot spring has different features i.e. very hot water to cold water within the same area.

5.5.1.2 Ibanda/Rumanyika Game Reserve

Ibanda/Rumanyika Game Reserve is located in north- west of Kyerwa district. It is bounded by the following wards Murongo, Nyakatuntu, Businde, Kibare, Isingiro and Kamuli. It covers the area of 549 Km² with good vegetations includes grasses, shrubs and rain forests of natural tree species.

5.5.2. Beekeeping

Beekeeping activities are done in Kyerwa district mainly; the ward such as Nyakatuntu, Kyerwa, Mabira, Kamuli, Rutunguru and Kakanja. Traditional methods (using the traditional beehives) are mainly applied resulting into low quality honey and other related products. Up to June, 2017 the district have 383 beekeepers with 1,682 beehives where as 1,437 are traditional and modern beehives are 245.

Table 3:8 Bee keeping Productions by Districts in 2017

Ward	Number of beehives	Number of Bee keepers		Production	
		Individuals	Groups	Honey[kg]	Wax
Nyakatuntu	276	87	3	562	
Kyerwa	254	57	2	473	
Kakanja	398	63	1	760	
Mabira	187	46	1	548	
Kamuli	432	82	2	970	
Rutunguru	340	103	4	1020	
Rukurajo	145	58	2	435	
Total	2032	496	15	4768	

5.5.3: Wildlife

The district has Ibanda/Rumanyika game reserve which occupies 549 km². The reserve is good habitat for wild animal like hippos, elephants, water back, tohe, tope, bush back, Eland, roam antelope, olibe, leopard, hyena, monkey, olive baboon and different bird species. Tourist hunting is allowed while local hunting is prohibited this game reserve.

There are about 549 square km for hunting done by tourists. Local harvesting is however not acceptable. Apart from wild animals found in Ibanda/Rumanyika game reserve also we have Mutagata Forest Conservation that comprises of monkey, butterfly and different type of bird species.

5.5.4: Tourism

Kyerwa district is blessed with various tourist attractions such as fantastic culture, topographical features such as hills, valleys, and plateaus. Apart from that, the district has Ibanda/Rumanyika game Reserve and unique natural forest reserve (Mutagata) which have hot spring. But we have no company/tourism information centre dealing with tourism activities. Therefore, the district receives visitors from different countries and local people visiting Mutagata hot spring via neighbor's district like Bukoba Municipal and Karagwe district who has companies and information centre's dealing with tourism activities.

5.5.5: Game reserves.

The district has only one game reserve known as Ibanda/Rumanyika Game Reserve. It is located in north-west of Kyerwa district. It is bounded by the following wards Murongo, Nyakatuntu, Businde, Kibare, Isingiro and Kamuli. It covers the area of 549 Km² with good vegetations includes grasses, shrubs and rain forests of natural tree species. Comprises of different species of birds and wild animals such as hippos (kiboko), elephants (tembo), water back (kuro), tohe (swala-pala), tope (nyamera), bush back (pongo), poffe/eland, roam antelope (kongoni), olibe (mbuzi mawe), leopard (chui), hyner (fisi) and olive baboon

5.5.6: Minerals

Kyerwa district is largely covered by minerals where by 60% of its area is covered by tin mineral. Tin is mined by small scale miners and proposals for larger scale mining are posed by different companies to Kyerwa district executive director.

5.6 Fisheries

5.6.1 Fishing in water bodies

Fishery sector:

Tanzania is blessed with fisheries resources from marine, freshwater, riverine and wetland species. By making of use of these resources, the sector provides direct employment of about 183,800 fishers. More than 4,000,000 such as boat builders and repairs, fish processors, net and engine repairers are indirectly employed. It provides income for local people from foreign earnings, food for coastal and upcountry communities and also contributes to GDP (2.4% in 2015). According to FAO it is ranked in the top ten in terms of capture fisheries production. Inland production is from water bodies which Lake Victoria, Tanganyika, Nyasa, Some river and wetlands. Approximately 10,017 square kilometer of the Kyerwa District is covered by water. In 2017, there were more than 300 persons engaged in fishing fish processing and trading.

Fish catching is practiced at an artisanal level as fishers are using small vessels and canoes without outdoor engines. Fishing areas satellites lake such as Lake Kalenge, Mitoma, Katwe, Merule, Rushwa, Kitega, Ruko and Lake Rumanyika. Kagera River and wetlands areas also are utilized for fishing.

Lung fish.

Over the past three years, the Lung fish fishery has attained great importance from economic point of view in Kyerwa District council. Lung fish is a top predator mostly caught by from small traditional designed paddled wooden canoes and it is fished with Gill nets and hooks. The annual catch of lung fish in Satellites lake and Kagera River was about 60Tonnes in 2016/2017.

Key investment areas in fishing include: Value addition i.e. processing, canning and packaging. semi-processed fish products, and further processing them to produce various value-added products like such as fish meal, cakes for domestic and export markets¹; supply of modern fishing equipment to fishermen and processing plants; and manufacture of inputs like fish crafts and gear, equipment and feeds supply of refrigerated truck and provision of cold storage facilities for preservation of fish and its products.

5.6.2. Aquaculture

With the increasing fishing pressure, the increase of illegal fishing practices in many natural water bodies and global climatic changes has resulted in fish scarcity. Aquaculture has been named as one of the solution to deal with the situation, Aquaculture is a new established program whereby fish are kept/reared in an enclosure until fish reach the market size. Some Communities in Kyerwa District have adopted the phenomenon where about 200 people in Kyerwa District have been trained in fish farming for the period of past three years and are now making use of the knowledge obtained. Normally training is based on site selection, pond construction, stocking, fish feed formulation, record keeping and other things so that they can meet the required standards. The advantage gained is to harvest fish that meet customer requirement and market needs. A total of 52 fish ponds have been constructed in Kyerwa District distributed in 6 wards as shown in the table 3:6 below:

Table 3:6 Status of Fish Ponds in the District 201 7

S/Na	Ward	Number of fish ponds
1	Nkwenda	6
2	Kakanja	8
3	Kyerwa	05
4	Rutunguru	16
5	Murongo	04
6	Songambebe	07

7	Kibingo	06
	Total	52

5.7. Waterfalls

- Waterfalls are found at Murongo Ward in Kyerwa District.

5.8. Water springs

- Mutagata hot spring at Kamuli Karagwe (the water is believed to cure many human diseases)
- Murongo water rapid.

5.9. Tourists flow

From the year 2014 different tourists visit the District tourist places of Ibanda and Rumanyika game reserves, Mutagata hot water springs as shown on the table below.

6. Mining

Mining activities are mainly practicable under small scale in Kyerwa District, about 85% of the area is covered by tiny mines presenting a bigger opportunity for investing on minerals. .

7. Industries

Currently there is no industry operating in the area though serious endeavour have been employed and three industries are now under construction for Coffee processing industries and mining processing (Tiny).

7.1. Coffee curing factories

Since it was established 2013/2014 Kyerwa District has 04 small scale industry mainly for coffee hurlers situated in the following Villages; Omukagando, Rukuraijo, Rutunguru and Nkwenda.

7.2. Posho meals factories

A good number of posho meals factories exist in the District. About 198 posho meals factories are engaged in the processing of maize meals, this is done for domestic use only.

7.3. Brewing Industries

In Kyerwa District there isn't a big brewing industries, however big investment on barley production since the climatic condition of the area favors this production an area of hector 250 is available for production of barley.

7.4. Dairy Industries

Despite of the availability of milk in a Kyerwa there is no dairy industry in the District. This is an opportunity for investors

8. Infrastructure

The available economic infrastructure such as roads with a total , make the District be economical investment viable. Despite the availability of heavy rainfall in the District and the majority of the District population relying on road services, the level of road services are in good order almost throughout the year. The need for a well functioning transportation network especially on air transport is essential to carter the movement of people and goods and for providing an increased service activity between growing cities and the neighbouring countries. The following sub-sections present details of each type of infrastructure.

8.1 Road service

Kyerwa District possesses four (4) types of road network with 708.52 km of which 210, km are District roads, 340 km are feeder roads, 148.65 km and 24 km are urban roads. These roads are maintained annually and now are under Tanzania Rural and Urban Roads Agency as custodian.

8.2 Air transport

An airstrip located just adjacent to Rubwera Town, currently it doesn't provides air line services of aircraft because there are no investors to utilize the opportunity.

8.3. Energy and power supply

8.3.1 Solar energy

Private sector and some organization such as ICAP and World Vision have invested in educating the rural communities of the use of solar energy. Of all the District population about 3.5% uses solar energy as a source of light. More efforts are highly needed to promote the use of solar energy especially in the rural areas in order to avoid and reduce environmental degradation through charcoal burning.

9. Communications

9.1. Telecommunication

In terms of the telecommunication, there are different telecom company which provides communication services in the District.

9.2 Mobile phone services

In terms of the telecommunication, there are landline services provided by Tanzania Telecommunication Company (TTCL) and other cellular services provided by private companies

such as these are; VodaCom (17.1%), TTCL (Mobile) (11.4) Tigo (8.6%), Airtel (25.7%) and Hallowtell 37.2. There is still a need for more investment under telecommunication to cover 100% network accessibility. Postal services are provided by Tanzania Postal Services which its head quarters are in Karagwe District.

9.3 News and media

9.3.1 Television

Local TV stations with coverage in the District include TBC 1, Star TV, Channel Ten, ITV, Capital Television, and Clouds TV Channel. The Community usually uses satellite dish to receive broadcasting. There is neither news paper nor Television and Radio stations in the District. This is another opportunity to invest in Kyerwa with multiplier effect to the economic development and social well being.

10 Financial Institutions

10.1 . Macro financing

The following financial institutions has opened sub-branches and operates in the District with different varieties and products; Community Rural Development Bank (CRDB) and National Micro-finance Bank (NMB), They also provide different types of loans for investment in the District.

10.2 . Micro financing

Financial institutions operating in the District include VM Micro Loan it provides micro loans to small entrepreneurs.

10.3 . Non financial institutions

10.3.1 Insurance firms

Currently there is no Insurance firm operating in the District despite of many residents in the area, this service is available in Bukoba a distance of 195 Km from Kyerwa.

10.3.2 Social Security Funds

There is no Social security fund operating in the District rather people receives this services in Karagwe and Bukoba District.

11. Social services

Social services involve health, education, water and sanitation. In Health sector, the analysis is focusing on morbidity, mortality and health facilities. Education sector gives discussion on primary schools, enrolment and dropout of primary school pupils, as well as secondary schools and teachers. The profile also discusses issues relating to rural and urban water supplies and

sanitation. The content in this section discloses how important the social services to development in the District.

11.1. Health services

Health services are being provided to all District population with about 27 health facilities available and distributed in the District.

11.2. Education

Education sector is not well coupled with the investment by private sector through Public Private Partnership in building pre primary schools, primary schools, secondary schools, vocational training institutes and universities, since this is not well utilized it is big investment to invest.

11.3. Water

On average Kyerwa District population gets about 43% clean and safe water in rural areas. Investment in water sector is still at high percentage by the Council. Private sector has not well invested in this crucial sector in the District investment.

12. INVESTMENT OPPORTUNITIES

Introduction

Kyerwa District possesses a range of investment potentials in areas of agriculture, natural resources (such as minerals, forest, bee keeping, land, fisheries, and water), livestock, tourism (especially tourist attractions including historical sites and endemic species, and culture and values). Other areas with investment opportunities include a series and/or network of Islands in Lake Victoria, agro-processing, storage facilities, waterfalls, trade, transport, fisheries, and the Kyerwa District strategic location. None of the existing investment opportunities in the District have been tapped and exploited meaningfully, despite the fact that exploitation of some of them requires minimum strategic interventions by the District authorities.

12.1 Agricultural Production

Kyerwa District has a favourable climatic and weather conditions which enables traditional cash crops and food crop farming such as Coffee, Tobacco, Cotton, Tea, Sugar-cane, Spices, Maize, Bananas, Beans, Cassava, sunflower, vanilla, fruits, and vegetable to grow well in an arable and fertile land with irrigation potential from Lake Rushwa, Kihinda damp, Kilela natural spring and Kagera liver. These crops can be produced in plenty in stock and can be used for the cross border or inter-District trade.

12.2. Reasons for investing in Agriculture

-) Kyerwa District offers a favourable climate which enables traditional cash crops and food crop farming.
-) Availability of arable land is another reason as why to invest for agriculture in Kyerwa
-) Availability of ample land resource for investment.
-) The Kyerwa District has 1,194 Sq Km of land suitable for agriculture and 98 Sq Km is covered by water.
-) Specific government intervention to ensure rationalization and harmonization of land tenure system, as the current Nyarubanja Traditional Land System, which is dominant in the District, is one of the major obstacles to investment.
-) Irrigation potential using waters from Lake Rushwa, Kilela Natural spring, Kihinda damp and Kagera river offers opportunity for development and use of existing irrigation facilities.
-) A ready market due to a large stock of quality produce that attracts cross border or inter-District trade.
-) There is a huge demand for quality horticultural produce in both local and international markets.

- J There is no factory processing fruits that has led to an increased demand for the produce in the country.
- J Local farmers have considerable experience in the production of these crops and could therefore be a reliable source of produce for processing plants.

12.3. Specific investment areas in agriculture

Horticulture: Different types of fruits can be grown in the District including passions, pineapples, avocados, bananas, mango, paw-paws. Other horticultural produce include onions, tomatoes, carrots, cabbages, and spinach. Investing in the horticulture is strategic as it is the fastest growing industry in Kyerwa within the agricultural sector due to arable and fertile land.

Cereal production: Maize, paddy, sorghum. Investing in large maize plantations will certainly be a profitable venture particularly if agro-processing sets in.

Roots and tuber production: Cassava, sweet potatoes, Irish potatoes, and yams.

Large scale farming: Kyerwa District is having a conducive climatic condition suitable for growing different types of crops in small farming scale and plantations. The District has an opportunity of establishing plantation for the following crops; Coffee (in all Wards), Tea, banana, tobacco, Cocoa, Coconut and cotton and sugarcane.

Small scale farming: Cotton, tobacco, tea, coffee, sugarcane, bananas, sunflower, paddy, groundnuts, vanilla, maize, beans, sorghum, pigeon peas, yellow gums, chickpeas, cassava, cowpeas, green beans/small peas, irish potatoes.

Agro processing industries: Excellent investment opportunities exist in the area of food and beverages processing. Value addition to agricultural products as vanilla, groundnuts, beans, irish potatoes, cassava, mangoes and the likes will definitely bring returns.

Irrigation farming: The District possesses quite a range of irrigation investment potentials despite the fact that the District climate is conducive with bi-modal rainfall in a year.

12.4. Livestock Production

Tanzania's livestock population has been increasing by 5% per anum. Its 21.3 million large herds of cattle make it the largest in southern Africa. However, on the downside, 97% of all animals are kept by smallholders who are often faced with poor productivity and yield.

Kyerwa District has favorable environmental conditions that permit the raising and keeping of traditional and exotic cattle, goats and sheep. Apart from agriculture, livestock contributes significantly the District economy by 20%.

12.5. Reasons for Investing in Livestock Production

- J The climate of the District also favours growth of improved dairy breed particularly promotion of dairy cattle through cross breeding.
- J An increasing population size, urbanization, and rising income levels across Africa have boosted the demand for meat.
- J Tanzania's per capita consumption of meat is expected to triple by 2030
- J Current increases in livestock supply will not be able to meet future demand and large scale investment is needed to provide technical skills and capital to run ranches, feed lots, abattoirs, meat processors, and tanneries.

12.6. Specific Investment Areas in Livestock Production

Veterinary Service: Animal pharmaceutical shops and Farmers Extension Centers (FECs) exist where available, qualified veterinary and livestock officers offer consultancy services especially in remote areas. This area still needs well planned investment to boost animal production in Kyerwa.

Ranch: Kyerwa District has a good climate that can be a source of quality beef and ranching.. A keen investor can go into public-private partnership to optimize commercial beef ranching in these facilities.

Dairy industries: Dairy cattle breeding for the production of calves and milk processing for production of milk and milk derivatives such as cheese, butter, yogurt, and ghee, are some of the activities in the beef and dairy Industry. The development of the dairy industry in Kyerwa presents an excellent investment opportunity. The milk products needs in Tanzania is a growing market.

Meat processing: Investment can be done through meat or beef processing by installing meat processing plants to produce beef products such as fresh beef, sausage and corned beef. Such value addition can improve profitability to livestock farmers hence boost the national economy.

Leather processing: Leather processing industries are highly needed in the District due to the availability of raw material i.e animal skins. By investing in leather processing, the District economy will fast grow due to its multiplier effect since many people will be employed as a result of the investment done.

Skins and Hides Processing: Investing in machinery and equipment this sector is encouraged due to availability of hides & skins and human labor force. Investment opportunities are available in tanning

13. Transport and Infrastructure

There has been sustained effort by the Tanzanian government to create essential transport infrastructure and services to improve overall accessibility in the country and attract foreign direct investment therefore; the demand for constructing roads is very high. Good trunk roads are needed not only to connect Districts but also the demand is increasing in connecting district headquarters.²

Availability of economic infrastructure in the District Kyerwa such as road and energy and water increases its investment viability. Despite the heavy rainfall in the District roads are passable throughout most of the time. The need for a well functioning transportation network is essential to carter the movement of people and goods and for providing an increased service activity between growing cities and the neighboring countries.

13.1. Reasons for Investing in Infrastructure Development

- Institutional sector reforms that have opened up avenues for private sector participation in the transport sector.
- Sound government plans to develop the sector in five year phases.
- The District is a gateway for cross border trade between East African Countries

13.2. Specific investment opportunities in infrastructure development

Water Transport: Given the strategic location of the District, water transport is a potential investment area in Kyerwa. Stretching along the Kagera river that connect Congo, Rwanda and Uganda. Such connection could attract investors in water transport easily. Such investments shall not only improve transportation in the East African Countries, but also promote trade among the member states. Other investment areas include: Provision and operation of cargo and passenger vessels; provision of water transport services; supply and operation of luxury marine fast ferries among others.

Road transport: The revival of the East African Community makes for special opportunities in the transport industry including: the necessity for developing a reliable, all year round road network into the District to ensure transportation of goods and services within and outside the District is emphasized; and road rehabilitation and construction in rural areas are required. The upgrading of district and feeder roads to open up key areas with agricultural potential is very strategic. With this intention the Government has established an agency which is known as Tanzania Rural Roads Agency (TARURA) whereby Kyerwa District has handed over all roads to the agency for developing, upgrading, increasing road network as well as advanced design to suit investor's needs.

²TIC investment profile 2013-14

Air transport: Despite the fact that Kyerwa District is the hub for the East African countries it is currently does not have air transport services. Investment opportunities can be harnessed through Public-Private Partnership (PPP) to construct airports in the District. Through PPP investment can also be done to improve the airstrip at Rubwera town. So far, there is a big potential opportunity for commercial flights between Kyerwa to Bukoba to Dare es Salaam, other parts Country and the neighboring countries of Uganda, Burundi, Rwanda as well as Democratic Republic of Congo.

Present investment opportunities include:

-) Construction of airports at Kyerwa District;
-) Investment in rehabilitation of the Airstrip at Rubwera Town;
-) Provision of air charter and commercial air services like catering; construction of an aircraft maintenance hangar, and warehouse complex and exhibition centre.

13.3. Trade and Industry

Because of its strategic location in the East African Community and agriculturally rich land with plant of agricultural products and natural resources, investment in the area of pharmaceutical industry can be ideal as well investment in packaging and branding can be additional industries apart from the existing small scale industries. The ideal location of the pharmaceutical and packing industries are Rubwera industrial area and Nkwenda Town. Trade volume will increase as a result of District and cross border trade and Investments. The Agricultural, Livestock and Planning and Trade sectors will have a high demand in the cross border trade and this will increase the volume of trade with its neighbors Rwanda, Burundi and DRC Congo.

13.4. Social Sector

13.4.1. Education Services

Quality education at primary and high school level is a potential investment area. There are investment opportunities in investing in privately owned schools even at international level. Kyerwa District churns out about 4,500 pupils to join Secondary Schools, further more than 144,500 students annually ready to join middle level colleges and universities. This presents a great opportunity to invest in human capital development. Presently, Kyerwa District has only one colleges offering education services. Opportunities exist to invest on Vocational training, Colleges and Universities as well since there is a greater opportunity to increase the demand from neighbouring Countries.

13.4.2 Health Services

The government has opened the door for private sector investment in health services delivery. The government has created suitable environment for privatization of the health sector. Since the health sector is relatively undeveloped, investors are highly encouraged to invest in health sector as there are numerous opportunities for operation of medical institutions.

Specific areas of investment in the health services

-) Establishment of hospitals;
-) Manufacturing and supply of drugs medical equipment;
-) Physical infrastructure management;
-) Information and communications technology (ICT); and Provision of insurance services.
-) Construction of health and allied science college

Water & Sanitation: Kyerwa is not only endowed with some of the Country's largest lakes, it is also covered with a myriad of rivers and basins. Many of the Council's sectors rely on water as a major input of production. However, Around 57 percent of the rural population has no access to clean and safe water, compared to Water policy goal which emphasizes that water services be accessed in 400meters.

Kyerwa District has a number of investment opportunities under water sector as follows:

-) Construction of Water supply to trading centres of Nkwenda, Murongo and Mabira which have potential water consumers with ability to pay for water to enhance project sustainability. Targeted population for these areas is 10,796 people. Water supply status is estimated to be 30% of standard services.
-) Investment in construction of water supply project at the District Headquarter has potential consumers with ability to pay water services for project sustainability and cost recovery. Currently there is piped water project under construction it is expected that when it is completed will satisfy water demand by 40% of its population of 4,000 people. However, due to drastic development changes happening now the population is expected to increase to 7,000 people by 2019.
-) Investment in construction of water supply scheme for 57 Villages whose detailed design is in final stage. The project is expected to save 173,246 people while the current water supply is less than 20% in the area.
-) Presence of undry natural water springs that can be used for producing and packaging of drinking water.
-) Establishment of urban water authority which is not established in the District

14. Financial Services

Kyerwa's economic growth rate is fuelling the emergence of an educated middle class that aspires to achieve a more affluent lifestyle in which traditional depository, credit, insurance, and investment products play an important role.

The expansion of this middle class is expanding national demand for financial services from established providers and could represent a new opportunity for financial services companies looking for growth.

Kyerwa District is still in need of investors in the financial services. For example, the Bureau De Change service is one potential area to invest in given that it borders neighbouring countries. The inadequacy of financial services at the District levels is an investment opportunity in the districts with financial services.

15. Energy Sector

The District has abundant potential for wind power generation, efforts are yet to be done to exploit it. Waterfalls in Murongo (Kyerwa), and other places can be tapped by private sector and invest in hydro-power generation. However winds, solar energy together with biogas are potential areas for investment especially in rural areas since power generation is unexploited yet the District has abundant potential for wind, solar and biogas power generation.

15.1 Specific investment opportunities in the energy sector

Provision of solar power sources: Investment in energy is another potential area. The government is encouraging investment to expand power generating capacity, distribution system and developing indigenous sources of energy such as generating electricity from solar power sources which is viable alternative source to reduce the use of wood and oil for heating purposes.

Hydro electric power: The government is encouraging investment to expand generating capacity, distribution system and developing indigenous sources of energy for the District by exploiting the existing waterfalls for Hydro-Electric Power generation; these includes Murongo/Kikagati (18MW), where the power generated by TANESCO is not adequate for all industrial and domestic needs.

15.2. Land and Real Estate Development

Civil construction in Tanzania is booming for both commercial and residential buildings to accommodate for the high demand of office premises as well as residential houses. Kyerwa District has prepared town plan with an opportunities to invest on real estate development, Housing, Recreational areas as well as industrial area.

15.3. Specific investment opportunities in Land development

Real estate: In order to facilitate holding of national policy on economic growth, the Council provides public building areas for commercial space for offices and business, provide housing for the middle working class especially government employees and other business persons residing in the District and outside, there is a big demand to investment in the real estate. Specifically, one can invest in: Build housing estates; construct residential apartments; build office buildings; construct conference and banquet facilities; build shopping malls; construct recreational theatres and entertainment facilities; and build hotels among others.

Available opportunities for investment in Fishery sector.

Cage fish farming: Kyerwa District council is well endowed with seven satellite lakes, Wetland areas and Kagera River Investors in collaboration with the government can optimize fish production in the District by investing in Cage farming.

Commercial Pond fish farming:

There is an opportunity of establishing pond fish farming in the District due to availability of constant supply of water, good climatic condition, good soil characteristics, and feeds and also the demand is very high.

Fish processing: There is the need of establishing fish processing plant so as to add value of fish produced in the District. But this will depend much on the successful of commercial fish farming and cage farming.

16. MANAGEMENT AND FACILITATION

16.1 Investment Policy and Legislation:

Tanzania offers a well-balanced and competitive package of fiscal incentives in investment. Investments in Tanzania are guaranteed against nationalization and expropriation.

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

16.2. Land Matters

Land policy dates back even before independence in 1961. The 1923 Land Ordinance provided a legal framework for facilitating imperial interests. The 1963 Freehold Titles and Government

Leases Act was the first attempt to reverse colonial policy on land issues. Further policies were initiated until the recent adoption of the National Land Policy in 1995. The main focus of the policy is not only to guide the allocation, ownership and use of land but also to help resolve recurring land conflict problems in the country. The overall objectives of the policy are as follows:

- J Promote an equitable distribution of and access to land for all citizens.
- J Ensure that existing rights in land especially customary rights of small holders (i.e. peasants and herdsmen who are majority of the population in the country) are recognized, clarified, and secured in law.
- J Set ceilings on land ownership, which will later be translated, into statutory ceilings to prevent or avoid the phenomenon of land concentration (i.e. land grabbing).
- J Ensure that land is put to its most productive use to promote rapid social and economic development of the country.
- J Modify and streamline the existing land management system and improve the efficiency of land delivery systems.
- J Streamline the institutional arrangement in land administration and land disputes adjudication and also make them more transparent.
- J Promote sound land information management.
- J Protect land resources from degradation for sustainable development.

16.3 Areas Earmarked for Land Bank:

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

16.4. Availability of Kyerwa Industrial Investment area:

It is the policy of the District to promote industrialization for economic growth, since such realization Kyerwa District has earmarked special industrial investment area for medium and large scale industries. The area is located at Rubwera town and has 105 echors. Furthermore the District has improved other infrastructures supporting the establishment of industries such infrastructures are; electricity, roads and water network.

16.5. Government Administration.

There are two levels of Administrative Units, which are District (including District) Administration, and Local Government Administration.

16.5. District Secretariat:

In the Mainland Tanzania a District is headed politically by a District Commissioner (DC) while the head of the Civil Service at that level is the District Administrative Secretary (DAS). The District Secretariat is charged with the role of policy interpretation, advise, coordination, monitoring, enforcement and creation of an enabling environment for the LGAs to discharge their duties.

16.6. Local Government Authority

Responsibility for functions such as public service delivery namely extension services, irrigation infrastructure, health, education, water supply as well as the road network have been transferred to the local level. Local Government Authority is headed by the Councillor lead by Council Chairperson whereby the Councils functions are implemented by the District Executive Director who heads a Council Management Team to attain the Mission and Vision of the Council.

Annex 5.2 Investment protection, investor treatment and dispute settlement.

Investment protection

Kyerwa District investment is protected under law in Tanzania. The Constitution (Chapter One, Part III, Section 24) acknowledges the right to private property and permits nationalization only with fair and adequate compensation. Section 22 of the Tanzania

Investment Act No. 26 of 1997 affirms that “no business enterprise shall be nationalized or expropriated by the Government” except by due process which makes provision for a) the payment of fair, adequate and prompt compensation which may be repatriated in convertible currency and b) the right of access to the Courts or to arbitration for the determination of the investor’s interest or right and the amount of compensation to which he is entitled³.

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

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

Investor treatment

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

Dispute settlement

As noted earlier, a Commercial Court was established in Dar es Salaam in 1999 to deal with commercial disputes. Since then, new commercial courts have been opened in Mwanza and Arusha. Access has been improved and costs have been lowered. Nonetheless, there is an ongoing problem of court capacity, which means that dispute settlement remains a lengthy and time-consuming process for investors.

Beyond the commercial courts, the Government has initiated another approach to dispute resolution. The Investor Complaints Bureau was established in 2010 and is chaired by the

³ Tanzania Chamber of Commerce, Industry and Agriculture, The Tanzania Investment Act, 1997 <http://www.tccia.com/tccia/wp-content/uploads/legal/acts/Investment%20Act1997.pdf> .

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

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

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

Annex 5.3 Land Use Policy

Under section 4 (1) of the Land Act 1999 as amended, all land in Tanzania belongs to the State. It may be acquired for use through:

- Rights of occupancy granted by the Government;
- Derivative rights granted by the Tanzania Investment Centre; and
- Sub-leases created out of the rights of occupancy held by the private sector.
- Rights of occupancy and derivative rights are granted for both short-term and long-term periods.

Periods of long-term rights of occupancy range from 5–99 years and are renewable.

The Tanzania Investment Centre (TIC) can help investors to whom it has issued a Certificate of Incentives acquire land, both rural and urban, and it does not charge a fee for this service. It now has officers from the respective Government ministries and departments stationed at the Centre to facilitate land acquisition. The TIC also maintains a land bank, which contains designated plots of land that can be made available to foreign investors. However, a request for land not already in the land bank has to go through a lengthy review and approval process by local level authorities as well as the President's office, in order to be officially re-designated, from Village Land, with customary rights of occupancy, to General Land, which can be titled for investment and sale.

The process of acquiring land can thus be difficult and time-consuming for foreign investors. In part, this is because less than 10% of land has been surveyed and the registration of title deeds is handled manually and mainly at the local level. A partnership with a local investor is one way out of these difficulties, as the local partner can provide the land.

Annex 5.4 Foreign exchange and performance requirements

Conversion and transfer

Tanzania has liberalized foreign-exchange transactions. There are no restrictions on the repatriation of earnings and capital or on exchange transactions relating to current account payments. Unconditional transfer in freely convertible currencies is allowed with respect to net profits; the repayment of foreign loans; royalties, fees and charges in respect of technology transfer agreements; the remittance of proceeds (net of taxes and obligations) in the event of sale or liquidation of any interest attributable to investment; and payments of emoluments and other benefits to foreign employees working in Tanzania.

The only restriction is that a bureau de change may not sell foreign currency worth more than USD 10,000 to a resident wishing to travel outside Tanzania at any one time for each trip.

Performance requirements

While the Government encourages investors to use locally available raw materials in the production of goods and services wherever possible, there is no legal requirement to use raw materials sourced within the country. Firms investing in Export Processing Zones (EPZs) and firms that wish to claim the 'stand-alone EPZ' status are required to export at least 80% of the goods they produce. (Such firms also need to have an annual export turnover of not less than USD 500,000 for foreign-owned firms and USD 100,000 for locally owned ones.)

Investors granted Certificates of Incentives by the TIC are required to complete the implementation of their investment project within the implementation period agreed upon. They are also expected to report progress every six months on the progress of their business plans

Annex 5.5 Incorporation and Exit

Table III.7 below describes the steps involved in starting a business in Tanzania. While the procedure is broadly similar for both foreign and domestic investors, there are some differences as well. In step 2, for example, a domestic business is issued a Certificate of Incorporation, with

the cost ranging from TZS 126,200 to TZS 400,000 (USD 80–250), while a foreign company receives a Certificate of Compliance, at a cost of USD 1,200.⁴

A number of these steps are undertaken by the Tanzania Investment Centre on behalf of investors who meet certain minimum capital requirements.

⁴Tanzania Investment Centre (TIC), Tanzania Investment Guide, 2008 and Beyond <http://www.tic.co.tz/>

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