

**SMALL INDUSTRIES DEVELOPMENT
ORGANIZATION
(SIDO)**



**CORPORATE STRATEGIC PLAN
(2017/18 – 2020/2021)**

June 2017

Foreword

SIDO was established and given a specific task of spearheading development of Small Industries. This was so with a belief that once industrial enterprises are established, they will facilitate increased economic vibrancy especially through value addition to available resources, employment creation and income generation, which in turn it will positively contribute to poverty reduction initiatives.

SIDO Corporate Strategy Plan VI (2017/18 – 2020/21) represents an expression of full commitment of the Government of Tanzania to strengthening development and growth of SMEs. The plan focuses on improvements in business climate, strengthening of financial support, improved entrepreneurial education and advisory services, provision of infrastructure for development of SMEs, enhanced innovation, dialogue and partnership between public and private sectors and their promotion.

The government has already put in place good operational environment for SMEs' development and growth, but also supports strategies, programmes and projects aimed at contributing to the development of the sub sector. Initiatives that are being advocated and implemented by SIDO to develop the sub sector respond to H.E Dr. John Pombe Magufuli the President of the United Republic of Tanzania fervent publicly repeated desire to put Tanzania on the path to a semi industrialized middle income country in the next decade as per National Development Vision 2025.

I believe and hope that the implementation of this plan will ensure SMEs sector contribute its rightful share of National GDP and lead to an increase in the employment, more dynamic growth and development, stronger competitiveness of small and medium enterprises and also contribute to improvement of general people's well – being.

Charles Mwijage(MP)

Minister for Industry, Trade and Investment

Preface

The Corporate Strategic Plan VI (2017/18 – 2020/21) provides medium-term interventions that aim at accelerating and consolidating SMEs growth in a dynamic socio-economic environment. It lays the foundation on which SIDO and SMEs are to contribute to the national efforts of transforming Tanzania to semi industrialized, middle income country. It draws extensively on the Small and Medium Enterprises Development Policy (2003) that has been developed to support SMEs growth and competitiveness. The plan defines the Vision, Mission, Organization core values, strategic objectives, SIDO's structure and resource requirements based on its mandate and the prevailing social-economic environment. It identifies the necessary strategies to ensure that the Medium Term Plan (MTP) development priorities for industrialization and enterprise development are achieved.

The main goal of the Plan is to accelerate the momentum of growth and employment creation by facilitating and supporting SMEs to build up their capital bases, expand their manufacturing and other value addition capacities, improve their resource utilization efficiencies and enhance productivity. SIDO recognizes SMEs development as a key avenue for realizing national economic and socio development objectives of growth and employment. The development objectives, targets and reforms agenda in this Plan are in-line with the Tanzania Vision 2025 and other Government policies, strategies and commitments. The theme of this Plan is rapid growth, employment creation and sustainability of enterprises development taking cognizance of resource endowment and emerging opportunities in Tanzania.

In the coming four years, we believe SIDO will have strengths to meet any challenges that arise in the future and push SMEs' development agenda to higher levels.

Wilfred Nyachia

Chairman SIDO Board of Directors

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ACRONYMS

BDS:	Business Development Services
CCM:	Chama Cha Mapinduzi
CBO:	Community Based Organisation
CIDA:	Canadian International Agency
CPP:	Company Project Profile
CSO:	Civil Society Organisation
CSP:	Corporate Strategic Plan
GDP:	Gross Domestic Product
HIV/AIDS:	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
ICT:	Information Communication Technology
IFAD:	International Fund for Agricultural Development
ILO:	International Labour Organisation
ITC:	International Trade Center
FDI:	Foreign Direct Investment
JICA:	Japan International Cooperation Agency,
KOICA:	Korea International Cooperation Agency
KOSGEB:	Small Industries Promotion Organisation (Turkey)
LCD:	Liquid Crystal Display
LGA:	Local Government Authority
MDAs:	Ministries, Departments and Agencies
M&E:	Monitoring and Evaluation
MIS:	Management Information System
MITI:	Ministry of Industry, Trade and Investment
MKUKUTA:	Mkakati wa Kukuza Uchumi na Kupunguza Umaskini Tanzania
MSME:	Micro, Small and Medium Enterprises
MUVI:	Muunganisho Ujasiriamali Vijijini
NEDF:	National Entrepreneurship Development Fund
NMB:	National Micro Finance Bank
NGO:	Non-Governmental Organization
NSIC:	National Small Industries Corporation (India)
ODOP:	One District One Product
R&D:	Research and Development
RSMEAC:	Regional Small and Medium Advisory Committee
RRF:	Regional Revolving Fund
SIDP:	Sustainable Industrial Development Policy
SIDO:	Small Industries Development Organization
SME:	Small and Medium Enterprises
STI:	Science Technology and Innovation
TDCs:	Technology Development Centers
TFSR:	Tools For Self Reliance
TIB:	Tanzania Investment Bank
TNA:	Training Needs Assessment
TOT:	Training of Trainers
TPC:	Training Cum Production Center
UNIDO:	United Nations Industrial Development Organisation
VIBINDO:	Vikundi vya Biashara Ndogo Ndogo
WTO:	World Trade Organisation

EXECUTIVE SUMMARY

0.1 Introduction

Small Industries Development Organisation (SIDO) is a parastatal organization that was established by the Act of Parliament No. 28/1973. Its main objective is to plan, coordinate, promote and offer every form of services to small industries. This strategic plan document presents SIDO's vision, mission, core values, objectives and strategies that will ensure consistent and sustainable development of indigenous entrepreneurial base through provision of Business Development Services and financial services with emphasis on development of the productive sector.

Development of the Sixth Corporate Strategic Plan (CSP VI) follows successful completion of the fifth CSP which mainly focused on facilitating growth, sustainability of SMEs but also ventured into contributing to establishment of new SMEs in different sectors but also recognising requirements brought by emerging business opportunities in sectors such as Oil and Gas. This plan considers underlying Government policies, directives and plans all geared towards facilitating development of the industrial based economy. It acknowledges experience, challenges faced, successful implementation of the previous plans and related business opportunities. It takes on board stakeholders' expectations and relevant lessons learnt from other countries. The plan objectives and targets are aimed to facilitate increased contribution of SMEs in economic transformation with industrial development orientation, which augers well with aspirations of the National Five Year Development Plan (2016/17-2020/21) and the National Development Vision 2025.

0.2 Self assessment

There are a number of issues that do affect or influence SIDO's capacity to deliver. These are opportunities and development challenges, which different initiatives have to be pursued to address them and ensure SMEs' sustainable development and a stronger service provision capacity.

0.2.1 Opportunities:

- i. Government policies, strategies and directives recognize the importance of SME sector.

- ii. The increased trust on the importance and role of SMEs for economic transformation.
- iii. Availability of abundant natural resources for industrial development.
- iv. Stable and supportive political environment.
- v. Strategic location of the country facilitates large market opportunities.
- vi. Positive attitude of the public towards locally produced products.

0.2.2 Challenges:

- i. The rate of current technological advancement in relation to SMEs capacity.
- ii. Ability to respond efficiently and effectively to natural calamities.
- iii. Entrepreneurial mindset
- iv. High society expectation.
- v. Infrastructure for Industrial development.
- vi. Supportive environment for SME products to compete with the imported products.
- vii. Legal and regulatory framework, which favour SMEs growth.
- viii. Incentives for rural industrialization.

0.3 Mission, Vision and Objectives

The planned interventions are directed to maximize on the available opportunities, address the challenges encountered and contribute to realization of its vision, mission and objectives.

0.3.1 Vision

To be a leading institution in promoting the development of SMEs for sustainable industrialization in Tanzania.

0.3.2 Mission

To create, promote and sustain innovative entrepreneurial base by providing SMEs with relevant capacity development services to enhance their contribution in industrial development.

0.3.3 Development objective

To contribute to poverty reduction and enterprise development thereby contributing to economic development through provision of demand driven services that will create employment and generate income to the service user.

0.4 Core values

In order to achieve its vision and fulfill its mission, SIDO will operate on the basis of the core values of integrity, transparency, accountability, innovative thinking, results orientation and impartiality.

0.5 Objectives, Strategies and targets

The planned goals and therefore SIDO's vision will be achieved through effective implementation of the following set of objectives:

- i. To reduce HIV/AIDS infections and improve supportive services
- ii. To enhance, sustain and implement National anticorruption strategy
- iii. To enhance Operational Capacity of the Organization
- iv. To promote industrial development initiatives that contributes to industrialization
- v. To facilitate knowledge and business management skills development
- vi. To facilitate investments and SMEs Access to Market
- vii. To facilitate SMEs Access to Finance

A combination of services and interventions will create a base for establishment of 234,640 enterprises covering different sectors of the economy, which as a result creation of 703,920 jobs will be realized.

0.6 Implementation process

SIDO will ensure its operational system is capable of handling implementation requirements and appropriately follow the laid down

rules and procedures. It will prepare annual operational plans, submit them to the Board for approval, implement them, prepare and submit periodic performance reports to the Board and the Government appropriately. Continuous monitoring and evaluation will be done to ensure gradual assessment of implementation progress and realization of the intended objectives.

0.7 Budget

Successful implementation of this four year Corporate Strategic Plan running from year 2017/18 to 2020/21 will cost Tshs. 317.189 billion.



CHAPTER ONE

1.0 Introduction

Development of the Sixth Corporate Strategic Plan (CSP VI) follows completion of the fifth CSP which mainly focused on facilitating growth, sustainability of SMEs but also ventured into contributing to establishment of new SMEs in different sectors but also recognising requirements brought by emerging business opportunities in sectors such as Oil and Gas. This plan considers underlying Government policies, directives and plans all geared towards facilitating development of the industrial based economy. It acknowledges experience, challenges faced, successful implementation of the previous plans and related business opportunities. It takes on board stakeholders' expectations and relevant lessons learnt from other countries. The plan objectives and targets are aimed to facilitate increased contribution of SMEs in economic transformation with industrial development orientation, which augers well with aspirations of the National Five Year Development Plan (2016/17-2020/21) and the National Development Vision 2025.

1.1 Context of the plan

Development of this strategic document was done through a number of stages involving SIDO members of staff and stakeholders. A team of professionals drawn from all SIDO departments at Head Office was appointed to review the previous plan performance, go through a number of relevant documents, collect views from all departments, Regional Offices and Stakeholders then use them to develop the plan for the next four years period. At the regional level, members of staff reviewed the previous plan, collected views and suggestions from stakeholders on SIDO products, services and their suggestions on the best way they would like the services to be, then submitted them to the team at Head Office. The team received comments from the regions and did all the reviews, analysis and consolidation into a base for this plan. The draft document was completed, submitted to SIDO Management for improvement and validation, after which the document was circulated to a selected number of stakeholders for comments. Necessary adjustments

were made to the document, then was finalised and presented to the Board for deliberation and approval.

The sixth Corporate Strategic Plan will operate within the framework of the National Development Vision of 2025, the SME Development Policy (2003), Sustainable Industrial Development Policy (1996-2020), and the National Five Year Development Plan (2016/17-2020/21). The document explains clearly the organization's services, its capability to implement them and meet stakeholders' expectations in the next four years.

The thrust will be at providing business development and financial services to enhance SMEs development and operational capacities by ensuring:

- i. Innovative technological solutions leading into realization of industrial development agenda through value addition on local resources are provided.
- ii. Business development and extension services are provided to SMEs.
- iii. SIDO services are promoted.
- iv. Comparative and competitive advantages of SME products are enhanced.
- v. Increased outreach of credit services efficiently and sustainably.
- vi. Continuous upgrading of organizational capacity to extend services effectively and efficiently.
- vii. SMEs products and services stand out in a competitive world market by assisting them to attain product quality and quality of service delivery to clients.
- viii. Improved internal control systems
- ix. Programmes that empower women and youth in establishing, managing and facilitating growth and competitiveness of their enterprises are strengthened.

The main output of this plan will be a number of Small Industries established, SMEs growth, competitiveness, industrial development, empowerment of women and youth.

1.2 Background of SIDO

Small Industries Development Organization (SIDO) is a parastatal organization that was established under the Act of Parliament No. 28 of 1973. The organization was established and given mandate to plan, coordinate, promote and provide capacity development services to SMEs particularly to small industries. It is the responsibility of the organization to facilitate entrepreneurship development and offer extension services, promote technology development and transfer, provide technical services, facilitate dissemination of business information and marketing, provide work places and financial services.

This development work is being done with the support from the Government and development partners such as IFAD, JICA, UNIDO, KOICA, ILO, ITC, NSIC, WTO, KOSGEB and CIDA. On the other hand, collaboration with local government authorities, private sector and other stakeholders to enhance SME capacity development work is very much recognised.



1.3 The Mandate of SIDO

SIDO was given the following functions:

- a. to promote the development of small industries in Tanzania;
- b. to plan and co-ordinate the activities of small industry enterprises in Tanzania;
- c. to carry out market research in goods manufactured by small industries in Tanzania;
- d. to provide services necessary for or incidental to proper development of small industries to parastatal organisations and other persons engaged in small industry enterprises;
- e. to advise the Government on all matters relating to the development of small industries in Tanzania;
- f. to carry out research in the development of small industries and marketing of products thereof, including the standard and quality of such products;
- g. to facilitate orderly and balanced development of small industries in the regions;
- h. to provide technical assistance to persons engaged in small industries;

- i. to provide and promote training facilities for persons engaged in or employed or to be employed in small industries and to assist and co- ordinate the activities of other institutions engaged in such training;
- j. to provide management and consultancy services to small industry enterprises in Tanzania;
- k. to undertake or assist any institution or person in the undertaking of technological research and to encourage and promote technological advancement in Tanzania;
- l. to perform such other functions as the President may, by order published in the Gazette, confer upon the Organisation.

1.4 Clientele

SIDO services are blended and tailored to suit the requirements of different levels of entrepreneurship development. It offers business development and financial services to its targeted market in rural and urban areas. The main clients include formal and informal sector enterprises, which fall under micro, small and medium enterprises referred to as SME sector.

The market segment of SIDO services cuts across four categories of pre starters, starters, existing and growth oriented clients and service providers. The services being provided by SIDO are aimed at enhancing capacities of the beneficiaries to participate in income generating activities especially in productive and services undertakings.

1.4.1 Pre-startups

This market segment includes residents who have not yet started any business or income generating activities. It extends to accommodate graduates from various higher learning institutions, colleges, vocational and skills development centres and school leavers.

It has been almost a tradition for SIDO to provide training and advice on how to start a business, entrepreneurship skills, provision of business information, preparation of business plans and other aspects of business practices.

In this plan, provisions will be made to ensure those who aspire to become entrepreneurs are properly guided to start and successfully run business enterprises.

1.4.2 Start ups

This market segment includes entrepreneurs/enterprises that have started the process of investing into actual production of goods and services at Micro, Small and Medium levels.

Experience indicates shortfalls in service package being applied to supporting their development and growth such as inadequate working premises and credit support.

Provision of business development and financial services comprising marketing and information, business linkages, skills upgrading, working tools, credit and linkage to financial institutions, technical support and business management training. Special consideration will be made to ensure those who have industrial development orientation are appropriately guided to acquire machines and equipment and some development grants with which to establish small industries.

1.4.3 Existing SMEs

The segment involves existing growth oriented small businesses that are potential in terms of income generation, job creation and market expansion.

Experience shows weaknesses in measures and identification criteria, providing adequate service package for the segment, and even proper system to track their development.

It is SIDO's desire to facilitate development and growth of the segment to a medium scale level. Assistance will be provided on capacity strengthening services such as specific business skills, technical and management support, business diagnosis and mentoring, technology upgrading, credit and financial linkages.

1.4.4 Other Service Providers to SMEs

This segment includes institutions (private or public) providing business development and financial services like LGAs, NGOs, CSOs, CBOs and other business partners.

Experience indicates that the segment was not given the necessary attention. They are neither registered nor have an obligation to report their activities to SIDO. On the other hand, the providers have no well-structured procedures and tools to serve the sector but also have very small network.

SIDO will continue to undertake capacity building measures in its areas of competence for other service providers in the SME sector.

1.5 Layout of the plan

The following chapter will present the situational analysis of the SME sector in Tanzania both internal and external environment. It will highlight some of the performance review of the fifth strategic plan and its overall impact. Chapter three include Strategic issues to guide the plan during the coming four years detailing the vision, mission, development objective and strategic objectives to be pursued. Chapter four explains strategic objectives, outputs, activities and performance targets. Chapter five covers resource requirements, and finally chapter six portrays review process in Monitoring and Evaluation (M&E).

CHAPTER TWO

2.1 SITUATIONAL ANALYSIS

The state of the economy and environment in which SIDO operates determines the scope and extent of its operations. Over recent years, the Tanzania economy has continued to remain stable with growth rate averaging 6.7% between 2010 and 2015 and average real GDP growth rate was 7.0% in 2016. The growth has been attributed to improvement of infrastructure especially road construction and energy, trade, manufacturing and financial services. More so, inflation has been contained to a single digit level with headline inflation averaging 5.2% in 2016. The steady growth of the economy is being supported by improved and stabilized power supply mainly from natural gas which is expected to boost performance of other sectors including manufacturing; revival of central railway line; increase in the capacity and efficiency of Dar es salaam Port; increase in financial deepening; continued implementation of infrastructural projects and implementation of economic policies which focus on nurturing industrial transformation and human development.

Agriculture is the mainstay of the economy holding more than 70% of the population, contributed 29.1% of GDP in 2016, which was an improvement from 29.0% in 2015. Crop production contributed 15.6%, livestock 7.9%, forestry 3.5% and fisheries 2.1%. On the other hand during the same period manufacturing and construction contributed 24.3% of GDP with manufacturing reaching 5.2%.

Tanzania has been experiencing a steady economic growth of 7% for the last 10 years with manufacturing sector average contributing 6.25% to GDP per year. On the other hand, average growth rate of manufacturing sector was 7.27%, which is below the growth rate of 8-10%. The positive development has been attributed to steady contribution of economic segments starting from SME to large levels.

According to the Industrial Census, 2013, Tanzania has about 49,243 micro, small, medium and large industries, which deal with industrial manufacturing, mining and mineral processing, generation and distribution of electricity and gas, production and distribution of water.

Among these industries, about 47,922 equivalent to 98.4% deal with industrial manufacturing.

Policies and strategies developed by the government aim at providing conducive environment that enhance growth and performance of the sectors. They specifically put favourable conditions for private agribusiness expansion, directly or through partnership with small holders, input distribution, produce marketing and promoting agro processing and rural industrialization.

With respect to employment, agriculture is still the dominant sector about two thirds again (66.3 percent) of currently employed persons were agricultural workers according to the Integrated Labour Force Survey of 2014 (ILFS 2014). The share of labour force going into agriculture has been dropping year after year and modern urban industrial sector cannot be depended upon to employ much of the growing workforce, due to constraints on its growth potential.

Therefore the bulk of new entrants to the labour force will need to be productively employed in off farm labour intensive enterprises, in small-scale industries and services. Much of the employment to be generated by the private sector will come from SMEs engaged in trade, commerce, distribution, transport, construction, agro-business, manufacturing / repair services. Even though we have noted its contribution, the sector has a potential to contribute even more if some of the operational challenges are sorted out. The interventions being planned are aimed at developing and improving SMEs capacities to engage themselves in wealth creation through production of goods and services, create jobs and facilitate income generation.

2.2 ASSESSMENT OF INTERNAL ENVIRONMENT

2.2.1 Entrepreneurship and business skills development

Most enterprises are established not on the basis of feasibility and viability analysis but on emulation. This is due to lack of knowledge and capacity to assess the environment and reach at a rational investment decision. Acquisition of relevant knowledge and skills is vital for SMEs growth and competitiveness. The plan recognises the need and provides interventions to address the shortfalls and enhances promotion of entrepreneurship development.

2.2.2 Market and Information

Market and information are prime movers of all economic undertakings and are important determinants of business success. Production of most SMEs goods and services are not based on the quality and standards, which the market needs due to limited access to market information. SMEs face market problems due to poor quality of products, poor packaging, inadequate marketing skills and stiff competition. The plan will focus on formulating dynamic marketing and information programme that address those challenges and effectively and efficiently enhance comparative and competitiveness of SMEs.

2.2.3 Access to Finance

Finance has been one of the major constraints to SMEs development and prosperity. Reasons behind the fact include inadequate capacity to develop project documentation, high interest rates and inability to fulfill the collateral requirements. Others also include lack of alternative financing windows to cater for specific financing requirements such as venture capital, guarantee schemes and enterprise development funds. The plan provides for establishment of new financing options that will ensure increased access to available financial resources for development as well as operations of the sector.

2.2.4 Regulatory Environment

Non-conducive regulatory environment, particularly location related factors, registration, licensing and reporting requirements have contributed to high transaction costs to small enterprises. The institution will continue to play its key role to advise on policy, regulations review and development of programme that facilitate conducive regulatory environment.

2.2.5 Technology sourcing and dissemination

SMEs have limited access to appropriate technology due to lack of relevant technological information, low absorption capacity and cannot afford specialized technological services. The rate of technological advancement is more rapid than the capacity of SMEs to cope. Through the plan access to technology information and capacity to develop them locally through reverse engineering and transfer will be enhanced.

2.2.6 Linkage and Sub-contracting

As stipulated in the Tanzania Industrial Competitiveness report (2012) the linkage and sub-contracting are not well practised especially between FDIs and SMEs. This situation is highly influenced by inconsistency in production capacity, quality and standards and slow implementation of available policies and programme. In this respect the strategy is to use and promote cluster development approach to facilitate capacity development of SMEs.

2.2.7 Infrastructure

Availability and accessibility of infrastructure facilities such as working premises, roads, cold rooms, warehouses, communication and utilities are obstacles hindering SMEs development in both urban and rural areas. Efforts to influence local government authorities to allocate and develop land for SMEs use and likewise promoting public-private partnership in developing basic infrastructure required for enterprise development especially through clustering have to be enhanced.

2.3 ASSESSMENT OF EXTERNAL ENVIRONMENT

2.3.1 National Development Vision 2025

States that " Tanzania should have created a strong, diversified, resilient and competitive economy, which can effectively cope with challenges of development and which can also easily and confidently adapt to the changing market and technological conditions in the regional and global economy" by 2025. The vision seeks to actively mobilise the people and other resources towards the achievement of shared goals. Interventions outlined in the plan will facilitate knowledge and skills development, which contributes to capacity development of players who are vital to economic development.

2.3.2 Sustainable Industrial Development Policy (SIDP) (1996 – 2020)

States that, " the Government recognises the role of the private sector as the principal vehicle in carrying out direct investments in the industry " SIDP further places specific emphasis on promotion of small and medium industries, encouraging informal sector businesses to grow and formalise, and on measures to enable indigenous entrepreneurs, women,

youth and people with disabilities to take part in economic activities. On empowering the indigenous private sector, SIDP notes “the Government will initiate affirmative-action measures, which will be designed to promote special programme for indigenous entrepreneurs”.

2.3.3 Small and Medium Enterprises (SME) Development Policy (2003)

The policy aims at creating conditions to encourage informal micro and small enterprises to move into formal sector, thereby creating more wage employment, while measures to enable the survival and expansion of formal small and medium enterprises in Tanzania as the basis of private sector – led growth will be a major objective. In that way, it fosters job creation and income generation through promoting the creation of new SMEs and improving the performance and competitiveness of existing SMEs to increase their participation in the Tanzanian economy, thereby enhancing their contributions to economic growth, income and employment generation and reduction of poverty.

2.3.4 National Five Year Development Plan (2016/17 – 2020/21)

The plan specifies key areas to be used in the national transformation as industrialization, human development, and implementation effectiveness. The plan provides for a base for transforming Tanzania into a semi-industrialized nation by 2025; foster development of sustainable productive and export capacities; Consolidate Tanzania’s strategic geographical location through improving the environment for doing business and positioning the country as a regional production, trade and logistic hub; Promote availability of requisite industrial skills (production and trade management, operations, quality assurance, etc.) and skills for other production and services delivery; Accelerate broad-based and inclusive economic growth that reduces poverty substantially and allows shared benefits among the majority of the people through increased productive capacities and job creation especially for the youth and disadvantaged groups. And more so on the emphasis placed on the importance of SMEs in economic and social development.

2.3.5 Ministry of Industry and Trade (MIT) Strategic Plan (2016/17 – 2020/21)

Recognizes the contribution of SMEs in the economy but also the environment in which they operate. Despite the contribution, the sector

is facing various development and operational challenges that need to be addressed. The challenges include coordination of SME programme, SMEs working sites and premises, high cost of compliance to regulations and standards, access to finance and non-financial business development services. The challenges should be dealt with in order to enhance sustainable growth of the sector. The intervention will stimulate and increase start-ups, formalization of enterprises, increased employment, graduation of SMEs and increased individual and national income.

2.3.6 Cooperation and collaboration with international initiatives

SIDO has been collaborating and will continue networking with the external development partners including: NSIC, JICA, KOICA, EDF, ILO, CESO, ITC, KOSGEB and UNIDO.

2.3.7 CCM Election Manifesto - 2015 – 2020

The CCM Election Manifesto directs government institutions to ensure consistent growth that will raise the contribution of industries to 15% of GDP and 40% of the total employment by year 2020. It also emphasizes establishment of industries which will add value to locally available raw materials from agriculture, livestock, fishing and forest products especially textile, soap, cashew nuts, oil seeds, fruits and vegetables etc.

2.4 PERFORMANCE REVIEW OF THE PREVIOUS PLAN

Review of performance of interventions implemented during the previous CSP V (2014/15 – 2016/17) indicates that SIDO services are providing necessary contribution to develop capacity of enterprises towards the desired impact. Implementation of services in CSP V ensured realization of SIDO vision, mission and objectives as compared to the previous plans. The general assessment of results out of CSP V indicate that awareness of SIDO services has increased, firm working collaboration with key stakeholders such as Central and Local Government, development partners as well as private sector has been developed.

Achievement indicators can be viewed through the fulfillment of the following objectives:

2.4.1 Identify appropriate technologies and disseminate for SMES use

The main service thrust was to ensure availability of technologies as per SMEs' requirements to facilitate value addition activities based on local available resources. During the plan, 364 technologies were identified and disseminated to SMEs. Then 134 technical profiles were prepared to assist prospective users to make informed decisions on technologies and processes.

2.4.1.1 Facilitate technology innovations

It was SIDO's aim to facilitate SMEs capacities improvement in terms of facilities, processes and products. During the plan, technology and products innovations were witnessed to 161 different processes and products in use in 21 regions. The innovations enhanced performance of the technologies, products and processes and facilitated work efficiency.

2.4.1.2 Support SMEs growth through Clusters

SMEs were sensitized to have their business establishments organized in clusters. Through 28 clusters a number of support services were provided with the aim of strengthening their development and operational capacities. Clusters that have benefitted from the services include cashew nuts clusters in Lindi and Mtwara regions; palm oil clusters in Kigoma; sunflower oil clusters in Mbeya, Singida, Dodoma and Manyara regions; rice clusters in Mbeya region; and metal clusters in Morogoro region.

2.4.1.3 Facilitate products development through incubation

Prospective products developers were encouraged to bring in new product ideas for incubation. During the plan, 91 new ideas were brought forward and incubated in different regions. The services

provided to incubate enabled smooth development of some new products to a point when they attain marketable state.

2.4.1.4 Facilitate technology transfer

During the plan efforts were made to encourage and develop capacities of SMEs to assume the role of manufacturing machines and equipment developed by others on commercial basis. In that way, 220 technologies were transferred to SMEs and capacitated to commercially manufacture them.

2.4.1.5 Manufacture of machines and equipment

Technology Development Centers (TDCs) are involved much in the development and dissemination of machinery/equipment and provision of technical support to SMEs in both urban and rural areas. During the plan, the centers manufactured 832 machines and equipment, and provided technical support to 2,952 enterprises. The centers also conducted demonstrations of 80 machines developed to popularize and entice entrepreneurs to acquire and put into use.

2.4.1.6 Provide Technical extension services

SIDO as is mandated to provide services for the development of small industries has provided technical support services through 22,328 technical consultations. These were mainly on; products certification, working place certification, industrial layout, machinery installation, industrial diagnostic studies, industrial maintenance, improving production lines, utilization of available workspace, selection of appropriate technology, technical consultations, skills upgrading particularly on product quality improvement and linkage to other service providers.

Also the Kaizen management concept has been popularized and used to bring about productivity and quality of industrial enterprises in various regions including Dar es Salaam, Morogoro, Dodoma, Arusha and Manyara.

2.4.1.7 Enhance capacities of artisans

Working tools and business development services were provided to 1,595 groups of artisans involved in various trades including blacksmithery, carpentry, tailoring, masonry, metal works and tinsmithery. Also during the period, 1,423 groups of artisans were involved in skills upgrading involving 33,668 artisans. The skills upgrading intervention was directed mostly to product quality control, how to produce quality and modern beehives; dress designing, tailoring, embroidery and fine finishing; product fine finishing; marketing; mechanics and repair of machines. The services were provided with a generous support from Tools For Self Reliance (TFSR) and Tools for Solidarity (TFS).

2.4.2 Business skills development for SMEs' growth and competitiveness

Business skills development intervention was aimed at facilitating SMEs capacity development in terms of promoting, developing entrepreneurial managerial, technical competency, attitude change and prepares them to participate fairly in the existing business environment.

2.4.2.1 Conduct courses of specialized skills such as entrepreneurship, business management, technical, organizational, ICT and others.

Capacity building of entrepreneurs was done through training of different kinds which include Entrepreneurship development, Business Management, and specific skills development training for food processing, tailoring, bamboo craft, tie and dye, honey processing, leather tanning and leather products. The intervention was done through 1,250 courses, which attracted 25,002 participants.

2.4.2.2 Identification, profiling and training Business Development Services (BDS) providers

During the plan, 247 Business Development Services Providers were identified and profiled at district level. The profiled BDS providers were entered into the database of the SIDO Web portal. The exercise of identifying BDS providers will continue. Capacities of 81 identified and profiled BDS providers were enhanced through training.

2.4.2.3 Provide business management advisory services

Management advisory services were provided to 45,216 entrepreneurs, which uplifted their business understanding and shaped the way they conducted their businesses. On the other hand, 27 SMEs were guided through the process of registering their Intellectual Property Rights (IPR) with BRELA. Efforts are still required to create SMEs' awareness particularly of innovators of the importance of registering their IPR. On the other hand, training and guidance services were provided to SMEs to enable them to observe all the requirements and have their products attain the required standards. 2,307 SMEs were trained and guided to conform to TFDA and TBS standards.

2.4.3 SMES ACCESS to markets and information facilitated

SIDO Marketing and Information Communication Technologies Programme continued to assist SMEs to increase their participation in local and foreign markets. During the plan, SIDO continued promoting its services through different activities and this in turn increased the demand of its services by more SMEs. The interventions made created more public awareness of SIDO services and SMEs products acquired by different customers.

2.4.3.1 Conduct SMEs' products exhibition/trade fairs

During the plan, SIDO in collaboration with other stakeholders supporting SMEs, facilitated SMEs to participate in 124

exhibitions/trade fairs in the different regions. 1,488 SMEs were involved in those events.

2.4.3.2 Facilitate SMEs to participate in tendering

SIDO facilitated 153 SMEs to succeed doing their businesses through tendering system. The performance trend shows that the number of SMEs that are effectively participating in tendering activities is going up.

2.4.3.3 Facilitate SMEs to access information through information Center

SIDO information centers are collecting, processing, storing and disseminating business information to SMEs. During the plan, 23,325 entrepreneurs used SIDO information centers' facilities to obtain business information.

2.4.3.4 Establish SIDO Web portal

The work of establishing SIDO web portal was completed and training of operators conducted both at Head Office and regional levels, integration of the web portal to SMS module is being finalized.

2.4.4 SMEs access to finance facilitated

The organization was involved in initiatives to establish different arrangements to enable SMEs to access financial services from various sources. Lack of access to financial services limits SMEs to strengthen their operational capacities, growth, expansion of their markets and eventually increase income. The intervention involved mobilization of financial resources and liaising with various financial institutions in supporting SMEs to access financial facilities.

2.4.4.1 Facilitate financial linkage and advisory services

Financial component has always been a challenging part of service provision to SMEs. Actual financial support demand is far higher than the available supply capacity. Most entrepreneurs pinpoint financial requirement as their main constraint to their business advancement. Requests range from information on sources of finance, preparation of the required documentation, preparation of business financial records, analysis and interpretation of the same, financial linkage services, formation and running of SACCOS and pre loan training. SIDO provided information, advice and facilitated entrepreneurs to source out financial support from banks and other financial institutions. Such assistance was provided to 28,944 SMEs. Operationalization of the SME Credit Guarantee facility continued with applications so far reaching 38 worth Tshs. 839 million for investment and working capital. Ten applications valued Tshs. 135 million were processed and loans issued to respective SMEs through CRDB Bank branches.

2.4.4.2 Credit administration

SIDO continued to administer existing credit loan portfolios and at the same time efforts to expand financial operational base and support entrepreneurs were made. A total of 24,164 applications requesting capital fund amounting Tshs. 31.917 billion were received, some of it processed and 11,782 loans (49%) valued at Tshs. 14.48 billion (45%) were disbursed to entrepreneurs. While 51% of loans went to women entrepreneurs, 39% served projects in the rural areas. As a result of these loans, 24,867 employment opportunities were created out which 52% were for female entrepreneurs.

2.4.5 Operational capacity of the organization enhanced

2.4.5.1 Human resources development

Human capital is a unique and important resource in the performance of the organization. Like other resources the performance capabilities of staff are changing with time regardless of professional skills acquired. Staff training is the only tool used to ensure job demand is balanced

with performance capabilities of staffs. Staff training is an indicator of human resources capacity improvement, which leads to increased efficiency and productivity of an organization. The plan was to facilitate 200 members of staff in to participate in different identified training programmes. During the plan, 475 members of staff were involved in all the planned and other supplementary training programmes. The imparted knowledge has an impact on their efficiency and productivity in delivering quality services.



2.5 STRENGTHS, WEAKNESSES, OPPORTUNITIES AND CHALLENGES (SWOC) ANALYSIS

STRENGTHS	WEAKNESSES
<ol style="list-style-type: none"> 1. Qualified, skilled and experienced staff. 2. Wide operating network with extension offices in all regions of Tanzania Mainland. 3. SIDO's experience in providing a package of business development and financial services to SMEs. 4. The credibility, brand and image it has built over the years of its operations. 	<ol style="list-style-type: none"> 1. Inadequate extension services in rural areas due to material and financial limitations. 2. Incomplete integrated Management Information System. 3. Inadequate capacity at institutional level to carry out R&D. 4. Out dated infrastructure and working facilities.
OPPORTUNITIES	CHALLENGES (THREATS)
<ol style="list-style-type: none"> 1. Government policies, strategies and directives recognize the importance of SME sector. 2. Increase of FDIs and large enterprises creates prospects for SME sector to prosper. 3. Availability of abundant natural resources for industrial development. 4. Strategic location of the country facilitates large market opportunities. 5. Positive attitude of the public towards locally produced products. 	<ol style="list-style-type: none"> 1. The rate of current technological advancement in relation to SMEs capacity. 2. Ability to respond efficiently and effectively to natural calamities. 3. Entrepreneurial mindset 4. High society expectation. 5. Infrastructure for Industrial development. 6. Supportive environment for SME products to compete with the imported products. 7. Legal and regulatory framework, which favour SMEs growth. 8. Incentives for rural industrialization.

CHAPTER THREE

3 VISION, MISSION AND OBJECTIVES

Experience realized from implementation of the previous plans reveals the fact that a combination of services provides positive results in the process of economic transformation through creation of enterprises creating employment opportunities, which facilitates income generation. However, during this plan the service thrust will aim at strengthening further SMEs capacity building services to a level that will enable them to effectively contribute to the national efforts of developing a base for industrialization.

During this plan period, SIDO will mainly focus on supporting SMEs growth and competitiveness and facilitate increased involvement of SMEs to the industrialization process.

3.1 Vision

Be a leading institution in promoting the development of SMEs for sustainable industrialization in Tanzania.

3.2 Mission

To create, promote and sustain innovative entrepreneurial base by providing SMEs with relevant capacity development services to enhance their contribution in industrial development.

3.3 Development objective

To contribute to poverty reduction and enterprise development thereby contributing to economic development through provision of demand driven services that will create employment and generate income to the service user.

3.4 Core values

In order to achieve its vision and fulfill its mission, SIDO will operate on basis of the following core values:

3.4.1 Integrity:

It will ensure the services are provided in a manner that demonstrates high levels of honesty, sincerity, respect, timeliness and abide by ethical code of conduct.

3.4.2 Transparency:

It will exercise openness, fairness, accuracy and promptness in providing services that are tailored to the demand and therefore addressing the actual requirements of the clients.

3.4.3 Accountability:

It will ensure that provision of services adhere to performance standards, agreements and be prepared to take responsibility for the results.

3.4.4 Innovative Thinking:

It will ensure that promotional activities take into account new ideas that are potential to spearhead change.

3.4.5 Results Orientation:

It will ensure the services are directed to facilitate realization of the desired change.

3.4.6 Impartiality:

It will provide services without any bias with respect to gender, race, political creed and religion.

3.5 Objectives, Strategies and targets

- 3.5.1** To reduce HIV/AIDS infections and improve supportive services
- 3.5.2** To enhance, sustain and implement National anticorruption strategy
- 3.5.3** To enhance Operational Capacity of the Organization
- 3.5.4** To promote industrial development initiatives that contributes to industrialization
- 3.5.5** To facilitate knowledge and business management skills development
- 3.5.6** To facilitate investments and SMEs Access to Market
- 3.5.7** To facilitate SMEs Access to Finance



CHAPTER FOUR

Policies made and strategies developed aim at facilitating the organization to realize its mission effectively and in a sustainable manner. This can only be achieved if work is orderly organized, standards established and a system to ensure proper implementation is put in place. The Corporate Strategic Plan is expected to produce results that will substantiate the relevance and extent of services being provided as opposed to customers' expectation.

The plan provides well defined objectives and strategies to support the development of SME by exposing physical, financial and human resources required, establishes operational networks with other service providers in areas of technology and technical support services, entrepreneurship and managerial skills, market development and promotion as a strategy to enhance growth and competitiveness of SME locally and internationally. It identifies the following service areas and therefore the route through which SME development initiatives are to be provided. Actual implementation of interventions geared towards development of industrial capacities in all the districts will be done collaboratively with Local Government Authorities (LGAs). LGAs will be involved right from development of industrial infrastructure capacities, identification and mobilization of entrepreneurs, management and technical skills training, and ensuring enabling environment is created and maintained for business prosperity.

4.1 TO REDUCE HIV/AIDS INFECTIONS AND IMPROVE SUPPORTIVE SERVICES

HIV/AIDS pandemic has an adverse implication on human resources and future operations of the Nation; it results into reduction in active human resources hence low productivity.

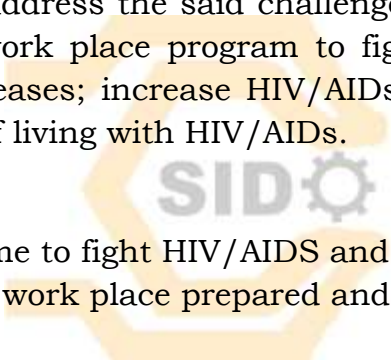
The epidemic is a big social and economic problem with devastating impact on national development. Hence the disease has posed a serious challenge to the country in terms of health costs, loss of manpower, decreased efficiency to sick persons, loss of time to attend sick persons and increased number of orphans.

Apart from national initiatives undertaken to fight and reduce new HIV and AIDS infections still, other non-communicable diseases have been recognized as detrimental to workers health.

The Small Industries Development Organization recognizes employees' health as among the most important factor towards achievement of her expected goals. Mainstreaming HIV and AIDS and non-communicable diseases agenda into the core activities of the sectors is paramount.

Therefore in view of the gravity of the problem, the Government has directed all MDAs to have in their organizations a strategy, which address HIV/AIDS and other non-communicable diseases.

Major challenges include lack of courage and transparency to undertake HIV test, ignorance, passiveness and unawareness on health principals among SIDO employees. SIDO aims at reducing new infection among staff, to control non-communicable diseases so as to improve staff health and performance. To address the said challenges, SIDO has formulated and is implementing work place program to fight HIV/AIDS and other non-communicable diseases; increase HIV/AIDSs campaign; and provide support services to staff living with HIV/AIDSs.

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- Target 1:** A programme to fight HIV/AIDS and non-communicable diseases at work place prepared and implemented by June 2021
 - Target 2:** One HIV and AIDS workplace intervention program in place by June 2021
 - Target 3:** 4 Non-communicable diseases intervention programs to SIDO staff in place by June 2021
 - Target 4:** Care and support services to all SIDO People Living with HIV provided by June 2021

4.2 TO ENHANCE, SUSTAIN AND IMPLEMENT NATIONAL ANTICORRUPTION STRATEGY

It has been recognized that good governance is a critical factor in social economic and political development of any Country. The practice of good governance has significant contribution in terms of sustaining peace and stability, growth of the country and reduction of poverty. Despite of benefits associated with good governance, the problem of Corruption has been identified both detrimental and hindrance to good governance due to unethical behavior and weak internal controls. In view of the severity of the problem, the Government has directed all MDAs to have in their organizations a strategy, which address corruption issues in line with National anticorruption strategy. SIDO as a public institution will implement the National Anti-Corruption Strategy. The strategy aims at ensuring and enabling public institutions to execute the policy of preventing and combating industrial and trade related corruption.

SIDO has prepared a work plan that covers all elements of timely delivery of services and good governance. The plan also addresses all issues of anticorruption and ensures equal opportunity to all stakeholders with regard to accessibility to services and products being provided by the institution.

Target 1: SIDO program on Anti-Corruption developed by June 2021

Target 2: 16 meetings of Corporate Integrity Committee conducted by June 2021

Target 3: 8 seminars on Ethics, corruption and good governance conducted by June 2021

4.3 TO ENHANCE OPERATIONAL CAPACITY OF THE ORGANISATION

The strategic aim is to ensure the organizational capacity and sustainability is strengthened.

For successful achievement of Organizational Objectives and improve service to its clientele, a strategic improvement of human resources capacity, working environment and operational capacity should be made. This will be done through proper staff recruitment, establishment of appropriate staff development programmes, putting in place attractive compensation and incentive schemes, provision of a conducive working environment and enhancement of the operational capacity which includes appropriate working tools/machinery, buildings, motor vehicles, office equipment, and organization systems and efficient ICT systems. All these have to be well covered by legal and procurement procedures, but also a mechanism of tracking their performance along the way.

4.3.1 SSIs registration and management system enhanced

Growing and competitive small industries are needed to enable SME sector to increase its contribution in the economy. In order to achieve the target, incentives and support to SMEs can be assured when legal and regulatory framework is improved. SME policy doesn't have legislation to support its implementation while on the other hand SIDO act lacks regulations which makes it cumbersome to implement some areas that involves other stakeholders. The organization shall advocate for improvements in legal and regulatory framework with expected outcome of improved support to SMEs and growth.

SIDO is mandated to support establishment of small industries and by its position its work as policy intermediary for implementing SME policy under Ministry of Industry, Trade and Investment. Record and data for SMEs will be managed, used to tell about the status and changes from time to time, which in turn enable to report of growth of the sector. To enhance management of SSI records and data SIDO is determined to establish a database for the purpose. It is determined to keep records of services provided to registered SSIs and shall demand registered SSIs to submit reports to SIDO from time to time. By having concrete data on SSIs, then it will be easier to establish its contribution to the economy whenever required.

Target 1: A database of SSIs established by end of June 2021.

4.3.2 Human Resources Capacity Enhanced

Human resources play a key role in achievement of the Organisational objectives. In order to maximize efficiency and productivity of the Organization, human resources capacity has to be improved and streamlined.

Strategic Human Resources Management will be focused for the aim of maximizing the productivity of the Organization by optimizing the effectiveness of its employees. Services that will be provided will include proper Human Resources planning, recruitment and selection, staff training and development, succession planning and staff performance evaluation for the organization and reviewing of Scheme of Service, salary structures and other Incentive Schemes.

In implementing succession plan, staff with potential to assume greater responsibility will be identified and provided with critical development experience in collaboration with heads of department and sections.

Training need assessment will be conducted along with employees' performance appraisal so as to cover the gaps identified. The assessment report will then be used as input for staff training programmes.

4.3.2.1 To review scheme of service

A scheme service is an important tool in any organization that shows clearly defined duties and responsibilities at all levels in the career structure, which will ensure proper deployment and utilization of human resources.

It helps in establishing standards for recruitment, training and advancement within the career structure on the basis of qualifications, knowledge, competence, merit and ability as reflected in work performance and results. It also helps in ensuring appropriate career planning and succession management.

In reviewing scheme of service, a thorough Job analysis will be done so as to identify and determine in detail the particular job duties and requirements and the relative importance of these duties for a given job.

Target 1: One scheme of service reviewed by the end of June 2021.

4.3.2.2 To recruit Staff

Recruitment is a process of attracting, selecting and appointing suitable candidates for jobs within an organization. This can be done in order to replace posts that fall vacant due to staff retirement, resignation, death, and abscondment or fill new posts as per scheme of service.

Target 1: 164 staff recruited to fill vacant positions by the end of June 2021.

4.3.2.3 To improve succession plan

Succession planning is the process of identifying and developing potential future leaders or senior managers, as well as individuals to fill other business-critical positions, either in the short- or the long-term.

The plan is very important as it aims at developing internal employees with potential to fill key leadership position in an Organization and also increases the availability of experienced and capable employees that are prepared to assume the roles.

However, it helps to carry out continuity of leadership and prevent a power vacuum both at National and Regional levels.

Target 1: One succession plan document improved by the end of June 2021.

4.3.2.4 To prepare staff development Programme

In order for staff to deliver quality, efficient and effective services to the clientele, training is very crucial. Training to staff helps them to improve their knowledge and skills.

For effective training programme, Staff training needs assessment will be conducted annually based on staff performance appraisal to identify the available gaps in terms of both knowledge and skills so as to plan and develop capacities of staff through short and long term training available opportunities.

Target 1: 4 staff development programmes prepared by the end of June 2021.

4.3.2.5 To enhance staff participation in decision making

The strong base of any successful organisation is its Human resources. The human resources in any organization represent source of knowledge and ideas.

Employees' involvement in the decision making process empowers them to contribute to the success of the organization. Participatory decision-making not only increases employees' morale but also increases employee commitment and hence productivity.

Target 1: 4 Master Workers Council meetings conducted by end of June 2021.

4.3.3 SIDO working environment and facilities enhanced

In order to improve efficiency and productivity, effective management of working environment, personnel and Organizational operations will be improved. Thorough Organizational analysis to identify areas of improvement that influence output will be conducted.

These will include improving general office management services such as provision of offices to all staff, office equipment, clean and secure office environment and motor vehicles.

4.3.3.1 To improve training facilities

Training is one among the core activities provided by SIDO to its clientele. Therefore to have reliable training facilities will ensure training

programmes are provided at convenient and conducive environment. This will also minimize the cost of hiring training facilities.

Target 1: 24 training rooms improved by the end of June 2021.

4.3.3.2 To improve office working premises

In order the Organization to serve its clientele in Tanzania mainland as per SIDO Act efficiently and effectively, all the regions have to have good operational base. SIDO will ensure new working premises are established in Simiyu, Geita, Katavi, Njombe and Morogoro regions.

SIDO's capacity to provide quality goods and services to the clientele is limited by inadequate office infrastructure in the mentioned regions. In that regard the concerted efforts are needed to ensure availability and maintenance of good working environment for better service delivery.

Target 1: 5 new office working premises established by the end of June 2021.

4.3.3.3 To improve office working facilities

Office working facilities like computers, transport facilities, as well as furniture and fixtures, operational manuals and guidelines are essential in executing effective extension services to SMEs.

Target 1: 553 units of working facilities purchased by the end of June 2021.

Target 2: 25 motor vehicles purchased by the end of June 2021.

4.3.4 Accounting records and collection of income managed

All development and operational financial commitments will be well documented, periodic financial returns prepared by all cost centers. The returns will then be reviewed in order to establish their appropriateness and correctness. Efforts will also be made to ensure incomes due from all sources are collected on time. In the event that expected collections are not realized, corrective measures will be exercised including engaging debt collectors to track trade debts and recovering staff debts from their salaries.

- Target 1:** 1,632 monthly financial returns collected by end of June 2021.
- Target 2:** 1,632 monthly financial returns are reviewed by end of June 2021.
- Target 3:** 95% of expected income from internal sources and 70% of government subvention is collected by end of June 2021.
- Target 4:** 2 reviews of pricing of SIDO services (1st year and 4th year) conducted by the end of June 2021.

4.3.5 Procurement services enhanced

Procurement is the act of finding, acquiring, buying goods, services or works from an external source, often via a tendering or competitive bidding process. It is a crucial element in the working functions of any Organization. Procurement suffers from poor performance characterized by non-compliance to the Act, overpricing, poor planning, poor contract management, inadequate transparency and accountability.

This plan aims at enhancing procurement services in the organization by ensuring proper plans are prepared and its implementation monitored; procedures followed and procurement agreements reached; and PMU's staff capacities will be continuously enhanced through skills upgrading events.

- Target 1:** 4 annual procurement plans prepared by end of June 2021.
- Target 2:** 96 procurement contracts made by end of June 2021.
- Target 3:** 20 Procurement performance reports prepared by end of June 2021.
- Target 4:** 4 trainings on effective use of PPRA- PMIS conducted by end of June 2021.

4.3.6 Capacity of information communication technology system enhanced

Information and Communication Technology (ICT) is the technology that manages information resources from the point of receiving (input) into

the IT system, processing the information and then producing output to the intended recipients. Management of information technology involve people, information, procedure, data, software and hardware. Enhanced ICT system is required to ensure optimal realisation of performance tasks set by the Organization. SIDO provides information services for internal and public use using the server's equipment and the Information Centres established in all Regional Offices.

During the previous plan, application software to address public information collection and dissemination, a base for monitoring and evaluation of work plans and manufacturing system requirements to handle TDC operations was developed. Also, the ICT operational capacity and security management system were enhanced.

During the plan period, SIDO intends to upgrade the ICT system to facilitate fully support the computing environment of the Organization in order to sustain its operations. That aspiration will be realised through successful implementation of the enlisted interventions.

4.3.6.1 To integrate the ICT Network Systems of the Organization

The infrastructure of ICT system needs to be integrated to enhance the efficiency and effectiveness in sharing the resources and services. All SIDO offices will be linked to the national backbone through fiber optics technology; interactions among the entire network of SIDO offices will be facilitated with Virtual Private Network (VPN) and the security will be centralized through Cyber roam system.

Target 1: 26 SIDO operational offices available on line by end of June 2021.

4.3.6.2 To centralize the administration of the Organization's resources

Currently, the administration of the resources is carried out separately in SIDO offices. A mechanism that ensures that the records of various resources such as Human, Time, Assets, Finance etc. are centralized for ease to locate and utilize them is established. The application software for Human Resource Management, Workflows management, Document Management System (CMS), Financial Accounting Management, computerised time and attendance Management will be acquired and configured to provide fully functionality. Moreover, Financial Accounting

system will be integrated with the existing applications of Monitoring and Evaluation (M&E) and Manufacturing system.

Target 1: 38 application software centrally managed by end of June 2021.

4.3.6.3 To enhance Server System

Hosting ICT resources for public use will be facilitated at the Electronic Government Agency (EGA) cloud, however the local Server system will be enhanced to host a repository for storage of huge information resources such as centralized Content Management System (CMS), and the enhanced local hosting will serve the purpose of System Backup, Data Backup and Data Archive. The enhanced mechanism will facilitate Business Continuity Plan and Disaster Recovery Plan of the organization.

Target 1: A server system effectively operating by end of June 2021.

4.3.6.4 To enhance Communication services among SIDO offices

Integration of the ICT infrastructure will provide a room to establish a system that will minimize the cost of communication by establishing facilities for intercommunication within the offices. Voice Over IP (VOIP) will be established to provide the services of telephone, teleconferencing, video conferencing and telecentres among SIDO offices at zero cost.

Target 1: 26 SIDO offices connected by end of June 2021.

4.3.6.5 To enhance SIDOs computing environment

The administration of SIDO IT equipment is very complicated at the moment; this leads to numerous inconveniences due to the variation of hardware as well as software versions. At the moment the system has various ranges of hardware and application software, which is not a good practice and it is very expensive to maintain and upgrade. Equipment that will be procured for the purpose includes Computers, Printers, Scanners and Cameras. On the other hand, power backups and generators/solar systems will be procured and provided to ensure availability of services at all operational offices. However, consumable resources such as internet, VPN will be supplied from the Headquarters to all SIDO offices.

Target 1: 715 computer equipment and accessories procured and supplied by end of June 2021.

4.3.6.6 To upgrade Information Centers

The functions of Information Centres need to be improved and promoted to attract and benefit a big number SMEs' in doing business. The Information Centres will be improved to enhance the provision of information resources; awareness to utilizing ICT resources; knowledge and skills to applying ICT services. The capacity of the centers will be enhanced by pieces of equipment such as computers, printers, scanners, cameras and furniture.

Target 1: 25 information centres upgraded by end of June 2021.

4.3.7 Support legal services provided

All legal matters will be appropriately handled by providing legal advisory services, ensuring all legal documents are prepared and signed, maintaining register of all legal documents and ensuring all cases are administered as required.

Target 1: 2,600 legal advices provided by end of June 2021.

Target 2: 195 contracts and MoU prepared and signed by end of June 2021.

Target 3: 4 register of legal documents maintained (Contracts, MoUs, Cases) by end of June 2021.

Target 4: 4 register of cases maintained by end of June 2021.

4.3.8 Internal Audit services provided

Internal audit provide an independent, objective assurance and consulting services designed to add value and improve the Organization's operations. It helps SIDO to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. The scope of work of the internal auditing unit is to determine whether SIDO's network of risk management, control and governance processes, as designed and represented by Management, is adequate and functioning.

One of the working tools for SIDO internal auditors is the ACL software which is basically a data extraction and analysis software for fraud

detection, prevention and risk management. With ACL, auditors are able to analyze large data sets and find irregularities or patterns in transactions that could indicate control weaknesses or fraud. As the organization intends to integrate its systems, ACL software used by internal audit in the past to analyze data from stand alone computers in SIDO Offices will continue to be relevant in integrated system. Timely activated licenses and SIDO internal audit staff training on this software in analytics to at least to the intermediate level is necessary to enhance effective use of audit software.

- Target 1:** Conduct 1263 internal audits by the end of June 2021.
- Target 2:** Conduct 102 internal audit consulting services by the end of June 2021.
- Target 3:** Attending 4 trainings for internal auditors on ACL by the end of June 2021.
- Target 4:** ACL licenses activated 4 times by the end of June 2021.

4.4 TO PROMOTE INDUSTRIAL DEVELOPMENT INITIATIVES THAT CONTRIBUTE TO INDUSTRIALIZATION

The strategic aim is to ensure systems and structures to promote industrialization, which involves and benefits SMEs is strengthened from national to local levels.

Technical capability and well established industrial infrastructure are essential aspects for development of SMEs. Also well-established systems and structure to provide services to SMEs bring significant results in their performance. SIDO has been providing its technology support, technical services and working premises to SMEs since its establishment where a number of SMEs were served but still demands are increasing gradually. On the other hand a need for prioritizing and using arrays of programs to nurture establishment and growth of SMEs has been identified as critical approach to industrialize Tanzania using SMEs sector. In this plan SIDO will develop and promote industrial development initiatives in the form of programmes to Micro small and medium industries to start, grow and sustain, construct working premises. It will use industrial cluster, incubation and One District One Product (ODOP) programmes as industrial establishment approaches,

facilitate technology transfer and provide technical services to enable SMEs to contribute to National Industrial Economy.

4.4.1 Small and Medium Industries' growth facilitated

In Tanzania there is a good number of existing Small and Medium Enterprises (SMES) which are significantly contributing to the national economy. Though there are various intervention that have been provided by SIDO and other stakeholders to support SMEs' growth but lack of significant and sustainable mechanisms to assess the performance and address their appropriate needs has been noted. In order for the challenge to be resolved, SIDO in this plan will design a mechanism of making performance assessment for selected SMEs and provide them with appropriate services through nurturing them to sustainable growth level. The main target at the beginning will be for micro, small and medium industries with growth potential that will quickly contribute to industrial development. In the process dormant and ailing small industries will be served to upgrade their performance. The process will involve conducting surveys in order to identify existing SSIs within a target area, followed by making diagnostic study, select growth oriented ones, provide services and carryout monitoring and evaluation. This program will be done in collaboration with other stakeholders to make it easily implementable and sustainable. The program will also be used as industrial business clinic or/and company development facility to make SMEs grow and sustain in the business. This program will also be used to implement ODOP strategy, which involves value addition of local resources available in particular districts. The cluster establishments will be among targets since some of the areas may find most participants are within the same sector. Locating SMEs of the same sector in the same area will stimulate the establishment of a cluster for optimal utilization of resource in collaboration with other stakeholders. A package of services to be provided include: technology advancement support, provision of productivity enhancement skills through KAIZEN, products certification and linkage to other service providers.

4.4.1.1 To facilitate existing SMEs to grow

After diagnostic study has been conducted the growth potential MSMEs will be identified and followed by providing them services according to the identified needs.

Target 1: 609 MSMEs will be selected, modernized for the company development programme by the end of June, 2021.

4.4.2 SMEs access to infrastructure facilitated

The demand for working premises from SMEs in the country is high as many of them are operating informally and unlawfully in unsafe environment. Many SMEs especially those dealing with production are operating their business in residential areas, which is unauthorized and unlawful. After its establishment in 1973, SIDO was given lands and development fund from the Government specifically to facilitate development of working premises for Small industries. Through such funding arrangement the organization has managed to build 395 industrial sheds but left about 70% of the land undeveloped. To date most of those areas are underdeveloped and SIDO for a long time has not had the financial capability to further develop the necessary infrastructure facilities for SMEs. Development of working premises for SMEs has been taken as key area in Five Year Development Plan to support establishment of small industries and facilitate growth of the existing small and medium industries.

Though SIDO is mandated to rescue SMEs, which are struggling in adverse situation, its financial position is not supportive. From that aspect it is required to find alternative ways to develop the land to provide functional workspaces to SMEs.

In this plan, SIDO will continue to acquire and own pieces of land, develop new estate and rehabilitate existing ones for provision of affordable working premises to SMEs. Estate development and management guideline will be used as a tool for development estates. In this aspect the development and rehabilitation of basic infrastructure, incubator units, industrial estates, industrial clusters, TPCs and offices will be done. For sustainability purposes the premises will be rented to SMEs with potential to grow in business and pay rent as will be determined and agreed during the planning stage. Startups will mainly be encouraged to get working premise through incubation and cluster programmes. For the prime locations SIDO plans to construct business support facilities such as conference and training centers, offices for international organizations/companies which support SMEs, ICT business-based supporting center, etc. In the long term SIDO will continue to partner with LGAs to create a land bank in different districts

in view of using them to develop and manage working premises for SMEs.

4.4.2.1 To acquire and own plots for SMEs uses

To ensure availability of legally own plots for developing of SMEs working premises, SIDO through regional office will apply for industrial plots from LGAs, acquire and own them legally.

Target 1: 163 plots acquired by the end of June 2021.

Target 2: 163 title deeds obtained by the end of June 2021.

4.4.2.2 To develop estates master plans

The Master plan is prepared to guide any development within the areas and show the land use, the type of industries to be accommodated in the area, the type of industrial sheds to be constructed, the type of common facilities to be introduced and a buffer space for possible future development. Studies to establish the economic usefulness and value of the plots will be conducted, the result of which will guide any development within the specified area.

Target 1: 8 estates master plans developed by the end of June 2021.

4.4.2.3 To establish new industrial parks/estates

After acquiring plots, establishment of new industrial estate will be done by first developing basic infrastructure to attract investments. The basic infrastructure development includes road network, drainage system, power supply line, water supply line, wastewater and affluent water disposal system, and communication system, etc. After basic infrastructure have been developed, construction of industrial buildings through different financing arrangements will follow, which include: Government development fund, development partners funds, SIDO internally generated funds, Build, Operate and Transfer (BOT) with SMEs, Public Private Partnership (PPP) with Investor, Joint venture/partnership, Issue shares to the public and Loans from institutions. Procurement procedures will be observed while engaging consultants and contractors to ensure quality and value for money.

Target 1: Basic infrastructure for 33 industrial estates completed by the end of June 2021.

Target 2: 49 buildings developed by the end of June 2021.

4.4.2.4 To establish new industrial cluster

Mobilisation and organization of enterprises to operate in well structured clusters arrangement so as to pave way for obtaining capacity development services to their particular enterprises and at the same time enjoying services of common facilities. Where necessary, development of basic infrastructure and buildings to accommodate industrial clusters will be financed from the Government development fund, development partners funds, SIDO internally generated funds, Build, Operate and Transfer (BOT) with SMEs, Public Private Partnership (PPP) with Investor, Joint venture/partnership, Issue shares to the public and Loans from institutions. Procurement procedures will be observed while engaging consultants and contractors to ensure quality and value for money.

Target 1: 33 cluster established by the end of June 2021.

4.4.2.5 To establish new incubation centres

Technology incubation is the process of nurturing and supporting development of ideas into marketable products and services. It aims at supporting entrepreneurs who have innovative and creative technological or industrial ideas by nurturing them direct from the conceptual stage, product development to establishment of commercial undertakings. It increases the chance of establishment of new enterprises. Infrastructures are the key elements in incubation process for accommodation of entire activities within the incubation centre. The incubator infrastructure will be developed either by partitioning of existing buildings within the industrial estates or construction of new buildings for establishment or expanding incubation centres.

Target 1: 24 incubation centres established by the end of June 2021.

4.4.2.6 To put TPCs in effective operations

Training Cum Production Centers (TPCs) were established to provide technical skills training to entrepreneurs and provide nurturing services to startups from training to the level of establishment of small industries. The centres are either located in industrial estates or outside the estates but owned by SIDO. Currently SIDO owns 7 TPCs located in Dar es salaam, Njombe, Usangi, Kilosa, Dodoma, Singida and Mwanza. Building structures of the centres and their associated working facilities need major rehabilitation to put them into effective operations. In this plan SIDO will rehabilitate all TPCs and make them fully operational.

Target 1: 7 TPCs rehabilitated by the end of June 2021.

4.4.2.7 To rehabilitate SMEs industrial parks/estates

Most of existing infrastructures within SIDO estates require rehabilitation to make them conducive to accommodate SMEs activities. Buildings and basic infrastructure like road network, drainage system, power supply line, water supply line, wastewater and affluent water disposal system, and communication system are not well maintained. In this plan the rehabilitation will be made to modernize the estate and be conducive area for SMEs activities. After rehabilitation the inspection plan will be established with the aim of ensuring maintenance of estates' structures to the required tenable standards.

Target 1: 24 basic infrastructure rehabilitated by the end of June 2021.

Target 1: 83 buildings renovated by the end of June 2021.

4.4.3 Establishment of new small industries supported

Since its establishment, SIDO was mandated to provide every type of services to SMEs to ensure their establishment and growth for competitive purpose. During the past five CSPs resources were channeled to serve all enterprises, but in this plan SIDO will allocate most of its resource to specifically serve the small and medium industries. Also SIDO will be providing its services in succession approach targeting establishment of small industries and nurture them to the growth and competitive stage. In this case establishment will be

made through supporting entrepreneurs to access the technology, provide guidance/nurture them within incubation and industrial cluster until they reach maturity stage. Value addition and support to innovative SMEs products have been extended through programmes such as incubation and clusters, sourcing of new technologies and dissemination, provision of technical advisory services such as choice of technology, plant layout advice, machine installations and testing, repair and maintenance, contribute to SMEs technological development and their competitiveness. Also SIDO will recognize all small and medium industries that will be established by SMEs on their own initiatives and therefore supported for growth.

4.4.3.1 To facilitate SMEs to access technology

For SMEs to become competitive they need to be strengthened in their technological capability which will result into increased productivity, quality goods and services, productive capacity, market share, job opportunities, incomes, growth, wealth and eventually enterprise sustainability. SMEs' demand and need for technology and inputs in development is quite enormous, much has to be done to cope with the development pace. Identification, acquisition and dissemination of technologies have to be part and parcel of the initiatives to facilitate SMEs access to technology for their establishment and improvement

Target 1: 609 appropriate technologies identified by the end of June 2021.

Target 2: 24 technical profiles prepared by the end of June 2021.

4.4.3.2 To incubate products/technology idea (Product innovation)

Entrepreneurship based on innovation and creativity broadens opportunities and options leading to increased incomes, improved standards of living and eventually new jobs for young College and University Graduates who seek alternative gainful employment. In that respect SIDO promotes incubation which is a programme with an aim of nurturing innovative and creative ideas for them to be turned into commercial and industrial products. The programme was established in 2003 as a pilot in Dar es salaam and currently has been replicated in Rukwa, Arusha, Mwanza, Mbeya, Singida and Tanga. Activities involved include provision of workspace, awareness and sensitization,

recruitment and provision of support services. Also participants who have their products fully developed and market tested, graduate and vacate from the programme premises and establish themselves elsewhere. However, those being incubated are supported in terms marketing, commercialization and technical advisory services.

Furthermore, it has been observed that employment opportunities to graduates are a big challenge in Tanzania despite of their knowledge and skills. Also graduates from various colleges have been conducting researches/projects but most of the results have never been utilized in the field. In that context SIDO established graduates support programme in 2007 to ensure their self employment and utilization of their research results in the field. In this plan sensitization of youth including graduates from different colleges to join the programme will be done.

Given the urgent need to stimulate their employability, SIDO is finding SMEs increasingly appealing as a vehicle for industrialization and accelerated development as the college and University graduates are no longer guaranteed jobs.

In this plan SIDO will continue with efforts of establishing new incubation and strengthening of existing centres, that will enhance the increase in pace of establishing small industries.

Target 1: 49 ideas incubated by the end of June 2021.

Target 2: 90 industries established by the end of June 2021.

4.4.3.3 To incubate products /technology idea (Rapid incubation)

In order for fast track establishment of small scale industries SIDO will establish rapid incubation facility where simple and affordable technology will be installed in Dar es salaam where technologies will be demonstrated, short term training conducted to orient prospective clients to know, run and maintain the technologies. Graduates of the training will be assisted to develop business plans, which will thereafter be used to seek for financing from the financial institutions. Also business management courses will be provided to trainees so as to get way of managing their business in the area of accounts, marketing,

sales, improving business and managing of daily operations. After incubation graduates will be guided to get technology, working spaces and start business.

Target 1: 20 technologies demonstrated by the end of June 2021.

Target 2: 120 industries established by the end of June 2021.

4.4.3.4 To facilitate establishment of Industrial cluster through ODOP.

A Cluster is defined as a configuration of SMEs, grouped in a predetermined area around a profession or trade. Cluster member units share a common source of information, qualifications, socio-business relationships and infrastructure in a given sub-sector. Cluster member units are inter-linked by trading relationships, common customers or partners in their operating environment. The kind of relationship produces synergies that are vital to individual units' efficiency and clusters' general performance.

In this approach, SIDO will mobilise and organize enterprises based on a particular profession or trade to establish development and operational business relationship and thereafter support them in developing their common operational base. Based on demand, SIDO will in collaboration with other stakeholders and development partners support clusters in developing infrastructure and guide them how to effectively use them. Clusters can operate from the land owned by SIDO or LGAs or other parties.

Since establishment of this system SIDO has managed to develop seven clusters, which are located in Mbeya (sunflower animal feed and Rice-3), Morogoro (metal), Kigoma (palm oil and related products)

While implementing the One District One Product (ODOP) strategy, SIDO will try as much as possible to orient operations along the clustering approach to fasten inclusive results. The main agenda in this strategy is to fast establishment of new industries and improve the existing ones in particular areas by networking them to share available resources and opportunities.

Target 1: 244 cluster established by the end of June 2021.

Target 2: 2440 industries established by the end of June 2021.

4.4.3.5 To support new small industries establishment outside incubation and cluster

SIDO will develop and use the industry establishment guideline to support new small industries starting at initiation to maturity stage and ensure their business are well established and reach competitive stage at the end. Entrepreneurs who will commit themselves to follow the industry establishment guideline will be served. However, SIDO will also recognize new small industries established by entrepreneurs on their own initiatives and therefore their industries will be supported to grow.

Target 1: 2,000 industries established by the end of June 2021.

Target 2: 2,500 Industrial enterprises supported by June 2021.

4.4.4 Technical support services to small industries provided

It is SIDO's role to establish SMEs capacity development needs, identify the required technical support and facilitate access to those technical services. It will arrange for SMEs to get support of experts from different specialized institutions like R & D and academia. The support will come in different forms such as capacity development interventions, mentoring and coaching.

Effective utilization of technologies needs follow-up of technical support services to enterprises. The intervention assists SMEs to face challenges of a dynamic business environment and technological advancement. Support in areas like choice of technology, plant layout, machine installations, repair and maintenance. The organization will continue sensitizing large enterprises to build a culture of sub-contracting SMEs to produce and supply intermediate products to be used by large enterprises as components of their main products. The collaboration will stimulate growth and sustainability of the market of SMEs products and services. SIDO will provide technical back up services to ensure that relationship happen.

On the other hand, Artisans are playing a great role in the development of the economy especially in the rural areas by producing simple machines, tools and equipment for agriculture and domestic use. However, they have been using rudimentary technologies, which result into low production capacity and poor quality products. SIDO in collaboration with other stakeholders will continue to address the

challenges through provision of working tools and skills training in designing and developing quality products.

Provision of technical assistance will be done also through advisory, consultancy and onsite training so as to enable SMEs' products and processes to comply with TFDA and TBS standards requirements. The intervention will be preceded by an assessment to uncover their operational constraints assist the units to overcome them.

4.4.4.1 To provide technical advisory services

Support in areas like choice of technology, plant layout, machine installations, repair and maintenance will be provided to ensure SMEs are growing and becoming competitive in the market.

Target 1: 121,875 technical advisory /consultations provided to enterprises by the end of June 2021.

4.4.4.2 To facilitate improvement of SMEs productivity and product quality through KAIZEN management system

SMEs will be oriented towards optimal utilization of time and space while doing their production works. Well organized work space simplifies work, and apart from promoting tidiness facilitates timely delivery of products and services and encourage reduction and minimization of wastes in production The approach facilitates achievement of small, incremental changes in processes in order to improve efficiency and quality resulting in higher productivity and product quality. It involves everyone changing mindsets towards making incremental improvements.

Target 1: 406 SMEs facilitated by the end of 2021.

4.4.4.3 To facilitate certification of SMEs products

SMEs will be provided with guidance and technical support to ensure they attain the required quality and standards and other quality certifying bodies requirements.

Target 1: 406 SMEs' products technical certification attained by the end of June 2021.

4.4.4.4 To provide working tool kits to artisan groups

The identified tools will be sourced and distributed to artisan groups. Periodic monitoring will be done to ensure proper and effective use of tools.

Target 1: 6,500 artisan groups provided with working tool kits by the end of June 2021.

4.4.4.5 To conduct capacity building training to artisan groups

An assessment will be conducted to artisan groups to establish capacity development needs and organize training on the basis of the results.

Target 1: 6,500 artisan groups involved in skills upgrading training by the end of June 2021.

4.4.4.6 To facilitate sub – contracts between SMEs and large enterprises

The organization will continue sensitizing large enterprises to build a culture of sub-contracting SMEs to produce and supply intermediate products to be used by large enterprises as components of their main products.

Target 1: 203 sub – contracts between SMEs and large enterprises facilitated by the end of June 2021.

4.4.5 Technology transfer facilitated

Technology transfer is the key component to facilitate access to technology and knowledge. In most cases commercialization strategy using approaches such as leasing, franchising and outright sale will be used to facilitate the transfer. The source of technology for commercialization depends on the output from local R&D institutions. SIDO is promoting research into use and is expecting to offload research results to be used by the SMEs or transfer to the market for commercial production and social economic transformation. This process facilitates

offloading proven technologies from R&D to enterprises capable of producing them in big quantities and ensuring their availability to end users.

With respect to alternative source of energy, renewable energy resources, which are naturally existing or self-replenishing type of energy resources including Solar, Hydro, Wind and Biomass will be promoted widely by transferring technologies which support their uses in small scale industries. They seem to be the best source of energy option in rural industrialization as the required resource is abundant and well distributed in Tanzania.

In this plan SIDO aims at strengthening the capacity of TDCs and supporting SMEs to acquire, develop technologies and use them to produce goods and services for marketing. This will involve both existing and new technologies in order to expose and create more opportunities for SMEs in rural and urban areas to adopt.

On the other hand, access to technology information will be improved, technology services made available at grassroots level, indigenous technology improved and upgraded. Development of local capacity to repair and maintain the machines through technicians will be made. Processors will also be re-oriented on industrial and production safety, health and cleanness. SIDO will also explore and develop capacity of SMEs to engage themselves in activities related to new areas particularly utilization of oil and gas.

4.4.5.1 To initiate collaborative networks with technology developers and R & D Institutions.

SIDO will identify from developers, appropriate technologies for SMEs, and arrange for their transfer to them. This will be formalized by signing Memorandum of Understanding (MoU) with technology developers such as R&D and academic institutions.

Target 1: 24 collaborative networks initiated by the end of June, 2021.

4.4.5.2 To establish new TDCs and strengthen the existing TDCs capacity

SIDO has been designing and developing a number of technologies in the form of machinery, equipment and technological processes to stimulate economical growth and development in industrial and agricultural sectors through its Technology Development Centers (TDCs). Currently SIDO owns seven (7) TDCs, located in Arusha, Kilimanjaro, Iringa, Shinyanga, Mbeya, Kigoma and Lindi regions.

These initiatives have to some extent improved capacity utilization of the existing manufacturing industries and SMEs for higher production and productivity through technical support services and training. They have also stimulated the entrepreneurship development through creating opportunities for investment using the machines and equipment made by the centers. In this plan SIDO will improve its performance through TDCs by establishing new TDCs and strengthening the existing ones.

Target 1: 2 new TDCs established by the end of June, 2021.

Target 2: 7 TDCs strengthened by the end of June, 2021.

4.4.5.3 To facilitate transfer of technologies

Technology transfer is the process of transferring scientific findings from the developer to another for the purpose of further development and commercialization. Technologies being needed will be identified, then SIDO will arrange to have the technologies obtained, SMEs capacitated to produce them. Capacity enhancement on technology transfer will mainly focus on value addition of locally available resources along the whole value chain.

Target 1: 33 technology transferred by end of June, 2021.

4.4.5.4 To commercialize technologies

Commercialization is the process of acquiring the technology and produce products and services based on acquired technology on commercial scale. Technologies developed by R&D institutions will be identified, acquired and arrangement made to facilitate SMEs to manufacture them in mass for sale.

Target 1: 49 technology commercialized by the end of June, 2021.

4.4.5.5 To manufacture machines and equipment

Technology Development Centers (TDCs) will engage in the development, manufacturing and dissemination of machines to support the establishment of ODOP based enterprises.

Target 3: 4,095 machines manufactured and sold by the end of June 2021.

4.4.5.6 To disseminate research findings to SMEs for use

A number of businesses that are started by entrepreneurs are not supported by thorough assessment of the environment in which they operate. Business development might be smoother if is based on analytical results, which guides them to make rational investment decisions. On the other hand, there a number of researches that are conducted by different institutions on different sectors and that are not yet offloaded for use. SIDO will capitalize on the availability of different useful research reports to use them to develop entrepreneurship development interventions. Research findings will be disseminated to stakeholders through workshops and circulation of research results with the aim of creating awareness of the availability of the findings and facilitate SMEs to use them.

Target 1: 16 research results disseminated to SMEs for use by the end of June 2021.

4.4.6 Technical operation manuals developed/reviewed

Technical services are provided to SMEs according to their requests and some time by using schedule table for those who are being served under special programme like incubation, Artisan support and industrial cluster. There are some technical operational manuals, which were developed for the purpose of guiding staffs who are serving SMEs, but currently they need review. Some programmes lack operational manuals, which need to be developed.

In this plan, SIDO will develop new operational manuals and review existing ones in order to improve the provision of technical services to small-scale industries. These manuals will cover incubation program, a guide for establishment of small-scale industry, Technology Development Centers operation, and Artisan supports programme and industrial cluster.

4.4.6.1 To review incubation centres operational manual

The review of existing operational manual will be done so as to support smoothly operation of incubation programme.

Target 1: Incubation centres operational manual reviewed by the end of December 2017.

4.4.6.2 To develop of small industries establishment manual

In order to support orderly establishment of small industries under ODOP strategy a guide for startups will be developed.

Target 1: Small Industries establishment manual will be developed by the end of June, 2018.

4.4.6.3 To develop TDCs manual

The development of TDCs operational manual will be done to guide the operation and support improvement of TDCs performance.

Target 1: TDCs manual developed by the end of June 2018.

4.4.6.4 To develop artisan support programme manual

For the purpose of enhancing contribution of artisan activities in rural development especially rural industrialization the operation manual for the programme will be developed.

Target 1: Artisans support programme manual developed by the end of June 2018.

4.4.6.5 To develop cluster programme operation manual

Industrial cluster has been selected by SIDO as the best way of industrializing Tanzania through strengthening of existing and establishment of new small industries. The operational manual will be developed to guide implementers for establishment and strengthening of industrial clusters.

Target 1: Cluster programme operation manual will be developed by the end of December 2018.

4.5 TO FACILITATE KNOWLEDGE AND BUSINESS MANAGEMENT SKILLS DEVELOPMENT

The strategic aim is to ensure business development services are delivered to clients in an effective and coordinated manner based on demand with emphasis on strategic sectors.

In our country SME subsector play an important role to the growth of the economy. However, its performance is subject of concern as SMEs are affected with structural and individual challenges, which limit their ability to grow, participate and contribute to the growth of the economy. Among of these challenges are weak entrepreneurial cultures; insufficient management know how and professionalism; shortage of professional and technical manpower capital; insufficient use of technology; outmoded, unproductive methods of operation; limited ability to tap economies of scale; and small domestic market.

It is alleged that lack of entrepreneurship and business skills intensify the effects of the challenges above that would enable them to overcome some of the obstacles or plan strategically to grow and compete in spite of them. This limits SMEs potential from the stage of opportunity identification, through business planning, implementation and management, diversification to accessing new markets and growth. SIDO has been working with SMEs for over four decades now and it has been practically proved that growth and competitiveness hinges on effective delivery of capacity development services. This will mainly be done through providing them with business and technical skills.

4.5.1 Knowledge and Skills Development Programmes for SMEs delivered

The programmes are intended to develop/improve knowledge and skills of SMEs to operate their businesses efficiently, profitably and sustainably. It is designed for the pre starters, starters, existing, growth oriented enterprises and at Maturity stage enterprises, and will mainly involve business and technical skills.

Potential SMEs and trainers from other BDS providers in various specific training programmes will be capacitated in the Training of Trainers (ToT) programmes through TPCs. Other specialized trainings like ICT, Intellectual Property Rights will be delivered on demand.

The organization has the responsibility to organize, conduct, monitor and evaluate the implementation of knowledge and skills programme for SMEs. In the coming three years period (2017/18 – 2019/20 the programmes will be implemented through the following targeted areas:

Target 1: 4,038 Regional Training Needs Assessments to SMEs conducted by end of June 2021.

The TNAs will focus on entrepreneurship, business management, technical, organizational and other specialized skills to SMEs.

Target 2: 16 SMEs training manuals reviewed/developed by the end of June 2021.

Target 3: 4,038 Courses on Entrepreneurship, Business Management, and Technical skills conducted by end June 2021.
80,760 entrepreneurs trained by the end of June 2021.

Target 4: TPCs operational manual developed by end of 2021.

Target 5: One TPCs training manual reviewed by end of 2021.

Target 6: 163 courses to SMEs conducted by TPCs by the end of June 2021.

4.5.2 Capacities of BDS Providers enhanced

The intention of SIDO is to reach more SMEs, however there are still

gaps between SMEs' demand and provisions in place to meet them. This forced the organization to expand its operational capability to provide the services. One of the feasible options in that regard is to take part in capacity building to public and private institutions supporting development of SME, through provision of business development services. The intervention will require regional office to prepare profiles of Business Development Services (BDS) providers, identify their needs and prepare appropriate programme that suit them. Provision of business services to SMEs will be broadened by involving other BDS providers in actual provision of services, which will result into increased impact and outreach both in rural and urban areas. The targets for implementing this intervention are:-

Target 1: 520 Business providers identified and profiled by the end of June 2021.

Target 2: BDS provider's guideline developed by the end of June 2021.

Target 3: 358 Courses on capacity development services conducted to BDS providers by the end of June 2021.

4.5.3 Capacities of SME Associations Strengthened

The service will focus on facilitating strengthening of SME cooperatives, associations and Self Help Groups in both urban and rural areas so as to provide better services to their members and add value to locally available resources produced from various economic sectors. The existing SMEs special groups, associations, Industrial Cooperatives formed by women, youth, disabled and retirees will be supported.

Practically these groups are facing common business problems such as constitution formulation and formalization of skills, savings mobilization skills, management skills for savings and credit services, entrepreneurship and business management skills. The emphasis will be on strengthening of their capacities to improve their performance. SIDO will collaborate with other stakeholders namely LGAs, Tanzania Industrial Cooperative Union (TICU), National Economic Empowerment Council (NEEC) and development partners in order to achieve the desired targets. In the planning period the interventions will continue as follows:

Target 1: 76 needs assessments of Industrial Cooperatives /Associations conducted by the end of June 2021.

Target 2: 1876 Industrial Cooperatives /Associations provided with capacity development services by the end of June 2021.

Target 3: 71 SACCOS and SACAs formed by the end June 2021.

4.5.4 Economic empowerment of women and youths to Industrial development facilitated

Despite the fact that women constitute more than 50 percent of country's population and significant percent of the workforce, yet only own about 1 percent of the country's wealth. They invest most of their incomes into families and communities issues as well as they are the backbone of communities and greatest potential to unlocking economic growth in the country, however most of them face some challenges that hinder their capability participate fully in the economy.

The economic opportunities for women are facilitated through a SIDO special unit namely Women Entrepreneurship Development (WED) by carrying out favorable actions to support women start, formalize and promote growth and competitiveness of their enterprises. The women and youths are empowered their SMEs in the agro -industry area focusing on food processing, as well as in imparting skills and support of business women on local and export/cross-border trade issues.

However, women and youth entrepreneurs face a number of constraints such as lack of entrepreneurial skills and attitudes; poor marketing skills; lack of adequate quality management services; and non-availability of major processing ingredients, inputs and equipment and in accessing prompt and affordable quality control services. Those affect their potential for growth, forcing them to operate at the micro level, thereby not utilizing the fully market potentials. In order to increase the participation of women in the industrial development process these constraints need to be addressed fully. SIDO is working with development partners local and international, UN Agencies, private sector, NGOs etc. to empower women and youths through the following targets:-

- Target 1:** 3 youths and women groups/associations with industrial development needs identified by the end of June 2018.
- Target 2:** 49 women and youth groups/associations capacitated by the end of June 2021.
- Target 3:** 12 courses conducted by the end of June 2021.

4.5.5 Business Consulting Services provided

Business consulting services are provided to SMEs in order to enable them fight for survival after motivated and trained to participate into different economic interventions. They are facilitated to grow, multiply and replicate into a sufficient (critical) mass across industries and sectors. In the process, the level of competitiveness and dynamism of domestic enterprises and, by implication, of the economy as a whole will be greatly enhanced through delivery of business consulting services to SMEs in the office but also at their places of business. The problems to be addressed include lack of business information, technical and business skills among SMEs.

During the planning period, the organization is committed to strengthen the services through:

- Target 1:** 92,372 enterprises provided with business management advisory services by the end of June 2021.
- Target 2:** 75 SMEs IPR registered with BRELA by the end of June 2021.
- Target 3:** Area Development Study (ADS) Manual prepared by the end of June 2021.
- Target 4:** 309 Area Development Surveys (ADS) conducted by the end of June 2021.
- Target 5:** 309 Techno Economic Profiles (TEPs) prepared by the end of June 2021.
- Target 6:** 202 business diagnostic studies conducted by the end of June 2021.

4.5.6 One District One Product Strategy (ODOP) implemented

SIDO is applying the One District One Product (ODOP) strategy for developing industries in rural areas. The strategy supports development and promotion of products that are based on locally available resources in a particular district. Larger portion of Tanzania population (about

70%) live in rural areas, engage in subsistence agriculture, and use inefficient and low productive techniques. As a result their produce do not attain the minimal required quality and quantity, less competitive, high post-harvest losses, seasonal employment leading to rural – urban migration. Generally the rural people live with low per capita income and cannot meet most of social needs such as health care, school fees etc. To address those challenges SIDO will use ODOP strategy that focuses on achieving equitable rural economic development and reduction of constant rural urban migration through development and promotion of district specific products and services.

Activities to be implemented in collaboration with other stakeholders (Central government, LGAs, Private sectors and Development partners) include collection of district profiles, conduct sensitizing events, selection of a district specific product, support establishment/improvement of enterprises, capacity building of the participating communities/enterprises, and through value chain approach with emphasis on value addition (processing and marketing) of local resources. The SMEs in the rural areas will be assisted in development of technical economic profiles for selected products, business plans preparations for enterprises, and provide business development and financial services to primary producers and processors.

On the other hand they will be provided with improved skills training, knowledge of access to markets to help increase productivity, profitability and off-farm incomes. The support will observe capacity requirement of all segments of the products' value chain starting from facilitating availability of agro inputs and seeds to marketing of value added products. The strategy intends to meet the following targets for the coming three years that will be mainstreamed to other interventions for rural industrialization:-

Target 1: 3 ODOP performance review reports prepared by the end of June 2021.

Target 2: 2500 new industries established by June 2021.

Target 3: 10,000 Jobs created by June 2021.

4.5.7 Regional Offices Services Delivery Capacity Strengthened

Regional Offices are the main actors of SIDO for implementing and providing its services to clients and as such improving their performance is among of the top organizational priorities. In order to realize higher efficiency and increase outreach the regional offices will be capacitated through increased knowledge and skills of the staff, more and better working tools and equipment constant monitoring and evaluation, which results into better feedback for prudent and quick decision making.

During the plan, monitoring of Regional Offices' meetings, supervision implementation of business plans, networking, collaboration with partners and stakeholders as well as mobilization funds from different sources will be adopted and implemented:-

Target 1: 148 Regional business plans prepared and implemented by June 2021.

Target 2: Tshs. 102 billion mobilized funds from different sources by the end of June 2021.

4.5.8 Appropriate information resource packages developed and uploaded onto SIDO SMEs Web Portal

SIDO developed SMEs Web portal to facilitate provision of information resources and services to stakeholders especially SMEs. The information resources that are incorporated in the web portal include technology and technical services; Business Development skills and consultancy services; Marketing and Information Services; Financial services and Agricultural information support services. SIDO services are clearly explained onto the web portal as well, to sensitize the stakeholders all about the functions performed by the Organization to serve the public. Moreover, the web portal has the utility to promote the products produced and the services provided by the SMEs in order to boost the SMEs business undertakings. Therefore, the registered SMEs in the web portal will be granted access rights to upload the products and/or services into the system under the administration of SIDO professional staff in the respective regional offices.

Target 1: 813 information resource packages developed and uploaded onto the web portal by the end of June 2021.

Target 2: 4,063 SMEs registered in the Web Portal and sensitized to utilize the opportunities available therein, by the end of June 2021.

Target 3: 406 SMEs assisted to develop and upload their products and/or Services onto the web portal for business promotion by June 2021.

4.5.9 Information Centre operations coordinated

SIDO owns and operate Information Centers in its Regional Offices all over the country. Information Centers facilitate: - access to sites that sources business information; locating business players such as Sellers, Buyers, Machinery manufacturers, Business advisors, Business associations, Business regulatory firms etc. and building the capacity of SMEs to conduct Business operations using ICT applications such as email, word processing, spreadsheets etc. Therefore, SIDO will continue to enhance the functionality of the existing Information Centers by upgrading them to capacitate meeting the SMEs' information and application requirements and sensitizing SMEs to create awareness of the services provided by the Centers and the Organization as a whole.

Target 1: 91,000 SMEs accessed the information resources in the Centers by the end of June 2021.

4.6 TO FACILITATE INVESTMENT AND SMES ACCESS TO MARKET

The strategic aim is to ensure improved SMEs awareness on investment, market opportunities and facilitates them to access and exploit.

In the process of facilitating Investment and SMEs access to market, the organization will use different approaches to stimulate SMEs access to international markets for exportation of their products and enlarge their local market and investment. SMEs will be facilitated to attain quality packaging materials; brands of their products, ease access of marketing information that will enable them to meet local and international standards. Furthermore, establishment of the Marketing communication strategy for the organization and empowering SMEs to develop their own marketing strategies will be done during this plan period.

Organization will also prepare programmes that will be broadcasted in different Media. Printed promotion materials will also be used in different events to promote SIDO services and available investment opportunities. The promotions will raise awareness of the public on local content, available investment opportunities in SMEs sector and the economy as a whole to attract new investors and sponsors.

4.6.1 SMEs products promoted

The success of SMEs to some extent is influenced by the element of effective marketing and promotion of their products. Considering that, the organization will prepare Marketing programmes that will enable the organization and SMEs to cope with different market environments in which they operate both locally and internationally. The programmes include; exhibitions and trade fairs, SMEs' products display centres, information centres, publication materials, tendering and use of mass media.

Efforts to build SMEs competitive capacity in terms of product development, quality improvement, packaging and sharpening their marketing skills will continue. Other interventions include facilitating them to participate in zonal exhibitions and trade fairs.

SMEs will be supported and trained to develop and print their own promotional materials that can be used to promote their products in different events. The materials to be printed and used include; brochures, banners (PVC, roll up etc), leaf lets, flyers, stickers, wheel covers, t-shirts, caps, flags, calendars, business cards and key holders.

Target 1: 52 Communication tools developed by end of June 2021.

Guidelines will be sent to SIDO regional offices that will be used in supporting SME to develop their communication strategies that will meet the need and requirements of the specific area.

Target 2: 309 Market assessment reports prepared by end of June 2021.

Target 3: 1 Exhibition/trade fair manual reviewed by end of June 2021.

Target 4: 25 Zonal exhibitions conducted by end of June 2021.

This will involve organizing zonal exhibition for SMEs and facilitate them to participate in trade fair.

4.6.2 SMEs participation in tendering processes facilitated

Practically SMEs have limited market access in public tendering processes due to competition from large firms, constraints in tendering procedures, accessing market information and low quality of products and services. In addressing this issue, SIDO aim to strengthen and improve SMEs capacity to ease access of available tendering opportunities through identification of potential tenders, dissemination of the acquired information to appropriate SMEs and offer them with advice and guidance on the tendering processes

Target 1: 538 Tender opportunities identified by end of June 2021.

Target 2: 307 SMEs facilitated to participate in tendering by end of June 2021.

This will be done through supporting SMEs in attaining tendering process and procedures and provision of loans to empower their financial capacity.

4.6.3 SMEs products display centres established and improved

In a business environment, appearance of the place used to display products is so important. Display facilities provide indication of the quality of the products on display. In this planning period, the organization plan to establish and improve a number of display centres to show and expose samples of SMEs products and local technologies.

Target 1: 29 Display centres established by end of June 2021.

Each RO to improve/establish display centre that will be used to display SMEs products and different local technologies

Target 2: 114 SMEs products promoted through display centres by end of June 2021.

Target 3: 488 Local technologies promoted through display centres by end of June 2021.

4.6.4 Knowledge management enhanced

SIDO operations end up producing knowledge and experiences that have to be documented and shared for benchmarking and up scaling. Information will be collected, blended and stored in different forms then shared through platforms, documentaries and publications. The information to be dealt with will aim to respond to the needs of clients, development partners and stakeholders by developing and providing high-quality, relevant, and timely information products and services at all levels in formats and languages according to needs. It will be provided through classical and electronic library services, other services include document repositories, statistical databases, libraries of media material, and access to diverse electronic products and information resources. Knowledge management policies, standards, and tools will guide the Organization's efforts in developing, targeting, and providing information and creating knowledge with the end-user in mind. SIDO will engage the public and SMEs sector as a strong pool for more equitable access to the SMEs and Agro business knowledge.

Target 1: 6 documentaries produced and shared by end of June 2021.

Target 2: 10 knowledge sharing platform meetings organized by end of June 2021.

Target 3: 15 publications produced and shared by end of June 2021.

4.6.5 SMEs facilitated to fulfill quality and standards of packaging

This activity is basically aimed to facilitate SMEs to improve the quality of their produced products and standard of packaging materials used to meet local and international standards. To ensure this SIDO will conduct needs assessment of packaging materials and establish materials outlets in Regional Offices, which will go in hand with facilitation of SMEs' products certification by TFDA, TBS and bar codes to attain the required quality and standards.

Target 1: 76 needs assessments conducted on packaging materials by end of June 2021.

Target 2: 1 packaging center managed by end of June 2021.

Dar es Salaam packaging centre

Target 3: 24 Packaging materials outlets established in the Regional Offices by end of June 2021.

4.6.6 SIDO Services Promoted

To ensure SMEs, Stakeholders and public are aware and have the right information about services offered, SIDO plan to have different programmes that will be aired through different media channels like Radios, TVs etc, but also marketing materials will be printed and distributed in different events. In addition magazines, newspapers, billboards, social media networks, road shows will be used to promote SIDO services. SIDO will also use the opportunity of participating in events organized by other stakeholders and networking as platforms for promoting the organization.

Target 1: 3 Marketing and communication framework developed by the end of June 2021.

Target 2: 16 Marketing materials developed and printed by end of June 2021.

Prepare and distribute various marketing materials to potential clients through various events conducted by SIDO and other SMEs development partners

Target 3: 618 Promotional events conducted through mass media by end of June 2021.

Prepare programmes that will be aired in various media include television, radios and others promoting SIDO services

Target 4: 2613 Events organized by other stakeholders promote SIDO services by end of June 2021.

Prepare and distribute/avail various marketing materials/information to potential clients through various events conducted by SIDO and other SMEs and other development partners.

4.6.7 Investment opportunities identified and promoted

Investment refers to allocation and use of resources in the expectation of generating returns in the future.

The activity involves identification of available investment opportunities, development of investment concepts, processing it to approval stage. Once investments are proved to be feasible and viable, it will be approved and implemented hoping will generate returns in the future compared to other identified opportunities.

The aim of this activity is to promote available SIDO and SMEs investment opportunities through different programmes that will be disseminated through different media channels like radios, TV, print materials to raise public awareness on available opportunities and attract new investors both local and foreign. Also SIDO will participate in different fora at Regional and District Level to promote available investment opportunities.

Target 1: 102 SIDO investments promoted by end of June 2021.

Target 2: 260 SMEs investment opportunities promoted by end of June 2021.

4.6.8 Operations of the organization properly planned

SIDO prepares its Corporate Strategic Plan after every three years, which clearly defines a roadmap of the organization to achieve its main goals with available limited resources to ensure consistent implementation of development and operational activities of the organization. Furthermore, SIDO prepares its operational budgets to ensure effective and efficient allocation of all available resources.

Target 1: 1 Corporate Strategic Plan developed by end of June 2021.

Target 2: 100 Operational plans coordinated by end of June 2021.

Target 3: 4 Annual budgets prepared by end of June 2021.

Target 4: 4 Annual Planning and Budgeting guidelines prepared by end of June 2021.

4.6.9 Resources Mobilized

Resource mobilization comprises all activities of securing new and additional resources for organization operations. It also involves making better use of, and maximizing, existing resources.

In order to support its day-to-day operational activities, SMEs and development activities, SIDO will play a great role in networking with

different stakeholders and development partners to solicit funds and technical assistance for implementation of different development and operational activities.

Target 1: Resource mobilization meetings conducted by end of June 2021.

Target 2: 1,016 Proposals prepared to source funds for Investment by end of June 2021.

Target 3: Tshs. 21 Billion secured for investment by the end of June, 2021.

4.6.10 Risk restraining processes objectives managed

Risk Management is an activity that incorporates recognition of risk, risk assessment, and developing strategies to manage and mitigate the risks using managerial resources. It includes principles, frameworks and processes for managing risks. All organizations face challenges like natural, political, socio-economic and cultural influences that make their operating environment uncertain.

SIDO management plans to systematically apply management policies, procedures and practices to the tasks of establishing the context, identifying, analyzing, evaluating, treating, monitoring and communicating risks.

Target 1: 4 Risk management training/workshops conducted by end of June 2021.

Target 2: 8 updates of SIDO risk register by end of June 2021.

Target 3: 16 Risk management reports developed by end of June 2021.

4.6.11 Researches conducted

Research leads to an expansion of knowledge and discoveries; it also helps projections and formulation of appropriate strategies to ensure survival of entities in business environment. By knowing that, SIDO itself or jointly with other research institutions will conduct variety of researches suitable for SMEs development and Industrialization based on different research ideas that were initially identified. Apart from that

SIDO will also use results of researches conducted by other organizations.

Target 1: 16 Research areas identified by end of June 2021.

Target 2: 8 Researches conducted (by SIDO, jointly with others or by others) by end of June 2021.

Target 3: 8 Researches from others utilized by end of June 2021.

4.7 TO FACILITATE SMES ACCESS TO FINANCE

The strategic aim is to ensure financial services are delivered to the clients in an effective and coordinated manner based on demand with emphasis on strategic sectors.

One of the challenges being faced by SMEs in most developing countries is lack of access to financial services, particularly from formal institutions (both banks and nonbanks). The problem of access to financial sources for SMEs arises when a business activity that would have been internally financed if resources were available, does not get support from external financial institutions. The absence of financial support for SMEs is perhaps due to high cost of doing business activities, which implies that SMEs find too costly in accessing external financial sources. On the other hand, financial services providers consider effecting lending services to SMEs too risky due to a number of factors.

Most of SMEs lack registered collaterals, track records that are a major requirement by Financial Institutions. SMEs are also not well equipped with information on available credit services; the fact which render them from accessing the required Financial Services by the respective business. These gaps eventually limit SMEs capacity to establish, manage and expand their enterprises. SIDO has been developing credit products to address the challenges by sourcing funds and developing various credit/loan products, including linking SMEs to other financial institutions as well as providing financial advisory services and training.

Apart from the challenges; the demand for financial services kept on increasing from time to time; for that reasons SIDO has seen the importance of improving financial services delivery capacity to meet the

demand of the services by SMEs. Year after year, the organization has been able to expand the capital base hence increase the portfolio size and reinvent service delivery through product redevelopment.

4.7.1 Availability of credit funds and delivery of credit and advisory services increased

4.7.1.1 Mobilize funds to support credit activities

In order to deliver the service to SMEs smoothly, there is a need for the organization to have the required support to enhance capacity to deliver the service. Capital funds will be mobilized from different sources to boost the existing portfolio.

Target 1: Tshs. 16 billion mobilized to boost the capital of the existing credit schemes by end of June 2021.

4.7.1.2 Conduct study on credit needs

Demand for credit services keep on increasing and changing in needs. The organization has to provide demand based services rather than supply oriented; the studies to identify the existing needs will help the organization to develop appropriate products thereafter.

Target 1: 16 Credit needs assessments conducted by end of June 2021.

4.7.1.3 Manage credit portfolio

Provision of loans from the existing portfolios of NEDF and RRF will continue. Close follow up will also be made to ensure the Credit Guarantee Scheme functions well and entrepreneurs get financial support of expected volumes.

Target 1: 61,750 loans worth Tshs. 62 billion provided to clients by end of June 2021.

4.7.1.4 Provide financial advisory services to SMEs

Advice on financial matter is part and parcel of provision of credit services. The MSEs need to be led on the real demand of their enterprises on financial matters; hence call for advisory services on the area. The organization will assist SMEs in preparing simple business plans, and

developing simple accounting standard operating procedures and cash flow management systems in collaboration with business development services (BDS) providers.

Target 1: 273,000 SMEs received financial advisory services by end of June 2021.



CHAPTER FIVE

5 Resource requirement and mobilization

5.1 Resource requirement

The resource requirement to implement the activities outlined in the new corporate strategic plan (2017/18 – 2020/21) is projected to be Tshs. 317.189 billion. The projection is well above the amount that was earmarked to be used in the outgoing plan, whose implementation has been constrained by insufficient funding. Therefore, estimates for the new CSP 2017 – 2021 has been made on the basis of more anticipation. The cost components in the new CSP reflect key development and operational areas aiming at facilitating capacity building of SMEs and of course institutional operation and support functions. Resources distribution will cover asset development (20.31%), service provision (79.4%) and Human resources development (0.29%).

5.2 Cost estimate areas

CORPORATE STRATEGIC PLAN 2017/18 - 2020/21						
	OBJECTIVE	Budget(in Tshs.'000')				Total
		2017/18	2018/19	2019/20	2020/21	
1	To reduce HIV/AIDS infections and improve supportive services	0	240	288	346	874
2	To enhance, sustain and implement National Anticorruption Strategy	0	4,000	4,000	4,000	12,000
3	To enhance operational capacity of the organisation	6,361,386	7,623,740	9,135,628	10,934,534	34,055,288
4	To promote industrial development initiatives that contributes to industrialization	49,694,320	57,233,184	66,279,821	77,135,785	250,343,110
5	To facilitate knowledge and business management skills development	4,242,360	5,010,832	6,002,998	7,133,598	22,389,788
6	To facilitate investment and SMEs access to market	1,174,300	1,409,160	1,690,992	2,029,190	6,303,642
7	To facilitate SMEs Access to Finance	761,000	913,200	1,095,840	1,315,008	4,085,048
	TOTAL	62,233,366	72,194,356	84,209,567	98,552,461	317,189,750

5.2.1 Resource mobilization

Implementation of interventions and services outlined in the CSP VI (2017/18 – 2020/21) will depend mostly on the government subvention and grants, income from use of assets, interest on loans and grants from other stakeholders. The plan anticipates attention and resources flow

along the Government's concentration on facilitating development of a base for industrialization, which will eventually have a bearing on the scale of SMEs involvement and ultimately SIDO's. The development move implies the sector will receive much attention, material and financial support.

On the other hand, a system to optimize recovery of loans will be improved; generation of income from use assets and income from provision of services will be enhanced.

5.3 Sources of Funds

It is anticipated that financial resources for the CSP shall be secured from the following sources:-

Internally generated funds and other sources	(60%)
Government subventions	(40%)

5.3.1 Internally generated funds

Some SIDO activities will be financed by income from the day-to-day operations, particularly from consultancy services, training, technical services, interest from credit portfolio and use of assets especially industrial sheds.

5.3.2 Government contribution

The Government will continue to cover for personnel emoluments as well as development activities.

5.3.3 Stakeholders

Financing of strategic development programmes will be covered through cooperation and collaboration with different stakeholders. SIDO will team up with potential partners to plan and thereafter implement the programmes.

CHAPTER SIX

6 Monitoring and Evaluation System

The Monitoring and Evaluation System goal is to improve current and future management of outputs, outcomes and impact. SIDO will improve its M & E System to track progress and make evaluations of activities implemented. The system will ensure all operational and development activities are implemented in orderly manner, rules and procedures are adhered to during execution period.

The organization will develop a system to collect and store operational performance data, which are useful in evaluation process. Data obtained will be analyzed, interpreted and used in making deductions and recommending better measures for future implementation of planned activities.

Monitoring and Evaluation (M&E) of SIDO programmes is a routine activity, which is conducted quarterly, semi-annually and annually. A number of instruments were developed to conduct Monitoring and Evaluation of the programmes. These instruments also form a major part of SIDO's Management Information System. They include official meetings of SIDO Board of Directors, Management, Staff Meetings; Quarterly reports; and Annual Reports.

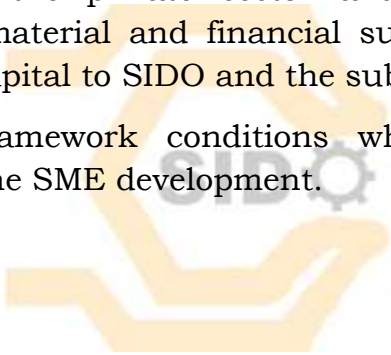
Once the corporate plan document is concluded, every planning center in this case Departments, Regional Offices, Technology Development Centers, Projects and programmes is required to develop its own business plan(s) within the context of CSP in which all the objectives, outcomes, outputs and activities are clearly stated with indicators to be used to monitor and evaluate performance at any given time.

Monitoring and Evaluation will be part and parcel of the entire SIDO implementation of the 2017/18-2020/21 strategic plan. The overall M&E strategic objectives and actions of SIDO are clearly shown in the Log frame with indicators for assessing its performance.

6.1 Risks and Assumptions

These are statements indicating assumed conditions necessary to have the implementation plan feasible. The main assumptions underlying SIDO's success in reaching its objectives include:

- Increasing SIDO's capacity in advocacy, public awareness, and self-determination so as to strengthen its sustainability, credibility and gain local and international support;
- Enabling policies such as the National SME Development Policy and legal instruments are developed by appropriate government ministries;
- The current positive support and political-will, which is recognizing and addressing SMEs issues at national and international levels will continue;
- The Government, the private sector and development partners provide concrete material and financial support in terms of long-term investment capital to SIDO and the sub sector it serves;
- Socio-economic framework conditions which produce sufficient opportunities for the SME development.



ANNEX 1:

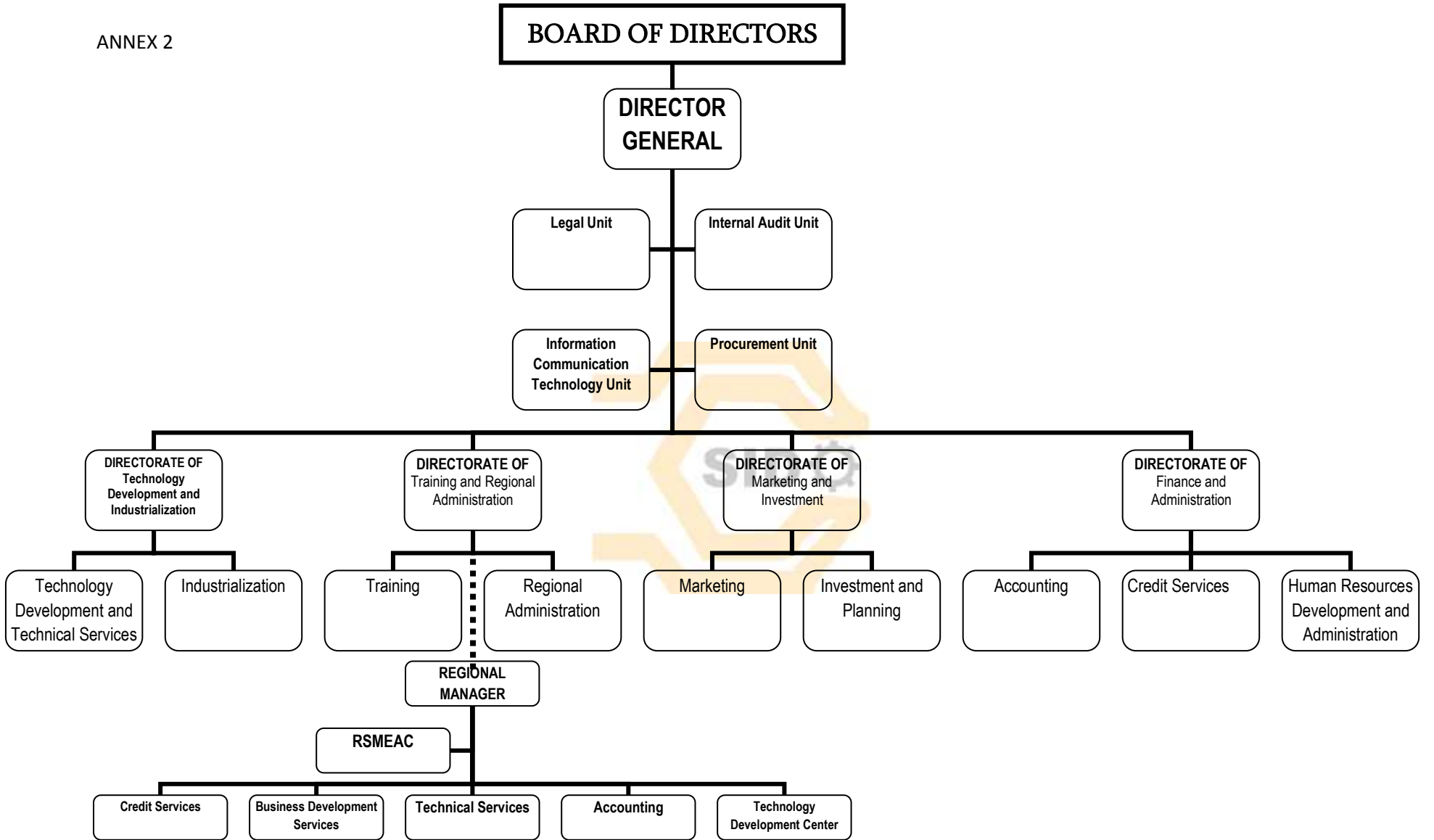
SMALL INDUSTRIES DEVELOPMENT ORGANISATION (SIDO)
CORPORATE STRATEGIC PLAN
OBJECTIVES, OUTPUTS, ACTIVITIES AND PERFORMANCE INDICATORS

Planning Period: July 2017 – June 2021

Narrative Summary of the Strategy					Means of Verification				Assumptions
	2017/18	2018/19	2019/20	2020/21					
OVERALL DEVELOPMENT OBJECTIVE									
SIDO aims at contributing to poverty reduction and enterprise development thereby contributing to economic development through provision of demand driven services that will create employment and generate income to the service user.	G.1. Increase in income of SIDO clients				Quarterly Reports				
	11%	20%	20%	20%	Annual Reports				
	G.2. Number of jobs created				Evaluation Reports				
	137,732	160,107	186,951	219,130	Specific Reports				
PURPOSE OF SIDO	2017/18	2018/19	2019/20	2020/21					
Create and sustain indigenous entrepreneurial base through the promotion and support to the development of SME by providing them with Business Development Services and specific Credit Services on demand	P.1 Increase in number of enterprises created in rural and urban areas				Quarterly Reports				Continued support from central and local government authorities
	45,911	53,369	62,317	73,043	Annual Reports				
	15%	16%	17%	17%	Evaluation Reports				Continued support from development partners
	P.2 Increase in number of clients receiving SIDO services				Specific Reports				SME technologies absorption capacity
	20%	30%	40%	50%					Willingness of SMEs to utilize technical advisory services
OBJECTIVE 1: TO REDUCE HIV/AIDS INFECTIONS AND IMPROVE SUPPORTIVE SERVICES									
	Time Frame and Targets				BUDGET Tshs. '000'				
	2017/18	2018/19	2019/20	2020/21	2017/18	2018/19	2019/20	2020/21	
A programme to fight HIV/AIDS and non communicable diseases at work place prepared and implemented									
One HIV and AIDS workplace intervention program in place	0	2	2	2	0	240	288	346	
4 Non-communicable diseases intervention programs to SIDO staff in place									
Care and support services to all SIDO People Living with HIV provided									
Sub total					0	240	288	346	
Total Objective 1								874	
OBJECTIVE 2: TO ENHANCE, SUSTAIN AND IMPLEMENT NATIONAL ANTICORRUPTION STRATEGY									
	Time Frame and Targets				BUDGET Tshs. '000'				
Outputs	2017/18	2018/19	2019/20	2020/21	2017/18	2018/19	2019/20	2020/21	Assumptions
SIDO program on Anti-Corruption developed									
16 meetings of Corporate Integrity Committee conducted	0	4	4	4					
8 seminars on Ethics, corruption and good governance conducted	0	2	2	2	-	4,000	4,000	4,000	
Sub total					-	4,000	4,000	4,000	
Total Objective 2								12,000	

OBJECTIVE 3: TO ENHANCE OPERATIONAL CAPACITY OF THE ORGANISATION									
Outputs	Time Frame and Targets				BUDGET Tshs. '000'				Assumptions
	2017/18	2018/19	2019/20	2020/21	2017/18	2018/19	2019/20	2020/21	
SSIs registration and management system enhanced					2,000	2,400	2,880	3,456	The required resources will be available for the purpose
	1	-	-	-					
Human Resources Capacity Enhanced	21	27	39	57	13,600	16,320	19,584	23,501	
Operational capacity of the organization enhanced	77	108	161	243	5,918,000	7,101,600	8,521,920	10,226,304	
Accounting records and collection of income managed	56	84	126	189	-	-	-		
Procurement services enhanced	30	30	30	30	-	-	-		
Capacity of information communication technology system enhanced	172	144	216	324	312,600	375,120	450,144	540,173	
Support legal services provided	346	518	776	1163	-	-	-		
Internal Audit services provided	91	96	100	100	115,186	128,300	141,100	141,100	
Sub total					6,361,386	7,623,740	9,135,628	10,934,534	
Total Objective 3								34,055,288	
OBJECTIVE 4: TO PROMOTE INDUSTRIAL DEVELOPMENT INITIATIVES THAT CONTRIBUTES TO INDUSTRIALIZATION									
Outputs	Time Frame and Targets				BUDGET Tshs. '000'				Assumptions
	2017/18	2018/19	2019/20	2020/21	2017/18	2018/19	2019/20	2020/21	
Small Industries modernization/company development facilitated	75	113	169	253	1,500,000	1,800,000	2,160,000	2,592,000	Technology needs and demand exist
SMEs access to infrastructure facilitated	41	58	82	120	14,794,020	15,352,824	16,023,389	16,828,067	Proper identification of technologies
Establishment of new small industries supported	197	296	443	665	23,756,000	28,507,200	34,208,640	41,050,368	Demand for machines and equipment for SMEs are on going concern.
Technical support services to small industries provided	16,725	25,088	37,631	56,447	472,500	567,000	680,400	816,480	Produce appropriate technologies and to acceptable standards
Facilitate technology transfer	528	782	1,180	1,765	9,171,300	11,005,560	13,206,672	15,848,006	Existence of extra capacity and adherence to acceptable quality
Technical operation manuals developed/reviewed	5	-	-	-	500	600	720	864	
Sub total					49,694,320	57,233,184	66,279,821	77,135,785	Modern machines and equipment will be available at manageable terms
Total Objective 4								250,343,110	
OBJECTIVE 5: TO FACILITATE KNOWLEDGE AND BUSINESS MANAGEMENT SKILLS DEVELOPMENT									
Outputs	Time Frame and Targets				BUDGET Tshs. '000'				Assumptions
	2017/18	2018/19	2019/20	2020/21	2017/18	2018/19	2019/20	2020/21	
Knowledge and Skills Development Programmes for SMEs delivered	1,020	1,530	2,295	3,443	875,800	1,050,960	1,261,152	1,513,382	Entrepreneurs will positively respond to the capacity building initiative.
Capacities of BDS Providers enhanced	108	162	243	365	-	-	-		Products that are specific to each district have
Capacities of SME Associations Strengthened	427	641	961	1,441	83,800	100,560	120,672	144,806	Availability and willingness of metors to participate
Economic empowerment of women and youths to Industrial development facilitated	8	7	9	13	15,600	18,720	22,464	26,957	Willingness of SME Associations to respond to SIDO services
Business Consulting Services provided	19,135	28,690	43,023	64,522	803,460	964,152	1,156,982	1,388,379	Experts in value chain analysis and associated services are available
One District One Product Strategy (ODOP) implemented	2,400	2,800	3,350	3,950	2,400,000	2,800,000	3,350,000	3,950,000	
Regional Offices Services Delivery Capacity	62	62	63	63	3,700	4,440	5,328	6,394	
Appropriate information resource packages developed and uploaded onto SIDO SMEs Web Portal	650	975	1,463	2,194	60,000	72,000	86,400	103,680	
Sub total					4,242,360	5,010,832	6,002,998	7,133,598	
Total Objective 5								22,389,788	

OBJECTIVE 6: TO FACILITATE INVESTMENT AND SMES ACCESS TO MARKET									
Outputs	Time Frame and Targets				BUDGET Tshs. '000'				Assumptions
	2017/18	2018/19	2019/20	2020/21	2017/18	2018/19	2019/20	2020/21	
SMEs products promoted	101	152	227	341	105,800	126,960	152,352	182,822	Existence of products and services to promote
SMEs participation in tendering processes facilitated	133	200	299	449	13,300	15,960	19,152	22,982	SME's willingness to use ICT increases
SMEs products display centres established and improved	42	63	95	142	300,000	360,000	432,000	518,400	Government and development partners are supportive
Knowledge management enhanced	9	13	18	27	125,000	150,000	180,000	216,000	
SMEs facilitated to fulfill quality and standards of packaging	22	32	47	1	38,000	45,600	54,720	65,664	
SIDO Services Promoted	713	1,069	1,603	2,404	532,900	639,480	767,376	920,851	
Investment opportunities Promoted	156	209	291	410	24,200	29,040	34,848	41,818	
Operations of the organization properly planned	27	26	26	26	22,600	27,120	32,544	39,053	
Risk restraining processes objectives managed	7	7	7	7	2,500	3,000	3,600	4,320	
Researches conducted	8	8	8	8	10,000	12,000	14,400	17,280	
Sub total					1,174,300	1,409,160	1,690,992	2,029,190	
Total Objective 6								6,303,642	
OBJECTIVE 7: TO FACILITATE SMES ACCESS TO FINANCE									
Outputs	Time Frame and Targets				BUDGET Tshs. '000'				Assumptions
	2017/18	2018/19	2019/20	2020/21	2017/18	2018/19	2019/20	2020/21	
Availability of credit funds and delivery of credit and advisory services increased.	41,212	61,817	92,726	139,089	761,000	913,200	1,095,840	1,315,008	Average Loan Size One Million Tanzania Shillings
									Supportive Micro Finance and SME Policy/Regulations
Sub total					761,000	913,200	1,095,840	1,315,008	SMEs will cooperate
Total Objective 7								4,085,048	
TOTAL					62,233,366	72,194,356	84,209,567	98,552,461	
GRAND TOTAL CORPORATE STRATEGIC PLAN								317,189,750	



Regional Small and Medium Enterprises Advisory Committee