



## FINAL PROGRAM REPORT

# **Feed the Future Tanzania Enabling Growth through Investment and Enterprise**

(ENGINE)



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# Feed the Future Tanzania Enabling Growth through Investment and Enterprise

**Associate Cooperative Agreement No. AID-621-LA-16-00002**

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# Acronyms & Abbreviations

<b>AO</b>	Agreement Officer
<b>AOR</b>	Agreement Officer's Representative
<b>ASHTECH</b>	African Soil Hives Technology
<b>AY</b>	Advancing Youth
<b>B2B</b>	Business to Business
<b>BDS</b>	Business Development Services
<b>BDSP</b>	Business Development Service Provider
<b>BOA</b>	Bank of Africa
<b>BPRA</b>	Business Property Registration Authority
<b>CBW</b>	Covenant Bank for Women
<b>CC</b>	City Council
<b>COP</b>	Chief of Party
<b>DBC</b>	District Business Council
<b>D-by-D</b>	Decentralization by Devolution
<b>DC</b>	District Council
<b>DCA</b>	Development Credit Authority
<b>DCOP</b>	Deputy Chief of Party
<b>DFC</b>	Development Finance Corporation
<b>DQA</b>	Data Quality Assessment
<b>EMMP</b>	Environmental Mitigation and Monitoring Plan
<b>ENGINE</b>	Enabling Growth through Investment and Enterprise Program
<b>EOI</b>	Expression of Interest
<b>ESMT</b>	Environmental Screening and Management Tool
<b>FI</b>	Financial Institution
<b>FTF</b>	Feed the Future
<b>FY</b>	Fiscal Year
<b>HO</b>	Home Office
<b>IAA</b>	Institutional Architecture Assessment
<b>ICMA</b>	International City/County Management Association
<b>IEE</b>	Initial Environmental Examination
<b>IESC</b>	International Executive Service Corps
<b>LED</b>	Local Economic Development



<b>LGA</b>	Local Government Authority
<b>LGACI</b>	Local Government Authority Competitiveness Index
<b>LGTI</b>	Local Government Training Institute
<b>LOE</b>	Level of Effort
<b>LOP</b>	Life of Project
<b>MnM</b>	Mboga na Matudna
<b>MC</b>	Municipal Council
<b>MEDA</b>	Mennonite Economic Development Associates
<b>MEL</b>	Monitoring, Evaluation, and Learning
<b>MFI</b>	Microfinance Institution
<b>MoU</b>	Memorandum of Understanding
<b>MSME</b>	Micro, Small and Medium Enterprise
<b>MTIM</b>	Ministry of Trade, Industries and Marketing
<b>MUCOBA</b>	Mufindi Community Bank
<b>NBC</b>	National Bank of Commerce
<b>NEMC</b>	National Environment Management Council
<b>NMB</b>	National Microfinance Bank
<b>OCGS</b>	Office of the Chief Government Statistician
<b>PCT</b>	Pyrethrum Company of Tanzania
<b>PO-RALG</b>	President's Office for Regional Administration and Local Government
<b>PO-RALGSD</b>	President's Office for Regional Administration, Local Government and Special Departments
<b>PPD</b>	Public-Private Dialogue
<b>PRPT</b>	Policy Reform Priority Setting Tool
<b>PS3</b>	Public Sector Systems Strengthening Project-phase 3
<b>RBC</b>	Regional Business Council
<b>RLGSP</b>	Regional and Local Government Strengthening Plan
<b>SACCO</b>	Savings and Credit Cooperative Organization
<b>SAGCOT</b>	Southern Agricultural Growth Corridor of Tanzania
<b>SCSC</b>	Swahili Coast Salt Company
<b>SME</b>	Small and Medium Enterprise
<b>SMIDA</b>	Zanzibar Micro, Small and Medium Industry Development Agency
<b>SoW</b>	Scope of Work

<b>STTA</b>	Short-term Technical Assistance
<b>SUGECO</b>	Sokoine University Graduate Entrepreneurs Cooperative
<b>TA</b>	Technical Assistance
<b>TC</b>	Town Council
<b>TCCIA</b>	Tanzania Chamber of Commerce, Industry and Agriculture
<b>TIB</b>	Tanzania Investment Bank
<b>TIOB</b>	Tanzania Institute of Bankers
<b>TNBC</b>	Tanzania National Business Council
<b>TO</b>	Trade Officer
<b>ToT</b>	Training of Trainers
<b>TWCC</b>	Tanzania Women Chamber of Commerce
<b>TZS</b>	Tanzanian Shillings
<b>USAID</b>	United States Agency for International Development
<b>USD</b>	United States Dollars
<b>VE</b>	Volunteer Expert
<b>WARIDI</b>	Water Resources Integration Development Initiative
<b>ZALGA</b>	Zanzibar Association of Local Government Authorities
<b>ZNBC</b>	Zanzibar National Business Council
<b>ZNCCIA</b>	Zanzibar National Chamber of Commerce, Industry and Agriculture
<b>ZOI</b>	Zone of Influence
<b>ZPC</b>	Zanzibar Planning Commission
<b>ZWCC</b>	Zanzibar Women Chamber of Commerce



# 1

## Executive Summary

### PROGRAM OVERVIEW AND CRITICAL IMPACT

IESC is proud to present this final progress report on behalf of our implementing team and subpartners, International City/County Management Association (ICMA), Mennonite Economic Development Associates (MEDA), and Diligent Consulting Limited, for the Feed the Future Tanzania Enabling Growth through Investment and Enterprise (ENGINE) Program. The ENGINE market systems development program launched activities in September 2016 and concluded on October 31, 2020.

*Young business and community leaders participating in a networking forum in Mbeya City, November 2016*

#### ENGINE's Anticipated Results

1. Binding Constraints to private sector investment reduced through improved policy execution at the national, regional, and Southern Agricultural Growth Corridor of Tanzania (SAGCOT) district level and through creation of hospitable enabling environment.
2. Agribusiness productivity and profitability increased through improvements in market-oriented business development services and access to finance for SAGCOT value chain actors.

ENGINE's objective was to increase private sector investment leading to inclusive, broad-based economic growth in the Southern Agriculture Growth Corridor of Tanzania (SAGCOT) regions of Mbeya, Morogoro, and Iringa, and in Zanzibar. Applying a market systems development methodology, ENGINE was well placed to help accelerate change and stimulate growth by reforming Local Government Authorities (LGA), energizing business development services (BDS) to help enterprises reach their full potential, and encouraging the uptake of new investment and financial products by Small and Medium-sized Enterprises (SMEs) in agriculture, agribusiness, and ancillary sectors, leading to sustainable economic growth in critical agricultural zones across Tanzania and Zanzibar.

For purposes of achieving these anticipated results, the program established three core activity objectives:

- 1. Implementing policies for growth** by building the capacity of the public and private sectors to review, reform, and implement policies that support business viability, growth, and investment.
- 2. Equipping for growth** by building the capacity of business development service providers (BDSP) and stimulating sustainable market demand for their services among growing Micro, Small and Medium-sized Enterprises (MSMEs).
- 3. Financing for growth** by helping Financial Institutions (FI) better respond to the needs of small enterprise clients and providing MSMEs access to services

designed to improve their ability to qualify and receive credit.

**USAID ENGINE market systems support, and integration activities led to significant impact including:**

- USD 13,633,814 in new private sector investment facilitated;
- 964 business enabling environment policies and regulations reviewed, revised or implemented across 11 Local Municipalities in SAGCOT and Zanzibar;
- 2,095 LGA staff were trained on the job in policy analysis, design, and women/youth integration;
- 10,238 MSMEs purchased services from BDS providers leading to USD 1,529,636 in new sales;
- Assisted MSMEs increased revenue by 30 percent and created 1,676 new jobs;
- USD 7,143,533 in new agriculture-related financing accessed as a result of ENGINE assistance; and,
- USD 1,469,150 in total costshare contributions from private sector partners and value of volunteer services.

The following report provides a quantitative and qualitative analysis of the activities conducted and the results achieved, as well as lessons learned and recommendations to leverage ENGINE's impact for future market-led support for economic growth in Tanzania.



## COMMITMENT

### OPEN & ACCOUNTABLE GOVERNANCE – Open Government

Component One delivered data driven, replicable, and scalable tools including the **Policy Reform Prioritization Tool and Local Government Authority Competitiveness Index** enabling local government authorities and national level policy makers to prioritize and formulate economic policies for impact through a process of dialogue and coordination with the private sector.



### INCLUSIVE DEVELOPMENT – Economic Gender Gap

**Women represented 57.2%** of participants in ENGINE activities designed to increase productive economic resources .

Through targeted interventions and grants to financial institutions, ENGINE facilitated **USD 3,553,829 of new loans to 7,987 female borrowers.**

ENGINE promoted **gender inclusion within business councils** and business membership-based associations. Recommendations were made during by-laws harmonization sessions advising the allocation of LGA revenue to women, youth, and people with special needs to strengthen their engagement in economic activities.



### ECONOMIC POLICY – Business & Investment Environment

ENGINE's Implementing Policies for Growth activities improved the business enabling environment in Tanzania. **964 business enabling environment policies** were reviewed, revised, approved or implemented to improve opportunities for private sector growth. **27** of which completed Stage 5 – implementation.

Support provided to the **Tanzanian Chamber of Commerce** enabled the private sector to more effectively participate in LGA affairs through stakeholder partnership workshops and business roundtables.

ENGINE facilitated the development of the **Zanzibar Decentralization by Devolution strategy** through PO-RALG, PO-RALGSD, and PS3 joint initiatives.



## CAPACITY

### GOVERNMENT CAPACITY – Government Effectiveness

The **Local Government Training Institute** was issued a grant to develop a "Business Environment Assessment Questionnaire" for LGAs piloting the Local Government Authority Competitiveness Index. LGTI conducted 4-day training workshops for future users of the tool, including LGA officials, entrepreneurs, and other stakeholders.

**2095 LGA staff** across **11 LGAs** were trained on policy analysis, design and women and youth integration. Transparency was strengthened through the development and public dissemination of program roadmaps which allow LGAs to continue to improve their business environment, ensuring the sustainability of ENGINE interventions.

**30 local and international volunteer experts** were mobilized to undertake policy reform capacity building for improved management, and administration of local government services.



### CAPACITY OF THE ECONOMY

#### GDP Per Capita (PPP)

Through the Equipping for Growth and Financing for Growth activities, ENGINE enabled **10,238 MSMEs** to purchase BDS leading to a 34% increase in revenue and stimulating creation of **1,676 new jobs**. BDSPs, equipped with higher quality products, reached **USD 1,529, 636 in new sales** leading to sustainable business models and expansion opportunities. **Twenty one financial institutions** revised policies and developed new products to serve the needs of under-represented agribusinesses and MSMEs . **USD 7,143,533** in agriculture related finance was accessed across ENGINE's ZOI.



#### Export Sophistication

ENGINE linked lead firms in targeted value chains with **export opportunities** to smallholder farmers. In Zanzibar, ENGINE provided the Swahili Coast Salt Company and the network of smallholder salt farmers with access to technical assistance on quality and production improvements in order for them to **meet export quality standards and enter new markets**. BDSPs in Zanzibar and Pemba were trained on **AGOA favorable trade requirements and export opportunities** with a focus on spice exports, building a local resource pool of trainers for agribusinesses and farmers in the spice value chains.





# 2

## Program Implementation

### PROGRAM COUNTRY CONTEXT

In October 2015, H.E John Pombe Magufuli was elected president of the United Republic of Tanzania. At the outset, Magufuli's administration prioritized efforts to clampdown on corruption, improve public administration and manage public resources for improved social outcomes. The roadmap to middle income status was laid out in the *Tanzania Development Vision 2025*, with a focus on developing high-quality livelihoods; a well-educated and learning society; and a competitive economy capable of sustainable growth and shared benefits. To reinforce the capacity of the country to deliver the economic and social outcomes envisioned in the plan, the government of Tanzania set out to increase citizens' access to finance for growth and to implement a decentralization by devolution (D-by-D) policy intended to build capacity in LGAs and improve the delivery of services to the public. Key to achieving the desired impact is the involvement of local stakeholders in the planning process for local economic development.

*ENGINE staff conducting outreach to business-owners at the NaneNane Agricultural Fair in Pemba, August 2018*

The public and private sectors both play important roles in building a more favorable business enabling environment and ensuring that affordable and accessible financing, including credit, is leveraged to propel economic growth. Reforms for a more favorable and predictable business environment, particularly in terms of business regulation, requires increased collaboration between the public and private sectors in order to remove obstacles preventing economic growth. These challenges include regulatory obstacles to starting businesses, limited tax relief for local industries, and insufficient transparency on how regulatory functions are coordinated by regulatory agencies.

To support Tanzania's efforts to overcome these obstacles to growth, USAID partnered with IESC in 2016 to catalyze technical assistance (TA) and expert advice necessary to build effective public-private collaboration and a sustainable market system for continued economic growth at the local level in Tanzania through the ENGINE program in fulfillment of the Tanzania Development Vision 2025 goals.

## DEVELOPMENT HYPOTHESIS

ENGINE's impact was anchored by the development hypothesis that: *if* policy dialogue between the national government and the private sector is strengthened to develop and implement enabling policies for investment; and, *if* the private sector has improved business skills and greater access to finance; *then* the binding constraints to private sector investment will be reduced, agriculture productivity and profitability will be increased, and Tanzania's inclusive broad-

based growth will be placed on a path to sustainability in the SAGCOT and Zanzibar.

## GENERAL APPROACH FOR IMPLEMENTATION

ENGINE's core activities were designed to leave behind institutional and enterprise-level capacity aligning public and private sector incentives, generate greater investment, and improve competitiveness in Tanzania's business services and agriculture sectors. Focus on sustainable outcomes underpinned the ENGINE approach. Each of ENGINE's three components worked in partnership with Tanzanian anchor institutions at the national and sub-national levels. From the outset, ENGINE integrated gender and youth inclusiveness by addressing policy and market failures where both women and men operate, and by targeting agriculture sectors with more income-generating opportunities for women and youth coupled with training and capacity building.

In Year 2 of implementation, ENGINE's approach and core activities were supplemented with a complementary cross-cutting value-chain activity consistent with the principles of flexibility and adaptive management embedded in ENGINE's methodology. Following a pause and reflect analysis in Year 2, a new demand-driven strategy was designed to stimulate the BDS market, increase investment and financing opportunities, and focus on private and public sector dialogue and cooperation in order to pilot a comprehensive market system model that was both scalable and replicable. The approach targeted value chains with the necessary features to pilot the ENGINE market systems strategy. Features include a

lead/anchor firm willing to commit investment, high quality inputs, or access to sustainable markets; trained BDS providers to deliver high quality capacity and training at fair market prices; FIs willing to target smallholders with value chain relevant products; and a viable and growing market for smallholder products and supportive enabling environment. Pilots were delivered in the poultry, salt, and pyrethrum value chains.

## IMPACT OF COVID-19 ON PROGRAM IMPLEMENTATION

Due to the outbreak of COVID-19 in Year 4, various TA assignments, training sessions, and events across all components and activities had to be reprogrammed or canceled, including the following:

- Hand-over events for deliverables were canceled and replaced with virtual events including the Local Government Authority Competitiveness Index (LGACI) and Policy Reform and Prioritization Tool (PRPT) tools to PO-RALG and PO-RALG/SD;
- Linkage meetings between BDSPs, MSMEs, and FIs. These cancellations adversely affected sales for both BDSPs and MSMEs, as well as the operations and issuance of loans by partner organizations;
- All incoming international Volunteer Experts (VE) and consultants curtailed trips or canceled their assignments in March and April 2020, ENGINE supported methods to complete assignments remotely for the remainder of the term; and,

- Eight awareness-raising events for Component Two scheduled between March and May 2020 were canceled.

The early impact in Tanzania of COVID-19 prompted restrictions to inbound tourism, this affected value chain lead firm Swahili Coast Salt Company's (SCSC) operations in Zanzibar, whose business model relies on tourism resulting in a de facto shut down of their salt production activities. The reduction in safari bookings caused the loss of the key market for Makifu poultry producers, consisting of Ruaha National Park camps and lodges. The loss of this market proved less impactful for the immediate period as demand in the local market for poultry currently exceeds supply.

## PROJECT ORGANIZATION AND MANAGEMENT

In partnership with the USAID/Tanzania Office of Economic Growth, the ENGINE Cooperative Agreement was implemented by a consortium, led and managed by IESC with subrecipients and implementing partners ICMA and MEDA and Tanzanian partner Diligent Consulting Limited.

### Subaward partners

ICMA was responsible for providing expertise in policy dialogue and institutional strengthening, fielding both volunteer experts and consultants in this area, as well as local staff, to support Component One. MEDA provided technical guidance and leadership for Component Two, providing ENGINE's component leader as well as fielding the regional BDS specialists stationed in the four project field offices within ENGINE's Zone of Influence (ZOI). MEDA oversaw the



development and implementation of the e-Coupon program, and also enlisted volunteer experts and consultants to provide TA under Component Two. Diligent Consulting Limited provided expertise in policy dialogue and access to finance and fielded local staff and consultants in the aforementioned technical areas. Diligent also provided a Senior Policy Advisor, and the Policy Specialists and Analysts that worked both at the Dar es Salaam and ENGINE field offices.

IESC also administered 11 small grants under the Cooperative Agreement spanning all three activity components.

COMPONENT	NUMBER OF SMALL GRANTS	AMOUNT EXPENDED (TZS)
Component 1: Implementing Policies for growth	2	
Component 2: Equipping for Growth	6	
Component Three: Financing for Growth	3	
<b>Total</b>	<b>11</b>	

### Organizational Structure for Delivery

The ENGINE team was comprised of complementary and diverse skillsets and expertise delivering deep technical skills, country knowledge, management acumen, and USAID project management experience. The following “Key Personnel” positions were essential to the successful implementation of the activity:

- Chief of Party (COP)
- Deputy Chief of Party (DCOP)/Policy Specialist
- Business Development Services Specialist

- Finance Specialist

The ENGINE Chief of Party directed program delivery, engaged with Tanzanian Partners and Stakeholders, and assured collaboration with USAID and other implementers. At the component level, the Policies for Growth Team was led by the DCOP/Policy Specialist and staffed with policy and local government analysts to implement Component One activities. Local government analysts based in ENGINE’s satellite offices in Iringa, Mbeya, Morogoro, and Zanzibar collaborated with regional and local authorities to guarantee buy-in and promote long-term sustainability.



*Implementation Regions - Dar es Salaam, Southern Agricultural Growth Corridor, and Zanzibar*

The Equipping for Growth Team was led by the BDS specialist and staffed with a BDS analyst, financial analyst, and coordinator. In order to ensure that ENGINE activities reached regional and local stakeholders and linked to Component One policy dialogue platform, BDS coordinators were placed in the four regional offices to provide district-level

support. These BDS coordinators cultivated and managed relationships with local BDS providers and MSMEs.

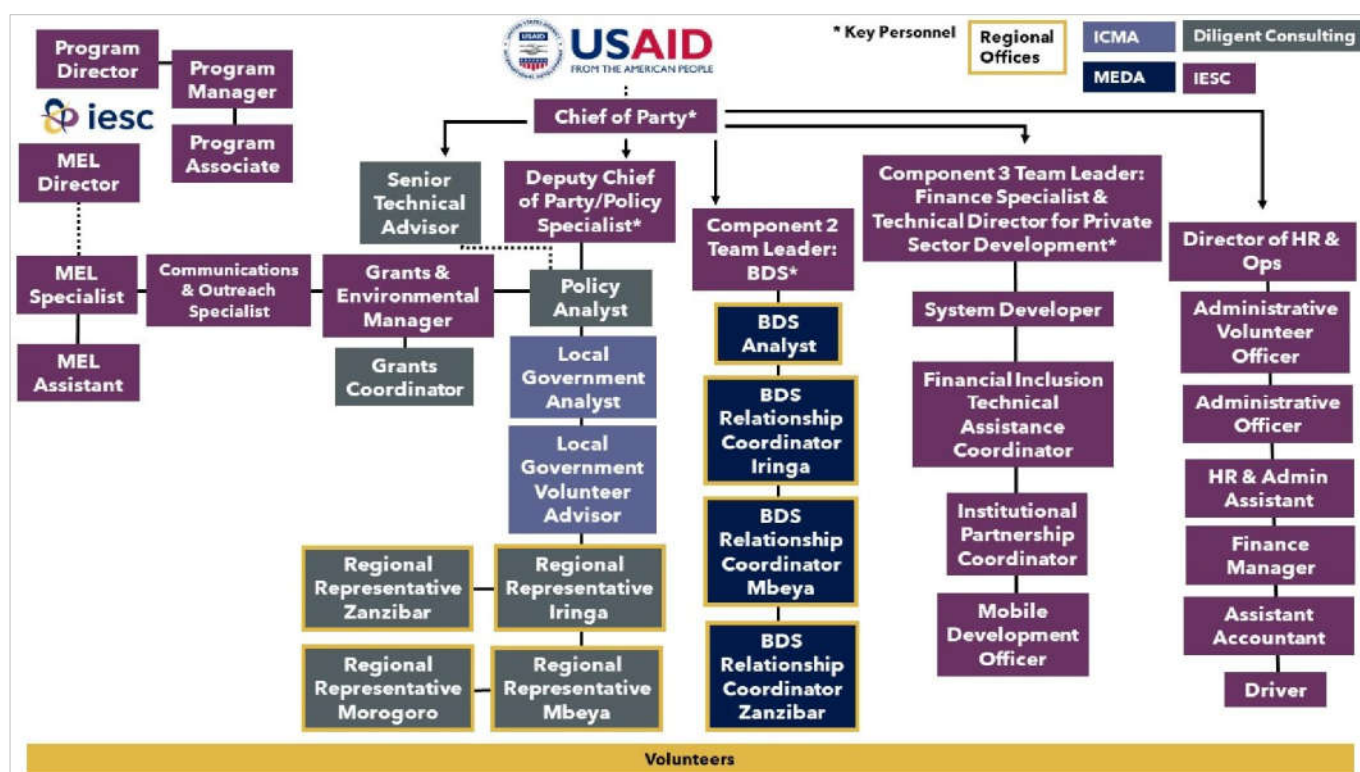
The Financing for Growth Team was led by the Finance specialist supported by an IT platform coordinator, technical analyst, and relationship manager. The grants manager reported to the finance specialist, ensuring strict compliance to USG rules and regulations and IESC policies and procedures. A cross-cutting team included the communications and outreach specialist, the Monitoring, Evaluation, and Learning (MEL) specialist, and the MEL assistant.

An Operations team managed financial and administrative responsibilities for component activities, monitored adherence to policies, and procedures, as well as local laws. The Operations team also managed travel, logistics, and lodging for ENGINE volunteers. All volunteers were supported by technical leads under each component who identified

volunteer needs, participated in the selection of volunteers, and managed volunteers throughout their assignments.

IESC's Associate Vice President for Enterprise Development and ENGINE Program Director and led the Home Office (HO) team, to provide technical oversight and support, engage with client USAID, oversee ENGINE's operational activities, and ensure compliance with US government and Tanzanian legal and regulatory requirements. The COP reported to the Program Director. The Program Manager and Program Associate supported these activities.

An organizational chart that illustrates project organization can be found below.



## Volunteer Contributions to ENGINE

Utilizing international and local volunteer experts (VE) to unlock the potential of private and public-sector stakeholders has been an effective method to enhance impact for ENGINE. Founded 52 years ago, IESC has set the global standard for the identification and deployment of executive-level VEs to deliver technical assistance on international economic development programs. IESC leveraged its existing database of more than 7,000 volunteer experts, as well as those of ICMA and MEDA, to coordinate volunteer assignments across all three components. During their assignments, VEs added value by sharing international best practices and expertise and built strong personal connections with their counterparts opening communication channels for ongoing advice and market linkages.

VOLUNTEER EXPERT SUMMARY	
<b>Total Number of Assignments</b>	108
<b>Total Number of VEs</b>	117
<b>Total LOE Donated by VEs</b>	2,226
<b>Value of Donated Services</b>	

### Volunteer Spotlight: [REDACTED] Risk Management Expert

[REDACTED] completed three assignments over the course of the project, providing training to the Development Credit Authority (DCA) partners Pride Tanzania, Akiba Bank, and Covenant Bank on methods to overcome lender risk-aversion through adopting statistical analysis, predictive modeling, risk-based pricing methods, and adjustments to lender incentives. Following her initial assignment, [REDACTED] maintained her support virtually offering advice on analysis of credit policies and rating systems; measurement of risk in the credit portfolio; comparison of the risk-levels in current portfolios vs. future hypothetical portfolios.



Through a combination of in-person and remote work, [REDACTED] committed her valuable time and attention to the sustainable development of TIOB through two more assignments. She led a change management initiative to produce a three-year strategic plan. TIOB is confident that [REDACTED]'s advice will help broaden sources of revenue and expand their work in capacitating the bankers of Tanzania.

Finally, [REDACTED] returned to Tanzania to conduct a credit risk analytics workshop for banking executives in Dar es Salaam and a Master Class on risk management tools for banking managers attending the East Africa Bank School (EABS) conference in Arusha. Twenty-five CEOs and senior executives from twenty-five Tanzanian FIs attended the workshop that focused on valuing economic capital and the assessment of capital adequacy. [REDACTED] provided bank managers with cost-effective tools to successfully measure their risks and thereby benefit from better pricing and better risk-to-capital management. This included a framework for bank examiners and internal auditors that will allow them to test the effectiveness of a risk management program and to review the risk management oversight at the banks they work in. The VE also took the opportunity to create awareness of the Development Finance Corporation (DFC) guarantee program for furthering financing to women- and youth-owned businesses.





# 3

## Program Impacts: Results Achieved Per Agreed Upon Deliverables

### COMPONENT 1 IMPLEMENTING POLICIES FOR GROWTH

**Component Objective:** Build the capacity of the private sector to effectively dialogue with the government to set the policy agenda and improve the capacity of the public sector to implement policies that promote a business-enabling environment, resulting in a 20 percent increase of formally registered businesses in targeted local government authorities.

■■■■■■■■■■ a trainer from the Prospective Mindset (PROMISE) Tanzania Company, an ENGINE-supported BDSP in Iringa, providing services to a client who grows and sells horticultural crops



### 1.1 Predictability, Coherency, and Transparency of Policies Impacting Private Sector Increased

**Objective:** To enhance collaboration between the private and public sectors by creating a transparent and objective process to review policies (and business regulations) and formulate more coherent and predictable policies that facilitate business operations and investment.

As a result of ENGINE's work, LGA policy formulation and implementation has become more predictable to the private sector as private sector partners have been engaged during the formulation process of various policies such as by-laws and administrative procedures. Transparency has been strengthened through the development and public dissemination of program roadmaps. Roadmaps have proven to be useful to both business operations and public administration. ENGINE's policy reform efforts emphasized the coherence and coordination of the policy being reformed with other LGA and national-level policies. For instance, in Morogoro, Mbeya, and Iringa, the Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA) regional chapters held stakeholder partnership workshops in which consensus with public sector representatives was reached in priority setting for reform.

### 1.2 Pro-economic Growth and Investment Policies Fully and Effectively Implemented

**Objective:** To ensure that pro-economic growth and investment policy interventions are implemented by stakeholders, coordinated by appropriate institutional roles, and further enriched from experience, leading to increased business viability, growth and investment, and LGA "own-source" revenue generation.



*ENGINE COP and DCOP/Policy Specialist with members of the Mbeya City Council, January 2020*

ENGINE supported pro-economic growth and investment policies through the development of 11 LGA Investment Profiles which describe investment opportunities and promotional strategies to attract new private sector investment. Likewise, to ensure LGA "own-source" revenue generation, six LGAs produced Revenue Enhancement Plans that have incorporated benchmarks for measuring progress using quantitative targets.

### 1.3 Effective Policy Reform Framework Sustained

**Objective:** To establish and strengthen an institutional framework to ensure that policy and regulatory reforms are sustained through PPD forums. The framework will steer engagements that lead to business enabling policies that are responsive to private and public sector needs. Anchor institutions that offer a range of skill sets from policy research to advocacy (including the analysis of alternative public investments) will be strengthened by ENGINE to help sustain policy reform research, analysis and processes.

ENGINE achieved the following results to fulfill this outcome in pursuit of sustainable policy dialogue and reform:

- 11 LGAs have been strengthened through Institutional Architecture Assessment (IAA) leading to action plans for improved LGA service delivery.
- LGAs and TCCIA received joint training to develop shared capacity and coordination strategies for policy analysis, policy reform, by-law review processes, and dialogue and advocacy skills;
- The Morogoro Municipal Council (MC), Mbeya City Council (CC), Iringa Municipal Council, Kilosa District Council (DC), and Kyela District Council established new District Business Councils. ENGINE also revamped and strengthened the Mbeya, Iringa, and Morogoro Regional Business Councils with new governance structures and by-laws.
- The Tanzania National Business Council (TNBC) and Zanzibar National Business Council (ZNBC) developed and disseminated formal guidelines for Public-Private Dialogue (PPD); and,
- The Local Government Training Institute (LGTI) incorporated the LGACI and PRPT frameworks into its academic curriculum and modules, which will benefit LGA staff while will utilize the tools in their districts in the future.
- ENGINE trained LGA staff from districts, and their private sector counterparts, on participatory policy analysis, policy reform, and by-law review processes. In the process, ENGINE facilitated a complete review of two by-laws in Morogoro, eight by-laws in Mbeya, and two by-laws in Zanzibar.



*Team members of the Iringa municipal tourism division of the local LGA received training and coaching on how to prioritize development policies and procedures from an ENGINE VE, August 2018*

- The Zanzibar Ministry of Industry and Trade completed a Business Formalization study and developed an action plan to promote business formalization in Zanzibar.
- ENGINE supported the development of the Zanzibar D-by-D strategy through PO-RALG, PO-RALGSD, and the USAID implemented Public Sector Systems Strengthening Program (PS3) joint initiatives.
- LGAs developed Five-Year Strategic Plans (SP), documents that will serve as roadmaps for LGAs to continue improving their business environment in their localities.
- 11 LGAs revised challenging administrative procedures and formulated new enabling administrative procedures, including nine Strategic plans, six Revenue Enhancement Plans, 11 Investment Promotional Strategies, one social-economic profile, two Nutrition Institutional Strengthening and Action plans.
- ENGINE strengthened LGTI-Hombolo capacity to better provide training services to LGAs, especially in policy reform and business environment interventions.
- ENGINE supported Regional TCCIA chambers of Iringa, Mbeya, and Morogoro to improve their membership base through the development of improved services including more outreach, member services, and created partnerships with other stakeholders in respective regions. The lobbying and dialogue skills given to both TCCIA and their counterpart LGAs have led to good working relations between the public and private sectors. This ensures that LGAs will continue collaborating with the private sector in making and reviewing policies to improve the business enabling environment.



*An ENGINE VE with members of the TCCIA and Iringa LGA celebrating the successful passing of a resolution in a PPD aimed at reducing a service levy from 3% of turnover to 1%, December 2017*





Provides national government with better oversight capacity to support LGAs with single assessment tool.

- >>Enhances decision making
- >>Improves resource allocation and revenue collection
- >>Informs national policy reform for decentralization by devolution



Provide LGA and national government with capacity to target and scale 'fast track' policy reforms most important to stimulate economic growth



Enables comparison between operating units and among LGAs to encourage regulatory reform and improve performance through transparency



Structured, objective, empirical assessment of regulations, administrative and management processes at LGA level to identify necessary reforms



Self-assessment tool measures progress of LGA toward improved business enabling environment and private sector service delivery



Enables LGAs to engage private sector in dialogue to prioritize policies that will enhance business competitiveness by removing constraints to investment and growth

## Competitive Index (LGACI)

## Policy Prioritization Tool (PRPT)

364 policy reform recommendations result from public private dialogue channeled to PRPT

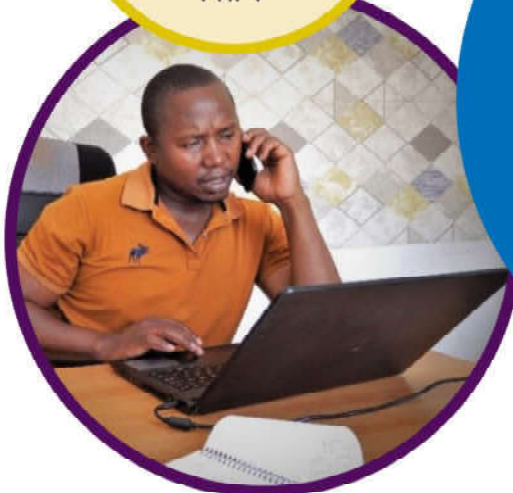


**ENGINE**  
developed scalable tools to facilitate dialogue and policy reform through data and analytics for improved enabling environment.

Local Government Authorities in 11 key districts, 690 units receive policy analysis capacity building to conduct LGACI



Policy Partnerships engage government and private sector to promote enabling environment for investment, trade, and improved nutrition





## COMPONENT 2 EQUIPPING FOR GROWTH

**Component Objective:** Foster the growth and capacity of a sustainable market for business development services (BDS) in Tanzania, resulting in at least 24 BDS suppliers achieving sustainability by the end of the project.

### 2.1 Increase the Supply of Accessible, Quality Business Development Services

**Objective:** Improve the quality of BDS, increasing their number and breadth of services within ENGINE's ZOI. Activities will focus on interventions that build the capacity of BDS suppliers to address the needs of their SME clients to prove and expand their market. In concert with Component One, implemented activities will reinforce policies and encourage municipal engagement for commercially sustainable BDS transactions.

#### Facilitated Technical Assistance to BDSPs:

Cumulatively, throughout the life of the program, a total of 375 BDSPs received TA (training, coaching, and mentorship) from 24 volunteer experts and consultants. The Mbeya region had the largest number of assisted BDSPs (122) followed by Zanzibar (117), Iringa (78), and Morogoro (58). TA identified and then focused on the BDSPs' capacity gaps, covering the following subjects: service design and delivery; financial management; strategic planning; marketing; market linkages; Islamic financing; international food standards and global good agricultural practice; training and facilitation skills; business formalization procedures; resource mobilization; organizational development; and strengthening of business networks. As a

result of the TA provided, BDSPs introduced a total of 364 new products/services and improved their existing services to better address the needs of MSMEs. As a result, MSMEs now recognize the value of BDS and are more willing to pay for it than prior to the program.

The assisted BDSPs attracted 10,238 MSMEs who purchased services worth about USD 1.5 million. Out of these, 2,706 MSMEs were from Mbeya, 2,673 MSMEs from Iringa, 2,528 MSMEs from Morogoro, and 2,331 MSMEs from Zanzibar. Of the total MSMEs that purchased services, 50 percent were youth-owned/managed and 40 percent were women-owned/managed. MSMEs that purchased services from ENGINE assisted providers reported to have realized an increase in revenue of their businesses at an annual average rate of 34 percent.



*ENGINE volunteer expert [REDACTED] trained BDSPs in Iringa and Zanzibar on how to market and promote their businesses to boost sales, September 2018*

**Innovation Grants to BDSPs:** Six BDSPs received matching grants from ENGINE worth approximately USD [REDACTED] each to improve their products/services and/or delivery mechanisms to attract new clients and

penetrate new markets. During implementation, contracts of two subgrantees were canceled due to failure to adhere to the terms and conditions of the subgrantee agreements. The remaining four subgrantees developed promotional and marketing materials and new training manuals. They also conducted marketing and promotional activities through radio programs and meetings. Combined, the four subgrantees promoted their services to a total of 2,500 MSMEs of which 1,144 MSMEs purchased services resulting in a combined revenue of USD [REDACTED] for the four subgrantees.

**Facilitated Formation of BDSPs Regional Networks/Alliance:** Four BDSP regional networks were established in ENGINE's ZOI. The Mbeya and Zanzibar alliances are legal entities after successfully acquiring licenses and certificates of incorporation. The Iringa and Morogoro networks launched their registration processes and remain on course to receive their licenses.

The four networks have a combined membership of 100 BDSPs: the Zanzibar BDSPs network has 36 members; the Morogoro network has 33 members; the Iringa network has 13 members, and the Mbeya network has 18 members. Each group is working hard to attract more members from their regions. The ENGINE team assisted each group in developing key documents to guide their operations including human resources and financial management manuals, resource mobilization strategies, and institutional strengthening plans. Processes to establish the regional BDSP networks took longer than anticipated as it took a long time to convince some of the BDSPs of the benefits of the

networks. BDSPs took longer than expected to complete the registration and formalization process due to frequent changes in the requirements of the process by the registration authorities.

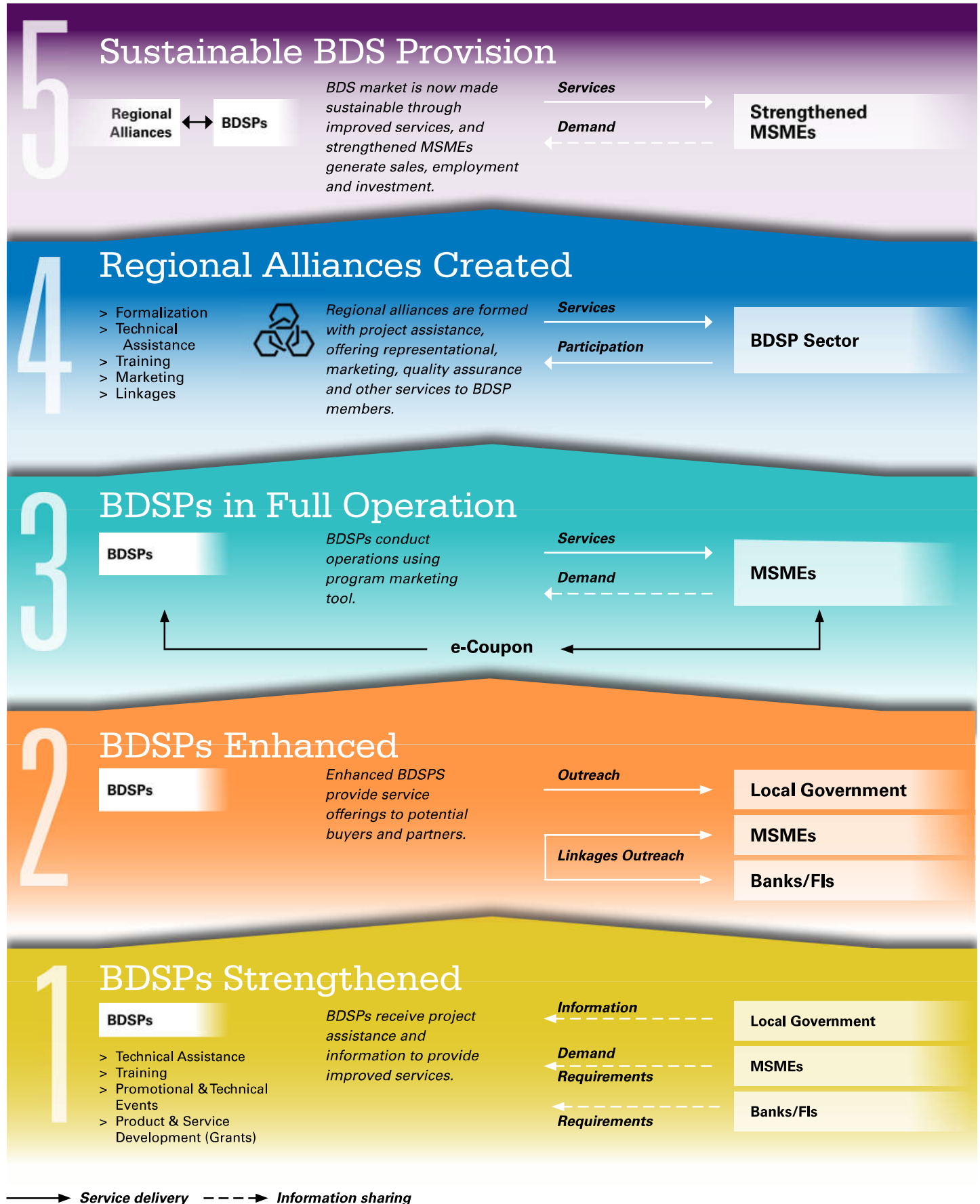
## 2.2 Increase the Demand for Formal Business Development Services

**Objective:** Improve the demand for formal, fee-based BDS and increase SME willingness to pay for BDS. Sub-activities focus on interventions that help SMEs realize the value of BDS.



[REDACTED] used an e-Coupon to purchase BDS for the first time from SUGECO, who helped her develop new products and market them

# Sustainable Market for BDS Generates Growth for MSMEs





**Created Awareness and Linked BDSPs to MSMEs:** ENGINE organized and participated in several awareness-raising and Business to Business (B2B) linkage events where a total of 8,718 MSMEs were made aware of the value of market provided BDS. The number of MSMEs reached by awareness efforts in the ZOI is as follows: 2,088 in Mbeya; 1,851 in Iringa, 2,123 in Morogoro; and 1,551 in Zanzibar. Fifty-six percent of all MSMEs that were reached through awareness-raising efforts were youth-owned/managed while 46 percent were women-owned/managed.

**Provided Smart Incentives to MSMEs:** ENGINE executed an innovative, market incentive e-Coupon scheme to stimulate interest and demand for BDS. The e-coupons covered up to 50 percent of the cost for BDS with the MSME client paying the remaining fee. E-coupons were utilized by the 2,308 MSMEs to test the market provided BDS from 28 ENGINE-assisted providers. Out of all MSMEs that utilized the e-Coupon facility, 42 percent were from Mbeya, 21 percent from Iringa, 21 percent were from Zanzibar, 14

percent were from Morogoro, and two percent MSMEs were from other regions. About 67 percent of the e-Coupon beneficiaries were youth-owned/managed MSMEs while 38 percent were women-owned/managed MSMEs. About 95 percent of all MSMEs that utilized the e-Coupon are involved in agribusiness and or nutrition activities and the majority saw their incomes rise an average of 34 percent following receipt of targeted BDS through the ENGINE network of providers.

### COMPONENT 3 FINANCING FOR GROWTH

**Component Objective:** Broaden access to finance for MSMEs, specifically women, and youth entrepreneurs, to facilitate increased investment and growth. Increase demand and access to credit and investment by improving MSMEs bankability. Capacitate FIs to reach MSMEs in agriculture and auxiliary sectors to increase quality and supply of available financial products and services.

Combined with efforts undertaken by Component One and Component Two, ENGINE Financing for Growth activities attracted USD 13,633,814 in new private sector investment.

#### 3.1 Leverage DCA Guarantees

**Objective:** Stimulate demand for finance from qualified Tanzanian MSMEs by increasing utilization of the Development Credit Authority loan guarantees by DCA partner banks and linking qualified MSMEs to lenders.

ENGINE relationships with the DCA and DFC Partner banks changed over the course of the program due to circumstances outside the



*ENGINE-supported BDSP and client in Zanzibar, January 2019*



control of the project team. The DFC canceled guarantee partnerships with the original two banks, CRDB and Pride Tanzania. Two additional banks were identified in Year 1 by DFC, Covenant Bank for Women (CBW), and Akiba Commercial Bank, and partnership agreements were formalized in Year 2. Unfortunately, these partners also had their guarantees terminated by DFC. In order to ensure that the critical objective of increased access to finance for MSMEs in agriculture and agribusiness would be met by ENGINE, the program team conducted a call for an expression of interest (EOI) and proposal review process in FY (Fiscal Year) 2018. Through the EOI, ENGINE identified and engaged four new FIs: Bank of Africa (BOA), FINCA, Yetu Microfinance, and VisionFund Microfinance all met the criteria for partnership support based on the underlying financial health of the organizations, governance, and commitment to MSME lending with a focus on women and youth-owned business and agriculture.

In 2019, USAID signed a new DCA partnership agreement with Amana Bank. ENGINE formalized its relationship with Amana bank as a FI partner in Year 3 and awarded Amana a subgrant with a value of approximately USD [REDACTED] primarily for women- and/or youth-owned MSME lending in Zanzibar of which approximately USD [REDACTED] was disbursed through a group solidarity revolving fund launched in March 2020 prior to the curtailment of lending due to COVID-19 concerns in Zanzibar. ENGINE assisted Amana in developing an organizational environmental policy and assessment tool which is required for DCA partner organizations and delivered agriculture

finance training for Amana Bank through the Tanzania Institute of Bankers (TIOB) to enhance the utilization of the DCA guarantee. Over the life of the program, the total increased utilization rate for the DCA guarantees reached 2.5 percent.

### **3.1.1 Build Network of Referral Partners Linking Qualified Borrowers to Lenders**

On the demand side, ENGINE built relationships and engaged existing private sector networks to identify those MSMEs best positioned to take advantage of financial services. ENGINE capacitated local BDS providers to assist firms to prepare qualified loan applications for Tanzanian FIs by leveraging relationships established with diverse stakeholders through the policy and BDS support components, such as TCCIA, Tanzanian Women's Chamber of Commerce, SAGCOT secretariat, and Private Agricultural Sector Support Trust (PASS), as well as other USAID implementing partners (IP), including Feed the Future (FTF) IPs.

The ENGINE program collaborated with other Feed the Future programs in planning and hosting B2B events. These events represented an unprecedented level of inter-program coordination that proved successful. In 2018 in the Mbeya Region 'Let's Make Deals B2B Meeting' brought together more than 131 participants, of whom 61 were MSMEs. In 2019, the 'Take a Step: broaden your network, improve your businesses' event in the Iringa region brought together 10 BDSPs, three FIs, and 79 millers/suppliers/input suppliers, out of which 35 were women and 54 were youth from USAID IPs which include Nafaka, Water Resources Integration Development Initiative (WARIDI), ENGINE, Lishe Endelevu, Mboga na

Matudna (MnM), Advancing Youth (AY), and Farmer to Farmer Programs. ENGINE collaborated with other USAID programs in sharing common booths in Nane Nane Agricultural Fairs in Mbeya, Morogoro regions, and Zanzibar. These programs include Nafaka, AY, WARIDI, MnM, and Lishe Endelevu.

ENGINE partnered with the AY Program to train 58 community mobilizers on BDS, financing, and the BizFundi platform. These mobilizers are expected to share this information with over 1,000 AY beneficiaries. ENGINE participated in two youth-focused events: Mzumbe University's Entrepreneurship Camp and Sokoine University Graduate Entrepreneurs Cooperative's (SUGECO) Jiajiri Business Dialogue. A total of 278 university students were reached through these events.

Implementer two-day networking events in Iringa. FINCA, one of the participating FIs, established relationships with smallholder groups supported by the MnM horticulture program.

- ENGINE collaborated with the WARIDI Program to hold consecutive two-day business linkage events, the first in Iringa and the second in Morogoro. These market facilitation events engaged 80 MSMEs, 14 BDSPs, and two FIs.
- In Zanzibar, ENGINE connected 24 trained poultry keepers to representatives from five FIs: Yetu Microfinance Bank, Amana Bank, Zanzibar's Micro, Small and Medium Industry Development Agency (SMIDA), National Microfinance Bank (NMB), and CRDB.

PROGRAM	NUMBER OF PARTICIPANTS	WOMEN	YOUTH
<b>USAID Advancing Youth</b>	164	102	164
<b>USAID NAFKA</b>	354	164	79
<b>USAID WARIDI</b>	226	72	87
<b>USAID Mboga Na Matunda</b>	100	49	44
<b>Total</b>	<b>844</b>	<b>387</b>	<b>374</b>

Other Examples of successful networking and MSME financing facilitation events include:

- ENGINE organized a multi-IP B2B linkage events in Iringa. 125 participants including representatives from seven USAID programs and three FI attended multi-

*"After presenting different products offered by Yetu Microfinance Bank, [the poultry farmers] were very happy and interested in our products, especially Islamic microfinance, which is going to start soon. Some of these poultry farmers have already come to our office for different services that we are offering." - [REDACTED] Agency Manager at Yetu Microfinance Bank*

**Use of Mass and Social Media:** Mass Media and social media proved to be cost-effective and productive tools to share information with large numbers of potential beneficiaries, as a complement to in-person outreach and networking events.

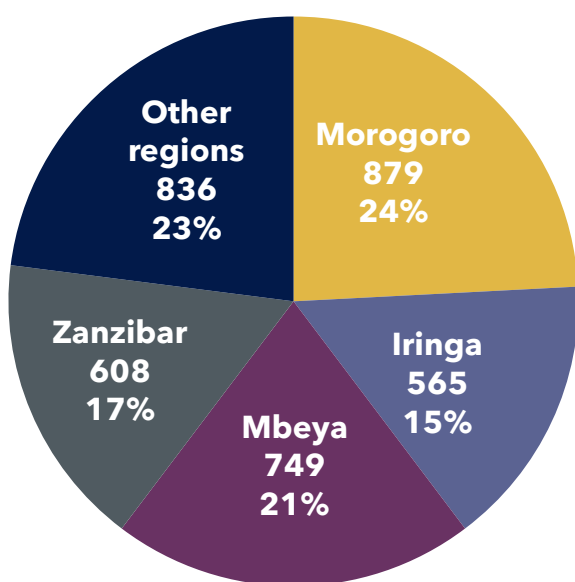
### 3.1.2 Assess Needs of MSMEs and Refer to BDS Providers Through Digital Platform (BizFundi)

Component Three's demand-side activities were complemented by market facilitation

activities aimed at bringing both FIs and MSME borrowers together and encouraging greater transactional activity. With over 3,500 registered users, the BizFundi platform was a key part of ENGINE's market facilitation efforts. The platform brings together BDSPs with MSMEs, which require their assistance to access credit from FIs, among other services. The FIs also became active users as they promote their products on BizFundi, post-training sessions, and utilize the platform to build networks of qualified credit readiness trainers. At the conclusion of ENGINE, BizFundi's userbase of 3,637 included 3,466 MSMEs, 158 BDSPs, five FIs, including DCA/DFC partner Amana Bank, and eight undisclosed entities. In addition to a BDSP search function, additional features include a business newsfeed, BDSP ratings, tutorial videos, economic data, bank, and Microfinance Institution (MFI) location finder, and an online training course search. To encourage broader content development, a podcast player, an online marketplace, and

regular SMS notification features were incorporated by Year 4. In an innovative approach to utilizing remote volunteers, five-remote experts contributed user design/experience support. Feedback collected from BDSPs in the final year of implementation showed that 47 percent of BDSPs surveyed indicated getting new business leads through the platform.

Users by Region



*Credit Readiness Training conducted by ENGINE expert consultants and sub partner Diligent in Mbeya, January 2020*

**Development and promotion of credit readiness services for MSMEs:** ENGINE facilitated linkages between BDSPs and local bank branches through credit readiness training sessions and meetings between BDSPs and FIs resulting in 180 individuals trained. Local partner Diligent Consulting was brought on to deliver a major share of the above referenced Credit Readiness training, initially working aside an ENGINE-fielded international consultant of the subject. Diligent contributed to reviewing and revising the training material to make it more relevant. Diligent trainers were also able to bridge communications gaps between the American trainer and local participants. Through participating in this activity, Diligent was able to develop new capabilities in credit readiness training. Leaving this capacity locally means that any future training sessions will not require another international expert's participation. It also provides Diligent with another potential revenue stream in support of its financial sustainability.

The credit readiness program is a service that specialized BDSPs can offer to MSMEs interested in applying for credit. It includes financial literacy, preparation of financial statements, business planning, and loan application packaging. In January 2020, the credit readiness and follow-up training to BDSPs and linkages were facilitated between BDSPs and local bank branches through credit readiness and matchmaking events held for credit BDSPs and FIs. Forty-seven BDSPs attended a refresher credit procedure course. Twelve of the participants were women and 23 were youth below the age of 35. In March and early April 2020, seven meetings were conducted with the BOA, EXIM Bank, National

Bank of Commerce (NBC), NMB, Tanzania Investment Bank (TIB), and Mufindi Community Bank (MUCOBA). Twenty credit BDSPs attended a follow-on activity between April and May 2020 and the BDSPs were linked to BOA, EXIM Bank, NBC, NMB, TIB, and MUCOBA.

### 3.1.3 Leverage Digital Platform to Market MSMEs to Financial Institutions

Recognizing that cybersecurity and data privacy are critical features for FIs to engage with the BizFundi platform, the digital development team designed features with FIs in mind, including a security certificate feature, and the mobile app was optimized for viewing and conducting secure transactions over smartphones. BizFundi MSMEs and BDSP users are able to conduct searches for FIs, loan products, and participate in related online training courses.



*BizFundi development team accepting the innovation award under the Women and Youth category at the DataHack4FI (financial inclusion), May 2018*

ENGINE successfully migrated the ownership and technology for the BizFundi platform to local firm Aksvin LLC in April 2020. The ENGINE BizFundi technical development team



Form  
Alliances  
with FIs

Market  
Linkages  
and Data

Share  
Market  
Info

Find  
Business  
Advisors

Promote  
New  
Products

Reach  
Rural  
Clients

Business  
Advisors

Generate  
B2B  
Leads

Business  
Formalization  
Info

MSMEs

Assess  
Credit  
Readiness

Dun &  
Bradstreet  
Credit Info

Target  
Services  
to MSMEs

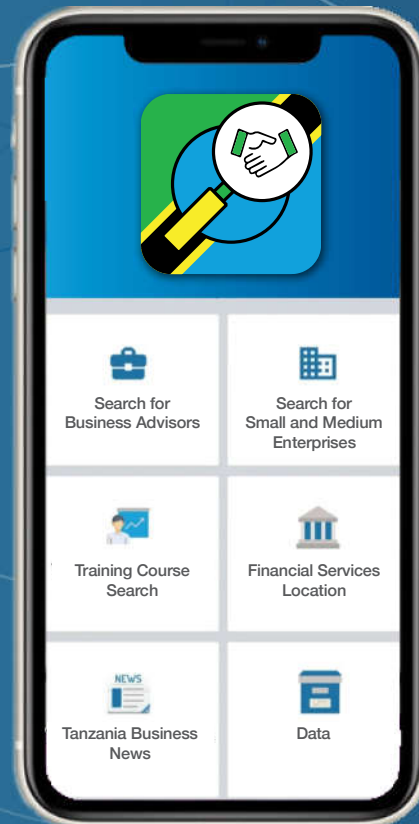
Online  
Loan  
Applications

Access  
Training

Lenders

# BizFundi

USAID-supported  
Award-winning App Connects  
MSMEs to Finance and Advice



## Bizfundi Digital Marketplace Currently Links Businesses to Sources of Finance and Business Advice

- > Transparent and efficient mobile platform
- > Digital platform enables financial institutions in urban areas to reach SMEs in rural locations, with access to finance
- > Search function support SMEs to obtain market information, business advisors, and build new market linkages
- > 24/7 Service relevant for female business owners, convenient when their time and mobility is restricted

## Local Digital Data and Advisory Services Firm Aksvin Will Sustain BizFundi Platform and Expand Features

- > New marketplace will allow SMEs to directly connect with customers
- > New data-assisted planning tools will help SMEs forecast sales, costs, and inventory
- > New system for SMEs to find suppliers and manage orders and payments
- > New automated tax advisory support

supported the transition in ownership and service maintenance by training the Aksvin team and handing over the standard operating procedures and other guidance to ensure a successful and sustainable future for BizFundi.

### 3.2 Increase Availability of Financial Services

**Objective:** Increase MSME lending, particularly for women and youth-owned enterprises, by improving FI capacity to develop and market relevant financial products and services.

ENGINE Financing for Growth activities stimulated USD 7,143,533 in new agriculture-related financing (396 percent of the LOP target).

#### 3.2.1 Complete Financial Institutions Needs Assessment

Through the Financial Institutions Assessment conducted in Year 1 of the project, ENGINE identified 20 priority topics for capacity building and technical support to FIs. From those 20 identified priorities for capacity building, 16 different courses were delivered. While training topics were developed based on the needs assessment conducted in FY 2017 with DCA partners, and additional partnerships developed in FY 2018, training participation was expanded to include paying participants from other FIs by 2019 once TIOB became the formal host for the majority of open training opportunities.

#### 3.2.2 Technical Support to Financial Institutions

TA was provided with the objective of improving bank operations through changes in policies and practices that would increase the supply of available financing to MSMEs. Expert-led FI training sessions and support were provided by a blend of Component Three staff, international volunteer experts, and consultants. ENGINE trained 611 staff members from Tanzanian FIs including 200 women and 274 youth.

Training topics for FIs included the following.

MSME Credit Risk Management	Loan Workout & Collection	Loan Workout, Recovery, And Debt Collection	MSME Credit Risk Management
Risk Capital Management Assessment	Bank Process Improvement	Islamic Banking	Risk Capital Management Assessment
Credit Readiness & Loan Packaging - Part 1 & Part 2	MSME Lending	Customer Service/Customer Experience Training	Credit Readiness & Loan Packaging - Part 1 & Part 2
Core Banking System Analysis	Youth Lending	Governance & Policy Development	Core Banking System Analysis
Agricultural Lending Training	Online Credit Risk Modeling Course	Product Marketing	Agricultural Lending Training
MSME Credit Risk Management	Loan Workout & Collection	Loan Workout, Recovery, And Debt Collection	MSME Credit Risk Management

In FY 2018, ENGINE entered into a strategic partnership with TIOB, an industry association responsible for training and accrediting Tanzania's banking professionals. ENGINE built the capacity of TIOB to develop training courses on non-performing loans management and agricultural finance. In FY 2019, ENGINE supported TIOB to develop

training courses on SME risk management and financial modeling. As a result of ENGINE support, 10 new or revised policies and practices were reported among partner FIs.

The Component Three team further supported TIOB with the development of a new strategic plan designed to improve the Institute's value proposition to members and diversify its revenue base. ENGINE's support to TIOB will lead to a greater likelihood for systemic, sustainable change of the financial sector in Tanzania as more banking personnel will receive training in the future, resulting in an expanded number of FIs adapting to meet the needs of MSMEs in Tanzania.

### 3.2.3 Competitive Grants Fund to Leverage Financing and Impact Investments

Financial Institution Innovation grants were utilized to increase the participation of women and youth-owned MSMEs in FI lending programs under the DFC guarantee and beyond to additional FI partners. Amana Bank was awarded a grant which funded outreach activities in Zanzibar and formed lending groups with a solidarity revolving fund. The fund was launched in Q2 of Year 4 resulting in more than [REDACTED] in Sharia-compliant financing prior to the curtailment of lending activities due to COVID-19 concerns in Zanzibar in Q3.

During Year 3, through a grant for a new Revolving Fund, Yetu scaled up its rural agribusiness lending and reported the issuance of over USD [REDACTED] in microloans to over 800 borrowers. ENGINE's support to this FI partner also contributed to the introduction of two new loan products for youth in agriculture and Islamic lending, which

increased Yetu's portfolio of MSMEs clients in Zanzibar. ENGINE supported Yetu in the development of new Sharia-compliant banking policies and procedures, the establishment of a Shariah Supervisory Committee, and extensive training of staff and the broader community in Zanzibar on Islamic financing. Yetu also received assistance in overcoming a final hurdle to offering new Islamic finance products: a new internal management system compliant with these specific rules and regulations.

The ENGINE grant supported the creation and publication of Yetu Microfinance radio programs. These programs increased the number of people who opened an account and accessed loans at Yetu in Kilombero and Ulanga District. As of May 30, 2020, the number of ENGINE-supported loans to Yetu clients was 3,245 with the loan amount disbursed valued at TZS [REDACTED].

## FACILITATE CREDIT AND ACCESS TO INVESTMENT THROUGH TARGETTED VALUE CHAIN ACTIVITIES

In Year 2, the ENGINE technical team recognized that the ongoing work to improve the local business enabling environment and remove policy constraints; to capacitate BDSPs, and to catalyze broader access to finance for MSMEs could be greatly enhanced by engagement with lead firms. These firms have the potential to invest in producer groups, support market expansion, and provide technical advice and inputs to support the market system proof of concept whereby all capacitated actors fulfill their roles in the



value chain with the end result being more sustainable, productive MSMEs in agriculture creating jobs and growing their markets.

In Year 2, an assessment was conducted to identify value chains and lead firms within the SAGCOT ZOI and Zanzibar. Four value chains were identified as having the best potential for ENGINE market system support pilots. The selection of value chains was based on the identification of a) Lead Firms that meet the selection criteria established by ENGINE (see Annex 2: Lead Firm BDSP assessment report); b) an accessible cadre of upstream and downstream SMEs within the value chain; c) the identification of a group of existing BDSPs who can provide the needed BDS or could with additional training; and d) direct linkages to ENGINE's ZOI. The specific value chains selected through this analysis were Dairy, Pyrethrum, Poultry, and Salt.

Based on the research and recommendations, ENGINE developed a series of activities for three of four value chains: Pyrethrum, Poultry and Salt value chains in cooperation with the lead firms to build on the strong network of ENGINE-trained and capacitated BDSPs to implement their services in a fee for service process thus catalyzing economic opportunities throughout the market system. (Dairy lacked sufficient market opportunities.) In addition to linking value chain actors to BDSPs, the ENGINE approach promoted access to finance by moving beyond capacity building to actively identify financing opportunities for MSMEs. With an established population of MSMEs already linked to markets and with similar financing needs, these opportunities were easier to assess for

risk and to refer to FIs that ENGINE supported to develop appropriate lending products.

Catalyzing relationships and building linkages between market system actors, ENGINE was able to generate new opportunities for smallholder growth and jobs, increase quality and sales through private sector sponsored BDS training, and facilitate links to credit and new markets in line with ENGINE and Feed the Future objectives. The initial pilot for Pyrethrum delivered positive outcomes for SME producer groups but was ultimately constrained by the regulatory environment for crop production and market pricing in Tanzania. The pilots for the salt and poultry value chain pilots initiated in Year 3 demonstrated successful outcomes for lead firms, farmers/MSMEs, BDSPs, and FIs despite encountering numerous challenges along the way. In all four value chains pilots, the use case for the MSME contributes valuable lessons learned and recommendations for future programming to support broader MSME access to finance in agriculture.

### Pyrethrum Value Chain Pilot

At the start of Year 3, ENGINE explored the potential for facilitating financing to large landholding pyrethrum farmers. ENGINE collected financial data from farmers, developed financial models, and met with finance institutions. Ultimately, it was determined that the constraint to accessing financing was farm management. The financing opportunity was eventually tied to a parallel activity promoting the hiring of internationally trained farm managers through SUGECO.

The following results were achieved under this activity:

- ENGINE secured the interest and commitment of farmers throughout the pyrethrum growing region for the increased investment and production of pyrethrum.
- An ENGINE VE prepared materials for SUGECO to promote the production of pyrethrum and updated their website to promote SUGECO services.
- An ENGINE consultant prepared a new growing manual for the lead firm Pyrethrum Company of Tanzania (PCT) which is now used for agronomic services, harvesting, handling, and drying of daisy flowers for processing.



*ENGINE VE [REDACTED] a marketing specialist and graphic designer, collecting images for a marketing brochure and pyrethrum growing and handling manual, September 2019*

In consultation with lead firm PCT, a BDSP fee for service model to support three new large-scale producer groups was merged with the

SUGECO farm manager initiative in order to provide a system covering the entire process (from production and harvest training through to large farm development and business operations). ENGINE linked SUGECO and PCT into a joint initiative to deliver fee-based seminars targeted at larger landowners to entice them to produce daisy flowers for pyrethrum processing and to hire farm managers to enable such production.

### **Lessons Learned and Recommendations for Future Programs**

The initiative for the development of larger farms for Pyrethrum remains very viable and the model is economically sound for the use of pyrethrum revenue to finance additional farming activities for a commercial farm. While it would be good to see the private sector BDS take up this activity directly, it will need to be a partnership between PCT and the BDSPs whereby PCT initiates the opportunity through a series of educational seminars in previously identified districts with the best likelihood for larger farming operations.

A BDSP would be a leader in the presentation and their services highlighted to assist farmers to implement the farm model for a fee for service. This approach would eliminate the risk associated for a BDSP to participate as they would not incur any expenses until the direct customers (farmers) have been identified and their willingness to pay for services secured. It requires PCT to take the initial leadership role and launch the activity.

### **Poultry Value Chain Pilot**

Silverlands Poultry served as the Lead Firm in the poultry pilot. ENGINE successfully

identified key gaps in Silverlands' brooder sales and distribution systems and designed a solution for the firm. Silverlands' model produces and sells improved breeds of day-old chicks into the market for the purpose of creating the need for feed, which is their primary business. One of Silverlands' key challenges has been connecting the raising of chickens with market demand for feed.

### **Market BDS among Silverlands' poultry**

**producer network:** Through discussions with Silverlands' brooders and agents, the issues of lack of business skills – primarily recordkeeping and marketing – were identified as key constraints to the growth of brooder MSMEs and agent networks. The following results were achieved under this activity:

- Through ENGINE's preparatory work and interviews with brooders and agents, the message regarding the importance of business skills was transmitted, generating interest in training on a fee for service basis.
- BDSPs received training from ENGINE on how to market, promote and sell their services to Silverlands agents and brooders specific to the needs of this value chain. Silverlands provided training content and access to their customer database for qualified BDSPs.

- ENGINE successfully facilitated two fee-based BDS group training sessions in Poultry: a) Makifu business skills training sessions performed by African Soil Hives Technology (ASHTECH), and b) Tanzania Poultry Education Center (TPEC) poultry education seminar held in Zanzibar. All participants in both seminars paid to participate.

### **Established poultry market pilot in Makifu**

**Village:** ENGINE identified a market demand for both eggs and meat within a given market where the supply chain was costly and unsustainable. The Ruaha National Park has approximately 100 lodges in and around the park that cater to tourists and create a large demand for eggs and meat, among many other foods. These foods are delivered primarily by air from Dar es Salaam on daily flights into the park. Just outside the gates of the park are two villages, Makifu and Tungamalenga. Neither village substantially benefits from the flow of tourists visiting the park, nor did they supply any of the foods required by the lodges and their guests.

There were direct and indirect results from the poultry work in Makifu.

1. The people of Makifu invested their own money, paid for their own training sessions, bought their own chickens from Silverlands, solved feed and health issues of their chickens, and sold their first eggs.



2. From the onset of the business development, of 14 farmers surveyed, they invested TZS [REDACTED] (USD [REDACTED] and have sold TZS [REDACTED] (USD [REDACTED] in eggs and TZS [REDACTED] (USD [REDACTED] in live chickens (roosters). They are now buying more chickens and continuing to sell eggs. They have all stated that they plan to continue to grow as a business and invest in their business.
3. Unanticipated outcomes from the poultry pilot include:

**New Business Creation:** New and existing businesses in Makifu and Tungamalenga have launched/expanded and are buying and using eggs and chickens in their offerings. This local economic growth created new jobs, improved economy and opportunities in the villages, and access to new foods and nutrition.

**Nutrition:** The villagers are eating more protein (eggs) and thus have improved nutrition via a sustainable source even during the COVID restrictions on transport and tourism to Ruaha.

**Resiliency:** With the introduction of chickens, farmers had diversified their incomes without diminishing or expanding their existing cropping. This helps to mitigate losses brought about by natural disasters, such as the most recent floods.

**Wildlife Impact:** This initiative has helped to link the economic opportunities of the villagers with the sustainability of Ruaha National Park, and thus the protection of the wildlife providing an alternative source of protein to hunting in the reserve.



[REDACTED] a poultry farmer in Makifu who received training from ENGINE

### Lessons Learned and Recommendations for Future Programs

#### Makifu Poultry Business - Conduct additional reviews of the market:

Recommendations for future programs include updating the analysis of supply and demand and determining how the villages of Makifu, Tungamalenga, and Idodi should manage operations under revised circumstances. A review of the sustainability of the poultry operations in the three villages would also provide additional insights in addition to outlining a step-by-step process to replicate the Poultry Business model.

#### Brooder Sales Support - Address the needs of all partners in PPP:

It is imperative in a public-private partnership that the implementation of partnered activities is prioritized to address the needs of both partners and to justify the expense/investment and subsequent returns. Thus, the design of

PPP should outline all pertinent operational details (strategy, assessment, financial and social impact analysis and results, activities design, implementation, and monitoring and evaluation) be included at the onset of the partnership to be assured that all parties priorities are in-line and transparent.

### Salt Value Chain Pilot

On Zanzibar, the Swahili Coast Salt Company (SCSC) offered the highest potential for new job creation, significant investment, access to finance, and sales potential within the life of the project. Salt is also a commodity of interest because iodization further contributes to the Feed the Future aim of improved nutrition. Currently, most locally produced and consumed salt is not properly iodized but SCSC had a strategic plan to introduce higher levels of iodized salt into the market. Women play a key role in the production of salt from seawater in Zanzibar and Pemba, thus expanding this value chain creates new economic opportunities for female salt farmers.



*Diagram of proposed improvements for a solar salt farm on the island of Pemba, February 2020*

### Re-engineering of salt farms through

**ENGINE:** The first step in improving the productivity of the farmers was to focus on the design of the farms and the hydrology of the seawater in and out of the farm. ENGINE began this process with the identification and assessment of the business services currently available in Tanzania on the mainland farms. As ENGINE could not find an appropriate local service provider, the program secured the services of an international expert in solar salt farming operations to examine the existing farm structures on Pemba and design a model that addressed the unique hydrology issues affecting farm productivity.

The following results were achieved under this activity.

- Reconstruction on 10 farms initiated using the recommendations of the Solar Salt Engineer.
- The initial 10-farmers participating with SCSC received a profit-sharing payment from the sales of the salt at the end of 2019.
- In a recent farmer survey, it was reported by one farmer that, following the recommendations of the Solar Salt Engineer, they had invested an additional TZS [REDACTED] (USD [REDACTED]) in farm design upgrades and, of that amount, TZS [REDACTED] (USD [REDACTED]) had gone to paying for additional labor.

### Connect Salt Farmers to Financing for

**Equipment Farm Upgrades:** The signing of the DCA partnership guarantee with Amana Bank opened the door to improved access to finance for many initiatives in Zanzibar,

including salt producers. In coordination with SCSC, ENGINE introduced Amana Bank to the opportunities in lending to the salt farms and informed key lending officers about activities being undertaken by ENGINE and SCSC to reduce the risk in salt farming, improving productivity and quality, and assuring full off-take of the production by SCSC.

The following actions were taken, and results achieved:

- ENGINE organized and facilitated the introduction of Amana Bank and SCSC. There was initially a great deal of support provided by Amana. They were in complete support of the program and proceeded to prepare their proposal for loan products targeting the smallholder salt farmers.
- Amana estimated a four-week period to be able to conduct their due diligence and submit a proposal to bank leadership. This process launched in early July of 2019, unfortunately, dragged-on until September 2019, whereby SCSC was presented with an Amana proposal offering interest rates that were not highly competitive and additional terms that made this financing not viable.
- ENGINE facilitated engagement with other potential lenders, in addition to Amana, and a new loan package was agreed with SMIDA for 20 SCSC farmers to receive loans starting in July 2020. The funds were to come from the United Arab Emirates-based Khalifa Fund. It is unclear whether the funds have been disbursed to the Government of Zanzibar or if the COVID-

19 pandemic has affected the availability of the pledged funding.

Marketing assistance provided by an ENGINE consultant in the areas of merchandising and sales distribution led to the following achievements:

- A new retail value-added salt was launched in the Tanzanian market: Zalt.
- USD [REDACTED] in sales were realized in a few short months of the launch before all operations were halted due to COVID-19.

### **Lessons Learned and Recommendations for Future Programs**

**Plan Around the Weather:** The biggest challenge for the Salt pilot activity has been weather and time. The learning curve was steep, and the work required for farm and productivity improvements could only be accomplished during the dry season. There are periods of the year when the field work completely comes to a halt because of the rains. Recommend SCSC find a solution around nature for consistent supply in quantity and quality, such as purchase from mainland suppliers, or identify creative ways to maintain productive activity for farmers such that they remain engaged in the industry with value addition activities during rainy season.

**Resilient Market and Supply:** In order to assure SCSC supply of quality salt, develop a small-scale indoor flake salt operation. Such a facility would allow for a consistent supply of salt to meet demand regardless of weather or other external operating factors.

**Local Champions for Sustainable Development:** Future efforts should involve



SCSC, as they have been investing in and developing the capacities of their field team in Pemba to continue to support and advise farmers on proper farm design, operations, and procedures to improve quantity and quality.



# 4

## Coordination with Tanzanian Stakeholders, Partners, and USAID Implementing Programs

### COLLABORATION WITH TANZANIAN STAKEHOLDERS

#### Component 1: Implementing Policies for Growth

ENGINE built partnerships and close working relationships with the Government of Tanzania, underpinned by Memoranda of Understanding (MoUs) and the observance of proper protocols in the development of sustainable initiatives and tools. ENGINE staff and volunteer capacity building and training, change management facilitation, and LGA empowerment figured prominently as critical to achieve results.

*Group photo at Tukubaliane Pamoja (Together We Make Deals), a 2-day B2B forum sponsored by ENGINE, Advancing Youth, NAFKA, MnM and WARIDI in Mbeya City, November 2018*

The partnership PO-RALG deepened as ENGINE, in response to PO-RALG's request, supported the finalization of the Tanzania Decentralization Policy of 2019 and preparation of the implementation vehicle: The Regional and Local Government Strengthening Support Program (RLGSP). In Zanzibar, ENGINE developed an integrated inter-ministerial, inter-agency, and LGA collaborative model in order to facilitate business formalization coordinated by the Ministry of Trade and Industry (MTI). In FY 2020, ENGINE supported ministerial-level policy reforms (Seed Act, Nutrition Policy and Growth Strategy 2050) and LGA level policy reforms.

Private sector partnerships and working relationships were strengthened with a mix of capacity building and training, partial sponsorship of key events and initiatives such as business council meetings - especially district business council (DBC) and regional business council (RBC) - as well as the dissemination of ENGINE-supported ZNBC PPD guidelines. To impart knowledge and international expertise, volunteer experts advised key private sector institutions and actors in partnership with the LGAs to strengthen the local business enabling environment.

### Component 2: Equipping for Growth

ENGINE focused on the creation and strengthening of dialogue and relationships between BDSPs and key government and market actors. At the local government level, BDSPs were introduced and linked with economic development departments, such as the agriculture, trade, community, and cooperative development departments within

each LGA. At the national level, BDSPs were linked with apex organizations such as the Tanzania Private Sector Foundation (TPSF), Tanzania Horticulture Association (TAHA), the National Economic Empowerment Council (NEEC), and the Ministry of Trade, Industries and Marketing (MTIM). ENGINE also collaborated closely with the Tanzania Commission of Cooperatives Development (TCDC) and the Moshi Cooperatives University (MoCU) to extend BDS to cooperatives through private cooperatives trainers.

### Component 3: Financing for Growth

ENGINE provided TA to its partner FIs, Amana Bank, FINCA Tanzania, Yetu Microfinance Bank, VisionFund, and Bank of Africa (BOA). ENGINE also recruited Short-Term Technical Assistance (STTA) for Jumuiya ya Changamoto in Zanzibar, who qualified for a grant in Year 3 but whose pre-award assessment precluded ENGINE from moving forward. ENGINE worked closely with the TIOB to build institutional capacity to provide effective and useful training and information to the financial industry and supported the governance and operating capacity of TIOB in order to ensure a sustainable source of knowledge and FI sector improvement. By partnering with TIOB, ENGINE delivered regional training across the entire ZOI and reached many other FIs such as the People's Bank of Zanzibar (PBZ), TIB Development Bank, CRDB Bank, Tanzania Agricultural Development Bank, National Bank of Commerce (NBC), Letshego Bank Tanzania, DCB Commercial Bank, Exim Bank Tanzania, MUCOBA Bank, TPB Bank, Maendeleo Bank, Bank of Baroda Tanzania, and Bank of Africa.

ENGINE's cross-cutting value chain-oriented activities relied heavily on collaboration with

Tanzanian private sector agricultural firms and FIs. Each of the priority value chains (poultry, pyrethrum, and salt) required close coordination with selected lead firms and supporting institutions including Silverlands, PCT, and SCSC.

## COLLABORATION WITH LOCAL PARTNER ORGANIZATIONS

ENGINE was supported by highly collaborative local partners within each program component.

### Component 1: Implementing Policies for Growth

Policy Dialogue work was primarily conducted in collaboration with six LGAs in the mainland, in close coordination and with the approval of program deliverables by PO-RALG. In Zanzibar, this work was conducted with five LGAs in close coordination and with the approval of program deliverables by counterpart PO-RALG/SD. LGTI played an important role in conducting institutional strengthening of LGAs under ENGINE and was instrumental in providing the vital training needed to transfer the LGACI and PRPT tools to PO-RALG and PO-RALG/SD.

A vital partner that represented the private sector in the mainland on matters related to policy dialogue was the TCCIA. ENGINE worked closely with TCCIA local chapters in the ZOI, providing the chapters with assistance in organizational development, marketing, membership outreach, and other areas to enhance their capacities to effectively dialogue with the government. In Zanzibar, ENGINE collaborated with the Zanzibar National Chamber of Commerce, Industry,

and Agriculture (ZNCCIA) to undertake parallel work.

### Component 2: Equipping for Growth

For the most part, ENGINE worked directly with BDSPs that are listed in Annex 6, as well as with the Regional Alliances that the program helped establish in Mbeya, Iringa, Morogoro, and Zanzibar. Grants were deployed to encourage BDSPs to develop innovative products and services for MSMEs, most notably with African Honey Solution Ltd, ASHTECH, HD Agribusiness, Microphas Investment Ltd, PROMISE Tanzania, and Khebhandza Marketing Co Ltd among others. Component Two worked with the value chains and lead firms ENGINE engaged to support the expansion of BDS to producers. This included Silverlands (poultry), SCSC (salt), and PCT (pyrethrum). Other notable local partners included SUGECO, the TCCIA chapters of Iringa and Morogoro, the Women Entrepreneurs Development Trust Fund (WEDTF), Zanzibar Chamber of Commerce, and the Zanzibar Women Entrepreneurs Network (ZAWEN).

### Component 3: Financing for Growth

Key local partners that either received grants and TA from Component Three included Amana Bank, Yetu Microfinance Bank PLC, FINCA Microfinance Bank, VisionFund Tanzania, Microfinance Bank Ltd, and Bank of Africa-Tanzania. Component Three collaborated closely with lead firms from the value chains for purposes of securing access to finance for small producers, principally Silverlands, SCSC, and PCT. Also, of critical importance, is Aksvin Group Limited, the firm that took over the BizFundi platform. A vital



partner for ENGINE in helping to consolidate the “supply” of financial training and capacity development resources for MSMEs was TIOB. Actions undertaken jointly by ENGINE and TIOB led to the development of new training curricula in the areas of agriculture financing that, among other aspects, helped FIs better manage risk in this sector, making lending to small agricultural producers more viable. Through TIOB, over 600 staff from FIs received training in these and other vital areas. ENGINE also provided specialized assistance through an IESC VE in strategic planning, which culminated in the development of a strategic plan for TIOB itself.

Local partner organizations for the various program components can be found in Annex 6.



*Bankers from the People's Bank of Zanzibar (PBZ) and TIB Development Bank attending a five-day training facilitated by the TIOB. The training module, which focused on agricultural finance for MSMEs, was designed with the support of ENGINE, June 2019*

## COLLABORATION WITH USAID TANZANIA AND IMPLEMENTING PARTNERS

### Component 1: Implementing Policies for Growth

Throughout program implementation, ENGINE worked closely with USAID implementing partners such as Nafaka, AY, MnM, Lishe Endelevu, Farmer to Farmer, and WARIDI. Coordination also took place with the FTF Agricultural Sector Policy and Institutional Reform Strengthening (ASPIRES) Project in the Policy Analysis Group (PAG) in national/district level policy alignment. ENGINE Regional Representatives in both Tanzania mainland and Zanzibar regularly attended joint meetings and discussions with other USAID programs in order to learn and collaborate on more effective program implementation. At the ENGINE Dar Es Salaam office, the policy reform component was in close collaboration with PS3 while working with LGAs on the PRPT and LGACI tools.

### Component 2: Equipping for Growth

In the early stages of building relations with BDSPs and MSMEs, ENGINE noticed the presence of several other USAID projects that were providing free BDS to the same MSMEs that ENGINE was targeting with market provided BDS. ENGINE conducted a rapid assessment of practices preventing the development of a sustainable BDS market in efforts to better coordinate the delivery of BDS among USAID IPs. The findings were presented to USAID in a meeting that was convened by the head of the USAID Economic Section and attended by all IPs whose projects had an element of BDS provision to MSMEs in

the SAGCOT region. As a result of this meeting, ENGINE and five other USAID IPs came up with a strategy to conduct joint B2B events in the field. The main objective of these events was to encourage the beneficiaries of all IPs to network and form business relationships with each other. The first major joint B2B event was organized in Mbeya in November 2018 where eight ENGINE-assisted BDSPs were linked with 61 MSMEs (including agro-processors, agro-input dealers, and producer groups) that were beneficiaries of Nafaka, MnM, WARIDI, and AY Programs. As a result of this event, BDSPs acquired 20 business deals (worth approximately USD [REDACTED]) from IPs' MSME beneficiaries.

In early 2020 in Zanzibar, ENGINE conducted meetings with Amana Bank, SMIDA, BPRA (Business Property Registration Authority), Nafaka, WARIDI, and the AY programs to plan for business linkages events between ENGINE BDSPs and the MSMEs working with each respective program and institution. In Morogoro, ENGINE collaborated with the Nafaka, WARIDI, and Lishe Endelevu programs to link six BDSPs with 260 MSMEs

involved in horticulture, poultry, rice, maize milling, and sanitation enterprises. In Mbeya, ENGINE collaborated with the Nafaka Program to link 18 BDSPs with 19 MSMEs involved in rice milling. In Iringa, ENGINE collaborated with another six USAID IPs (MnM, Nafaka, AY, Lishe Endelevu, WARIDI, and Farmer to Farmer) to organize a B2B meeting that brought together 10 BDSPs, three FIs, and 79 MSMEs (including producer groups, millers, and agro-input dealers). As a result of the linkage meetings and improved marketing efforts by BDSPs, a total of 2,443 MSMEs purchased services from ENGINE supported BDSPs during Year 4.

Twenty B2B meetings were facilitated and 30 BDSPs were linked with 396 MSMEs, government institutions, development programs, and FIs to explore potential partnerships. In Zanzibar, eight BDSPs were linked with 20 MSMEs operating along the seaweed business cluster, where MSMEs expressed demand for BDS in processing and marketing. Initial agreements were reached for one BDSP to offer services worth USD [REDACTED] to the MSMEs. ENGINE collaborated with AY to link six BDSPs with 24 youth MSMEs in Zanzibar involved in poultry and beekeeping. Initial agreements were reached where two BDSPs received around USD [REDACTED] to provide BDS to the MSMEs on aspects of poultry keeping and marketing and promoting honey products. In Iringa, ENGINE collaborated with USAID Nafaka and WARIDI Programs to link 110 MSMEs involved in cereal value chains and water and sanitation enterprises with 10 BDSPs and three partner FIs. In Morogoro, ENGINE partnered with the USAID Lishe Endelevu Program to link five



*Business Development Coordinator elaborating on the ENGINE program to a visitor*

BDSPs with 108 smallholder farmers of orange-fleshed potatoes.

BDS coordinators participated in four meetings where they introduced and linked ENGINE-supported BDSPs to MSMEs operating in the horticulture and rice value chains. In Zanzibar, ENGINE collaborated with the MnM Program to introduce an ENGINE-supported BDSPs to 45 MSMEs involved in horticulture. In Iringa, ENGINE-supported BDSPs were introduced to a group of 50 women entrepreneurs during an entrepreneurship training organized by the local government. In Mbeya, 150 rice farmers and processors were introduced to ENGINE-supported BDSPs. In Morogoro, the MnM Program helped to introduce ENGINE supported BDSPs to eight vegetable producer groups. As a result of these linkages and networking meetings, 41 BDSPs reported having sold services to 974 MSMEs during Year 4.

In mid-June 2020, ENGINE-supported BDSPs provided the first round of credit readiness training to leaders of 10 youth and women economic groups. BDSPs in Iringa and Mbeya were also connected to the European Union-funded Agri-connect Program. Initial agreements have been reached for ENGINE-supported BDSPs to work with 100 producer associations that are beneficiaries of the Agri-connect Program in the Iringa, Mbeya, Njombe, Katavi, and Songwe regions. In Iringa, ENGINE facilitated a linkage between the Iringa BDSP association and Tajirika na Kilimo, a project funded by Care Tanzania. ENGINE supported BDSPs will provide business management skills to farmers supported by the Tajirika na Kilimo.

### Component 3: Financing for Growth

As described in Chapter Four of this report, ENGINE collaborated with other Feed the Future programs in planning and hosting B2B events in fulfillment of program objectives for building MSME referral networks and links to sources of finance. These events represented an unprecedented level of inter-program coordination that proved successful. In 2018 in the Mbeya Region 'Let's Make Deals B2B Meeting' brought together more than 131 participants, of whom 61 were MSMEs. In 2019, the 'Take a Step: broaden your network, improve your businesses' event in the Iringa region brought together 10 BDSPs, three FIs, and 79 millers/suppliers/input suppliers from USAID IPs which include Nafaka, WARIDI, ENGINE, Lishe Endelevu, MnM, AY, and Farmer to Farmer Programs. ENGINE collaborated with other USAID programs in sharing common booths in Nane Nane Agricultural Fairs in Mbeya, Morogoro regions, and Zanzibar. These programs include Nafaka, AY, WARIDI, MnM, and Lishe Endelevu. ENGINE partnered with the AY Program to train 58 community mobilizers on BDS, financing, and the BizFundi platform. ENGINE participated in two youth-focused events: Mzumbe University's Entrepreneurship Camp and SUGECO's Jiajiri Business Dialogue. A total of 278 university students were reached through these events.





# 5

## Gender and Youth

### GENDER AND YOUTH OVERVIEW

Gender and Youth inclusion was an integrated theme among the three principal components of ENGINE. The program conducted two gender assessments that examined the overarching gender environment in Tanzania. These assessments looked at how gender norms and roles affect women in business at the MSME level and identified gender constraints in relation to program interventions and activities. From these assessments, ENGINE learned that across all the program sectors, gender-biased social and economic norms impede women and have a strong effect on the abilities of women-owned MSMEs to function at their full potential. This information enabled the program team to target specific activities intended to mitigate the impact of gender bias and to develop a deliberate plan to target and engage women in the market system development activities at each component level.

*Two female entrepreneurs, one a spice producer and the other a BDSP manager, connect at the Tukubaliane Pamoja (Together We Make Deals) two-day business-to-business forum in Mbeya, November 2018*



ENGINE's initial mandate was to focus activities on SMEs for capacity building. However, the first rapid gender assessment conducted in 2016 estimated that 99 percent of women-owned enterprises in Tanzania are categorized as MICRO enterprises. ENGINE revised the scope with USAID support to include growth-oriented, microenterprises in ENGINE's scope to support women-owned businesses. The assessment recommended ensuring that BDS products be appropriate for both micro-level businesses and SMEs. This recommendation was taken into consideration by varying BDS product offerings (size, bundles, price-points) and gave BDSPs access to a new market in women-owned microenterprises. The role of business associations in providing business development support to their members was regarded as valuable by all stakeholders surveyed during the assessment. This finding guided the work supporting the ZWCC (Zanzibar Women's Chamber of Commerce) in drafting operational documents and the Mbeya BDSP Alliance in providing BDS to women and youth groups that received assistance from the Mbeya CC. The rapid assessment also highlighted the importance of all three program components to work closely together to ensure effective delivery as many problems uncovered during interviews and focus groups stemmed from more than one area. Collaboration across program components was central to ENGINE's achievements.

At the halfway point of delivery in 2019, ENGINE worked with an international gender and youth consultant to conduct a Gender and Youth Midterm Review with an aim to adapt and strengthen the program's approach to

gender and youth integration based on changes in the market and enabling environment. Recommendations focused on moving from unique interventions to mainstreaming gender and youth within ENGINE activities. The review suggested continuing to support regional representatives to streamline the business formalization process. ENGINE followed this recommendation by working with local business registration and licensing authorities (BPRA in Zanzibar and the Business Registration and Licensing Authority in the mainland) and with BDS providers to make the business registration procedure more accessible to rural business-owners, especially women and youth. In addition, the review provided a recommendation to invite regional representatives from Tanzania Women's Chamber of Commerce (TWCC) to PPDs. This would allow for an increase in the participation of women in decision-making and policy formulation. ENGINE Component One team encouraged TCCIA to actively involve TWCC members in these dialogues and meetings. Linking youth savings and loans groups with ENGINE BDSPs was also put forth as a recommendation and subsequently carried out as an activity and informed the financial innovation grant strategy. During B2B events aimed at increasing networking opportunities for MSMEs run by women and youth, ENGINE linked USAID AY entrepreneurial youth groups with ENGINE BDSPs for them to network and enhance business opportunities.

ENGINE also conducted youth assessments aimed at understanding the integration of youth in business in Tanzania and used evidence regarding constraints and opportunities to inform adaptations in

programming. ENGINE confirmed that youth entrepreneurs in Tanzania largely operate informally and their enterprises grow slowly, as they are constrained by both access to finance as well as knowledge and expertise gaps.

To develop a strategic direction and build on the gender and youth assessments, the ENGINE program selected four domains from the USAID Gender and Youth Integration Framework to address: the leadership domain, which pertains to increase social capital and leadership for women and youth in the community; the human capital domain, which aims to increase knowledge and skills for women and youth entrepreneurs; the resources domain, which focuses on increasing access and control over productive resources by women and youth; and the technology domain, which centers around increased access and use of technologies.

To ensure that proper gender and youth information was captured, ENGINE disaggregated data collection for women and youth in MEL tools to ensure the tracking of results. These tools included meeting attendance registers, outreach trackers, BDSPs data collection forms, MSME data collection forms, and partner FI data collection forms.

## **GENDER & YOUTH IMPLEMENTATION BASED ON USAID GENDER & YOUTH INTEGRATION FRAMEWORK DOMAINS**

### **Leadership**

- ENGINE encouraged advocacy and facilitated women and youth inclusion within business councils and business membership-based associations of TCCIA and ZWCC;
- Component One facilitated and supported the establishment of governance and operational guiding documents for ZWCC which include Operational Manuals, Board Policy and Charter, Strategic Plan, and an improved draft constitution in order to ensure women have a sustainable voice to advocate for an improved enabling environment; and,
- Under Component Two, ENGINE facilitated the formation of BDSP Associations and emphasized the importance of women and youth leaders as representatives in the governing bodies.

### **Human Capital (knowledge and skills)**

- During by-laws harmonization sessions, recommendations were made advising the allocation of LGA revenue to women, youth, and people with special needs to strengthen their engagement in economic activities;
- ENGINE supported a TCCIA assessment that led to the formulation of the Youth Desk which will address youth issues at a

national level across the Chamber affiliates;

- To increase knowledge in policy issues, ENGINE invited women and youth to participate in PPDs and shared their views on issues concerning MSMEs;
- To increase knowledge and skills in business management and development, the ENGINE program partnered with other USAID IPs to organized B2B events aimed at women and youth. These events encouraged women and youth to broaden their networks and engage with a diverse group of business service providers and stakeholders. Regional government officers from the Women and Youth Department, FIs, BDSPs, agro-dealers, food processors, producer groups, and youth savings groups connected with one another during these events; and,
- Component Three partnered with TIOB to ensure FI staff and members received training on gender and youth inclusion and developed skills to better serve MSMEs in bank capacity building and new product development.

### Resources

- Component Three selected BDSPs that focused on providing credit-readiness tools to MSMEs which included women and youth. For example, in Mbeya, Khebhanza BDSP trained Zinduka Women Savings Group which was received a loan of TZS [REDACTED] from Equity Bank;
- Components One, Two, and Three linked Mbeya CC with the Mbeya BDSP

Association. The BDSPs worked with Mbeya CC women and youth groups on credit readiness procedures before they received loans from the LGA's Women, Youth, and Disability Development Fund. ENGINE facilitated the development of an MoU to formalize the linkage and conducted the first credit readiness training to 10 youth and women leaders; and,

- Through its ENGINE grant, Yetu Microfinance Bank has been able to issue loans to 246 women and/or youth amounting to USD [REDACTED] in disbursements.



*YETU Microfinance Bank used ENGINE grant funds to design a loan product aimed at youth and conduct outreach campaigns throughout the rural areas of Morogoro and Iringa to market the loan products, February 2019*

## Technology

- ENGINE used technology to motivate and track women and youth participation in program activities. E-Coupon pricing data was assessed to measure the ability of women and youth-owned MSMEs to pay for services. In Year 3, the data was used to lower pricing for specific services to attract more women and youth-owned MSMEs and enable them to purchase BDS; and,
- ENGINE raised awareness of the value of technology to improve business operations of youth and/or women-owned MSMEs by introducing them to the BizFundi platform. Through the platform, they gained valuable market linkages by engaging in B2B transactions.

## CHALLENGES AND SUCCESSES

A major challenge encountered by the Gender and Youth team was conveying the functioning of ENGINE to potential Gender and Youth partners, such as the Zanzibar Youth Council. ENGINE also expected to work with PO-RALG and provide technical support in designing the Women, Youth, and Disability loan fund. ENGINE was subsequently advised by PO-RALG that the design of such a fund had to happen at the national level first in order to standardize the procedures before engaging directly with LGAs. This delayed the process, and this initiative did not materialize.

Combined efforts across components in the Mbeya region resulted in partnership agreements between Mbeya CC and Mbeya BDSP Association to train women and youth

groups under the Community Development Operating Unit on credit readiness. This type of activity ensured sustainable future partnership between BDSPs and LGAs' women and youth groups after ENGINE's closeout.



*██████████ from the Mbeya BDSP Association showing off her Certificate of Completion from the ENGINE Credit Readiness Training*






# 6

## Environmental Compliance

ENGINE submitted a complete Environmental Mitigation and Monitoring Plan (EMMP) to USAID within the required timeline after the start date of the award. The EMMP described how ENGINE had, in specific terms, implemented all Initial Environmental Examination (IEE) and Environmental Assessment (EA) conditions that applied to proposed activity interventions

### COMPONENT 1: POLICIES FOR GROWTH

ENGINE program staff and expert volunteers ensured the inclusion of environmentally sound design and management practices when providing TA on policy reform. Furthermore, ENGINE provided support on developing on policies, regulations with direct impacts on, or outcome over, the natural or physical environment including guidelines for municipal waste management and reforms to service levies.

 a business entrepreneur from the Makifu Village in the region of Iringa, on his farm where he now raises and sells poultry products

## COMPONENT 2: EQUIPPING FOR GROWTH

During program implementation, the Tanzanian Environmental Policy Act of 1997 and the Environmental Impact Assessment (EIA) and Audit Regulation of 2005 were revised. BDSP managers received training on respective revisions. Participants learned how to interpret and apply the EIA Regulation; the best ways to advise SMEs if they require an EIA; how to guide SMEs in working with a Certified Environmental Expert; and methods to assist SMEs with navigating environmental policies of banks and donor institutions.

The training increased the breadth of services that BDSPs could provide to their SME clients which lead to improved SME compliance with environmental regulations. This approach not only increases the protection of natural resources that many SMEs rely upon but also supports LGA environmental policy enforcement efforts and capacitates SMEs to mitigate the risk of fines and costs associated with their impact on the environment.

## COMPONENT 3: FINANCING FOR GROWTH

ENGINE developed an Environmental Screening and Management Tool (ESMT) to provide to DCA partner banks as an effort to implement EMMP mitigation measures under Component Three. Bank managers and staff from both Akiba Commercial Bank Plc and CBW were trained in environmental compliance. ENGINE supported the development of a new environmental

management policy for Amana Bank including SOPs and tools for staff. The policy takes into consideration the requirements of Tanzania's National Environment Management Council (NEMC), the Zanzibar Environment Management Authority (ZEMA), and USAID's DCA. The proposed policy and operational manual were presented to the bank's Board of Directors for comment in March 2020. Partners from Amana Bank have informed ENGINE that the newly developed screening and appraisal tools have assisted the bank in ensuring that all required environmental documentation is received from clients and environmental and socially responsible management practices are included in credit offer letters as preconditions for funding.





# 7

## Monitoring, Evaluation, and Learning Systems

### EVOLUTION OF MEL PLAN AND INDICATORS

ENGINE reported on 31 performance indicators, four of which are Bureau of Foreign Affairs at U.S. Department of State and Feed the Future (F/FTF) standard indicators, and 27 are custom indicators. ENGINE's highest-level activity indicator measures the value of new private sector investment facilitated by ENGINE. The original MEL Plan – approved in early January 2017 – contained 26 indicators: four Bureau of Foreign Affairs at U.S. Department of State and Feed the Future (FTF) standard indicators and 22 ENGINE custom indicators.

██████ an operations manager from Yetu, conducting a training covering issues related to agriculture, business, and leadership for young entrepreneurs interested in applying for loans, February 2019

The four standard indicators were: *Value of new private sector capital investment in ag sector or food chain leveraged by FTF implementation (EG 3.2-22); Number of ag and nutritional enabling environment policies analyzed, consulted on, drafted or revised, approved, and implemented with USG assistance (EG 3.1-12); Number of firms (excluding farms) or CSOs engaged in ag and food-security related manufacturing and services that have increased profits or become financially self-sufficient with USG assistance (EG 3.2-21); and Number of MSMEs, including farmers, receiving ag-related credit as a result of USG assistance (EG 3.2-3).*

Following the release of the updated FTF Indicator handbook in March 2018, all the FTF standard indicators in ENGINE's original MEL Plan portfolio were archived. The MEL was revised to include a new set of standard indicators for ENGINE's Year 2 reporting (end of FY 2018). Following discussions between the ENGINE technical team and the program AOR (Agreement Officer Representative) at the time, it was agreed that the four archived standard indicators would be replaced with four new FTF indicators from the revised 2018 Indicator Handbook: *Number of individuals participating in USG food security programs (EG 3.2); Value of agriculture-related financing accessed as a result of USG assistance (EG 3.2-27); Percentage of female participants in USG-*

*access to productive economic resources (GNDR-2); and Percentage of participants in USG-assisted programs designed to increase access to productive economic resources who are youth between the ages 15-29 (YOUTH-3).*

The revised and final MEL Plan – approved in October 2018 – incorporated 31 indicators, with nine new indicators introduced (including two archived standard indicators transitioned to custom indicators). Updates were also made to custom program indicators and their disaggregation to better fit with expected program activity outcomes following the two years of implementation experience. For instance, ENGINE's highest-level activity indicator, *new private sector investment facilitated by ENGINE*, was broadened to include investment in all sectors that ENGINE was working in, and not just those in the agriculture or food chain sectors. The scope of the archived EG3.1-12, which also evolved into a custom indicator, was enlarged to encompass reforms to the wider business enabling environment, in addition to the agricultural and nutrition-related policy reforms it was already tracking. LOP targets were also updated to better reflect the changing operating environment and the progress against the plans of intervention activities. In total, nine indicators had their LOP targets increased, while five indicators had their targets lowered.



# ENGINE's MEL Framework

## USAID/Tanzania Development Objectives

Primary Contribution-D02: Inclusive broad-based economic growth sustained  
Supporting Contribution-D01: Women and Youth Empowerment; D03: Effective Democratic Governance

### IR 2.1

Binding constraints to private sector investment reduced

### IR 2.2

Agricultural productivity and profitability increased in targeted value chains

ENGINE Activity Purpose: Increase private sector investment leading to inclusive, broad-based economic growth in the SAGCOT and in Zanzibar

**P1:** USD \$8.1 million in new private sector investment facilitated by ENGINE

### C1 Improved Business Enabling Environment

**1A** At least 50% of target LGAs with improved or maintained LGACI scores facilitated by ENGINE

**1.1** Improved pro-growth policies adopted

**1B** Number of business enabling environment policies analyzed, consulted on, drafted or revised, approved or repealed, and implemented with USG assistance. Stage 1: 240, Stage 2: 120, Stage 3: 70, Stage 4: 30, Stage 5: 20

**1.1.1** Identified and drafted pro-growth policies

**1C** 200 policies with reform recommendations made to the relevant authority in forums with key stakeholders present

**1.2** Strengthened capacity of LGAs to implement pro-growth policies

LGA capacity score as part of LGACI

**1.2.1** Improved internal systems and processes with LGAS policies

**1D** 26 roadmaps for regulations and administrative procedures made publicly available

**1.1.2** Improved effectiveness of PPD for business policy reform

**1E** 67 broad public and private stakeholders' BEE policy forums established or supported

**1.3** Strengthened capacity of private sector to comply with policies

**1F** At least 20% increase in business licenses issued across all target LGAs in the mainland and at least 10% increase in target LGAs in Zanzibar

**1.3.1** Enhanced human resource capacity within LGAs and private sector organizations

**1G** 1,500 individuals trained on the job in women and youth integration, policy analysis, policy design, advocacy, and implementation\*  
**1H** 377 operating units across target LGAs receiving policy analysis capacity building  
**1I** 150 institutions engaged in policy reform work strengthened and/or established

### C2 Strengthened MSMEs are More Profitable and Better Poised to Grow

**2A** \$1.36M in sales by ENGINE-supported BDS providers  
**2B** 15% increase in revenue of MSMEs within the ZOI purchasing services from ENGINE-supported BDS providers\*  
**2C** 2,186 jobs created by private enterprises, business associations, and CBOs within the ZOI that received ENGINE assistance\*  
**2D** 1,404 individual participants in USG food security programs (EG 3.2)\*

**2.1** MSMEs use BDS to improve their operations  
**2E** 2,600 MSMEs purchase service from ENGINE-supported BDS providers\*

**2.1.1** Increased awareness of the value of BDS among MSMEs

**2F** 5,700 MSMEs informed about BDS and financial services  
**2G** 600 MSMEs issued with e-Coupons

**2.1.2** Improved quality and affordability of BDS

**2H** 405 BDS providers receiving ENGINE assistance\*  
**2I** 48 new products or services offered by ENGINE supported BDSPs

### C3 Increased Use of Financial Services among MSMEs

**3A** DCA utilization among partner financial institutions  
**3B** \$1.8M in value of agriculture-related financing accessed as a result of USG assistance (EG3.2-27)\*  
**3C** 15% increase in number of business loans issued to MSMEs operating within the ZOI from financial institutions receiving ENGINE assistance\*  
**3D** 15% increase in value of business loans issued to MSMEs operating within the ZOI from financial institutions receiving ENGINE assistance\*

FIs more responsive to the financial service needs of MSMEs

**3.1** FI staff capacity to serve MSMEs increased

**3E** 550 financial institution staff trained\*

FIs willing to provide services to MSMEs are identified and selected

FI information and processes are made available to MSMEs

**3.1** FI staff capacity to serve

**3F** 7 financial institution policies or practices changed to cater to overlooked clients as a result of ENGINE assistance

**3.3** Increased willingness of MSMEs to use and pay for financial services

**3G** 1,380 users registered on the BizFundi platform\*

Capacity/bankability among MSMEs developed

**3.3.1** MSMEs are identified and informed about financial services through ENGINE

Captured under indicator 2F

## LEGEND

\*Sex-and age-disaggregated data and/or part of gender- or youth-sensitive approach  
Milestone

### Cross-Cutting Indicators

**CC1** 117 VE assignments mobilized\*  
**CC2** 2,700 days of VE service delivered\*  
**CC3** \$1,548,062 value of VE service\*  
**CC4** 45% of female participants in USG-assisted programs designed to increase access to productive economic resources (GNDR-2)  
**CC5** 40% of participants in USG-assisted program designed to increase access to productive economic resources who are youth (15-29) (YOUTH-3)

## CRITICAL ASSUMPTIONS AND CONCLUSIONS

The following critical assumptions (in **bold**) are central to the ENGINE development hypothesis visually illustrated in the results framework. These critical assumptions, concerning key market system actors' behavior, were out of ENGINE's manageable interest but had to be proven true for the causal chain to be effective. ENGINE monitored these assumptions closely over the LOP and was able to collect evidence supporting the causal chain.

### Component 1: Implementing Policies for Growth

- 1. LGAs are willing to coordinate with the private sector for policy reform.** Yes – 94 public-private sector dialogue (PPD) forums were held between private sector associations and their respective LGAs. LGAs' active involvement in the development of national PPD guidelines and procedures culminated in a formal launch of the official procedural document by TNBC in Quarter 2 of Year 4. LGA coordination will continue based on the structure of these forums, and private sector participation in policy formulation is embedded in the process independent of ENGINE involvement in the future.
- 2. LGAs are willing to commit sufficient financial and non-financial resources to the reform process to implement reforms.** Yes – Resources generally took the form of contributions in kind of LGA facilities. Additionally, with 128 individual policy reforms implemented across the 11

LGA partners (of which 27 reforms reached Stage 5 full and effective implementation), there was significant LGA staff time – from senior management to operational unit staff – invested by the LGAs to progress these reforms over the LOP.

- 3. PO-RALG will support reforms proposed by LGAs and will provide the necessary resources to fund.** Yes – one example of this is the PRPT and LGACI tools. ENGINE worked with the 11 LGA partners to develop and pilot the tools at the municipal level. PO-RALG and PO-RALGSD have adopted the tools for national use and plan to scale across all LGAs in mainland Tanzania and Zanzibar. The online systems are now hosted on PO-RALG and PO-RALGSD servers.
- 4. LGA leadership and technical staff are willing to embrace market-driven local economies and the role of the private sector.** Yes – a sign of this is by the end of Year 3, LGA partners had begun incorporating District Business Council budget components in LGAs' annual planning and budgetary processes geared towards building capacity of both public and private sectors in policy reforms through PPDs. This will ensure sustainability of both Regional and District Business Councils going forward and is a sign of the LGAs willingness to invest in the private sector participation in future policy formulation.
- 5. LGAs have the ability to advocate for and affect policy and regulatory reform for issues that are decided at the national level.** Yes – at the national level, ENGINE supported and facilitated the

Business Formalization Survey (BFS) in Zanzibar, the review of the Zanzibar Growth Strategy 2006-2015, the D-by-D policy reform in Zanzibar and mainland Tanzania, and the drafting of the Zanzibar National Business Council Act as well as the Plant Protection and Seed Acts in Zanzibar. For each of these activities, LGA partners have been actively consulted and involved in the formulation of these national-level reforms. The TNBC PPD guidelines launched in Year 4 will also have national-level impacts and had significant contributions from the 11 LGA partners. The PRPT and LGACI online tools, which were tried and tested by the LGA partners, have now been adopted by PORALG and PORALG-SD, and they plan to roll out training sessions and access to this system to other LGAs in mainland Tanzania and Zanzibar.

- 6. The Decentralization by Devolution (D-by-D) process is advanced and firmly politically established in the Tanzania Mainland and is only in the formative stage in Zanzibar. ENGINE's work in Zanzibar in Year 2 needs to align with the D-by-D process to be effective.** Yes – during the development of Zanzibar LGAs' strategic plans and review of LGA by-laws, a key objective for ENGINE was to ensure they were aligned with the D-by-D Act in addition to improving the LGAs service delivery and the overall business enabling environment.
- 7. LGAs from both the Mainland and Zanzibar are willing to work towards increasing own-source revenue to cover the shortfall in funding they receive**

**annually from the national government.**

Yes – among the 27 reforms that reached Stage 5 full and effective implementation with LGA partners, 11 of these reforms (ranging from revisions of by-laws to updates of administrative procedures) related to improving their processes and procedures for issuing business licenses, service levies, and other market fees and levies, as well as the development of strategic plans for promoting investment within their jurisdictions.

## Component 2: Equipping for Growth

- 8. MSMEs will be inclined to use BDS providers if they become aware of its value and if it is affordable and of high quality, they were willing and able to purchase it.** Yes – over the LOP, approximately 2,300 MSMEs were willing to purchase BDS for the first time using the e-Coupon incentive activity. In a market where BDS was typically fully subsidized by donors and/or the government, this was a significant behavioral change since these first-time users of BDS still had to cover between 60 to 90 percent of the total costs of the service.
- 9. If BDS is affordable and of high quality, MSMEs will be willing and able to purchase it.** Yes – in total, over 10,200 MSMEs purchased services from ENGINE-supported BDSPs over the Program's LOP (including the 2,300 e-Coupon users). Together, ENGINE supported BDSPs sold over USD 1.5 million, illustrating the willingness and ability to purchase high quality BDS.

**10. MSMEs will be more willing to pay the full price after trying BDS at a subsidized rate.** Yes – of the 347 MSME respondents interviewed during the Final Beneficiary survey conducted in July 2020, 46 percent had accessed the E-coupon subsidy. Of this subset, 55 percent stated that they were willing to pay full price for BDS after trying it for the first time.

**11. BDS providers are commercially oriented.** Yes – initially, the majority of services offered by BDSPs were supply-driven and did not respond to MSMEs' needs. Following ENGINE capacity building support, BDSPs collectively reported introducing over 360 new products or services (750 percent more than initially projected) that better address the needs of MSME clients. Additionally, BDSPs invested in additional capital as well as more aggressive marketing efforts to grow their client base over the LOP.

### Component 3: Financing for Growth

**12. Financial Institution partners are willing and able to increase lending to small businesses.** Yes – ENGINE partners issued over 14,000 additional loans to micro, small, and medium-sized businesses worth over USD 7.1 million over the LOP. FIs like Yetu and Amana Bank were also willing to invest in outreach activities to expand their services to overlooked market segments such as MSMEs involved in agricultural value chains, as well as women and youth-run MSMEs.

**13. Small, typically cash-constrained businesses are willing to pay for BDS designed to prepare them to access**

**credit.** Yes – in Year 3 alone, BDSPs reported facilitating over 500 loans to their MSME clients worth a total of approximately USD [REDACTED]. While the implementation among the BDSPs is not as originally envisioned (BDSPs preferred connecting their MSME partners to banks outside of ENGINE's partner network), the credit readiness support to MSMEs appeared to work.

**14. A significant number of small business owners will embrace the BizFund platform as a way to engage with BDS providers and FIs.** Yes – at the end of the LOP, there were approximately 3,637 users registered on the BizFund platform, of which 97 percent were made up of MSMEs. Approximately 47 percent of these small enterprises were owned by women; 65 percent of these owners fell within the youth age category at the time of their registration.



## FINAL RESULTS TABLE

Indicator Code	Type	Performance Indicator Title	LOP Target	LOP Results	% Achieved
<b>Activity Purpose: Increase private sector investment leading to inclusive, broad-based economic growth in the SAGCOT, plus Zanzibar</b>					
P1	Custom/ Outcome	Value of new private sector investment facilitated by ENGINE	USD 8,097,766	USD 13,633,814	168%
<b>Component 1: Implementing policies for growth</b>					
1A	Custom/ Outcome	Percent of target LGAs with improved or maintained Local Government Authority Competitiveness Index (LGACI) scores	At least 50% of All 11 target LGAs maintain or improve their LGACI scores	82%	164%
1B	Custom/ Output and Outcome	Number of business enabling environment policies analyzed, consulted on, drafted or revised, approved, and implemented with USG assistance	480	964	201%
1C	Custom/ Outcome	Number of policies with reform recommendations made to the relevant authority in forums with key stakeholders present	243	364	150%
1D	Custom/ Output	Number of roadmaps for regulations and administrative procedures made publicly available	26	29	112%
1E	Custom/ Output	Number of broad public and private stakeholders' business enabling environment (BEE) policy forums established or supported	67	94	140%
1F	Custom/ Outcome	Average percent change from previous year in business licenses issued across all target LGAs	At least 20% increase from baseline as an average across all mainland target LGAs, and at least 10% across all targeted LGAs in Zanzibar	63%	315%
1G	Custom/ Output	Number of individuals trained on the job in women/youth integration, policy analysis, policy design, advocacy, and implementation	1,500	2,095	140%
1H	Custom/ Outcome	Number of operating units across target LGAs receiving policy analysis capacity building	377	690	183%
1I	Custom/ Output	Number of institutions engaged in policy reform work strengthened and/or established	150	148	99%
<b>Component 2: Equipping for growth</b>					
2A	Custom/ Outcome	Value of sales by ENGINE supported BDS providers	USD 1,360,000	USD 1,529,636	112%
2B	Custom/ Outcome	Percent change in revenue of MSMEs within the ZOI purchasing services from ENGINE-supported BDS providers	15% Increase On average from Baseline	33.70%	225%
2C	Custom/ Outcome	Number of jobs created by private enterprises, business associations, and CSOs within the ZOI who received ENGINE assistance	2,186	1,676	77%
2D	EG3.2/ Output	Number of individuals participating in USG food security programs	1,404	2,370	169%
2E	Custom / Output	Number of MSMEs purchasing services from ENGINE-supported BDS providers	2,600	10,238	394%
2F	Custom/ Output	Number of MSMEs informed about BDS and financial services	5,700	8,718	153%
2G	Custom/ Output	Number of MSMEs issued with e-Coupons	600	2,308	385%

Indicator Code	Type	Performance Indicator Title	LOP Target	LOP Results	% Achieved
2H	Custom/ Outcome	Number of BDS providers receiving ENGINE assistance	405	375	93%
2I	Custom/ Outcome	Number of new products or services offered by ENGINE-supported BDSPs	48	362	754%
<b>Component 3: Financing for growth</b>					
3A	Custom/ Outcome	Percent of DCA utilization among partner financial institutions	N/A	2.50%	N/A
3B	EG 3.2-27/ Output	Value of agriculture-related financing accessed as a result of USG assistance	USD 1,803,750	USD 7,143,533	396%
3C	Custom/ Outcome	Percent increase in number of business loans issued to MSMEs operating within the ZOI from financial institutions receiving ENGINE assistance	15%	-43.90%	-293%
3D	Custom/ Outcome	Percent increase in value of loans issued to MSMEs operating within the ZOI from financial institutions receiving ENGINE assistance	15%	1.30%	9%
3E	Custom/ Output	Number of Financial Institutions staff trained	550	611	111%
3F	Custom/ Output	Number of financial institution policies or practices changed to cater to overlooked clients as a result of ENGINE assistance	7	21	300%
3G	Custom/ Outcome	Number of users registered on the BizFundi platform	1,380	3,637	264%
<b>Cross-Cutting (Volunteerism)</b>					
CC1	Custom/ Output	Number of volunteer expert assignments mobilized	117	95	81%
CC2	Custom/ Output	Number of days of volunteer expert service delivered	2,700	2,294	85%
CC3	Custom/ Output	Value of volunteer expert service	USD 1,548,062	USD 1,512,525	98%
CC4	GNDR-2/ Output	Percentage of female participants in USG-assisted programs designed to increase access to productive economic resources	45%	57.20%	127%
CC5	YOUTH-3/ Output	Percentage of participants in USG-assisted programs designed to increase access to productive economic resources who are youth (15-29)	40%	40.4%	101%

With respect to indicator disaggregation, per ADS 205, ENGINE tracked disaggregated data on sex and age for more than half of the indicators (youth is defined by the Government of Tanzania as individuals between 15 and 35 years of age). In addition, and where relevant, data is disaggregated by:

**Region:** Morogoro, Iringa, Mbeya, and Zanzibar;

**Target LGA:** of the 11 LGA partners;

**Size of enterprise:** micro enterprises have less than 10 employees; small enterprises have 10 – 49 employees; medium enterprises have 50 – 249 employees;

**Whether an enterprise is woman- or youth-owned or -led:** defined as having at least one woman or youth owner/shareholder or managed by a woman or youth;

**Partner financial institution:** FINCA Tanzania, VisionFund Tanzania, Bank of Africa Tanzania, Yetu Microfinance Bank, and Amana Bank; and,

**Process/Step:** What stage a policy reform or regulation has reached (analyzed, consulted on, drafted or revised, approved (or repealed), and implemented).

The complete disaggregated list of ENGINE performance indicators and their respective annual results and targets are provided in Annex 1.

## LESSONS LEARNED BY MONITORING, EVALUATION AND LEARNING TEAM

**Regular partner and beneficiary feedback sessions offer a sound way of further reinforcing market changes.** Regular BDSP and MSME feedback sessions were hosted by ENGINE at the end of each quarter in each regional office. These sessions were not only significant for data collection, but they also provided an important behavioral change mechanism, with partners and beneficiaries gathering to discuss mutual challenges and means to overcome them. ENGINE also invited other relevant stakeholders to be part of these gatherings; at the end of FY 2018, ENGINE invited LGA Trade Officers (TO) to discuss the business license procedures and fees reform supported by the project. BDSPs responded positively to the discussions, as business license issuance by LGAs and the procedures and fees involved were of significant interest to their MSME clients. These feedback sessions evolved from being simple data gathering exercises into forums for public-private sector dialogue that supported the business enabling environment policy reforms supported by ENGINE. Attendance at these feedback sessions was consistently high as participants recognized the value of both the networking opportunities and commercial information accessed. High attendance also enhanced the quality of data collected.

**Partners whose activities are supported through subgrants respond more positively to MEL data requests than other activities that are mainly training-based.** An example is the FI Yetu which received grants to support

its outreach activities to youth and women-run enterprises in the ZOI. Through this support, Yetu implemented 15 changes to their bank policies and procedures to increase access to finance for these overlooked market segments - which represented 70 percent of all partner FI reforms reported over the LOP. Partners receiving grant support tended to be more pro-active in their reporting to ENGINE, as well as more open to trialing new market behavior.

**Periodic Data Quality Assessments (DQAs) play a key role in identifying MEL improvement areas, encouraging openness/honest inquiry, and providing recognition to field teams/partners.**

Two external and four internal DQAs were conducted over the course of the LOP. The preparations for the external/internal DQAs - and the DQA field exercise itself - offer great opportunities for program field staff, senior managers, and MEL team members to take stock of results and outcomes of activities and check that good monitoring and evaluation practices are being followed. Seeing just how serious ENGINE is about checking the quality of reporting, partners pay more attention to what they report and are more likely to share their feedback on intervention activities. Field team members, geographically removed from the Dar es Salaam head office, are also motivated by the regular DQA field verification activities. They found these exercises provided a spotlight on their work to senior management.

During an internal DQA in September 2019 on the existing partner FI data reporting, the ENGINE team identified discrepancies in the

unique MSME coding of lending data submitted by one of the FI partners. Following the FI's data resubmission, adjustments were made to previously reported values for key standard and custom indicators in the FY 2019 Annual Report. The FI partners were appreciative of the feedback on the accuracy of their reporting. After the DQA, there was a marked improvement in their responsiveness to data requests. As the MEL team had a better idea of the structure of each of the FI's loan databases, improvements were also made to the data collection templates to better fit with how the key indicators data was represented in their respective data systems.





# 8

## Key Challenges, Adaptions, Lessons Learned, and Recommendations

### COMPONENT 1 IMPLEMENTING POLICIES FOR GROWTH

#### Challenges, Adaptations, and Lessons Learned

**Program flexibility, as well as long contract validity periods, allowed for successful implementation** of policy reforms and regulatory adaption.

Challenges presented by **complex government decision making processes and other bureaucratic constraints** delayed the timely implementation of the planned policy reform activities.

**Periodic refresher meetings are key to keeping LGA management engaged to support the Program's policy reform work.** Periodic refresher

*An ENGINE BDS relationship coordinator showcasing the BizFundi platform to visitors at the 2019 World Food Day exhibition event in Pemba, October 2019*

meetings with LGA senior management and/or relevant technical staff on previous key ENGINE support/decisions/agreements are necessary to avoid a loss in momentum toward reform realization. For some LGAs, the internal DQA process helped bring their attention to the technical support ENGINE had provided in support of their policy reform process (the DQA of LGAs in Mbeya, Iringa, and Morogoro in FY 2019 Q1). This was particularly important for LGAs that had undergone significant staff changes, especially within their senior management. These meetings were set up as a regular feature, especially following the entry/departure of key LGA focal points within management.

**Teaming local consultants with international volunteer experts and/or consultants** leads to more effective implementation and delivery of TA. Teaming complementary skills and experiences of international VEs/consultants and local consultants to undertake policy reform assignments leads to more effective implementation, as well as builds local capacity. This was a finding from internal DQAs held with LGA partners in Quarter 1 of Year 3, as well as feedback from international volunteers and implementing partners once this practice was fully applied by the end of Year 3. The pace of policy reforms reaching Stage Four Approval and Stage Five Full and Effective Implementation in Year 3 and Year 4 also increased once local consultants, with their significant experience and networks with LGAs and private sector associations, were used by the Component One team to fast-track a number of policy reforms prioritized by LGAs. This adaptation was especially helpful to ensure that ENGINE continued to achieve

all results despite global travel bans restricting movement under COVID response protocols.

**Complete and accurate documentation of meetings/support/decisions provided to Partner organizations is vital, especially for those with high senior staff turnover and poor record keeping practices.** Making it a priority that ENGINE staff, volunteer experts, and consultants working with partners – especially the LGAs, national government bodies, and private sector associations – maintained proper records and notes of all key meetings, decisions, and agreements made – and that these records were made available to Partners when needed helped ensure institutional memory was not lost. The gaps in the record keeping of some of the LGAs and private sector associations were highlighted during the external DQA carried out in Year 3. ENGINE records (corroborated for accuracy and completeness by the LGA staff) were key in supporting the progress of some of the reforms reported in EG3.1-12.

**The cost-sharing scheme** of the program implementation led to delayed or total cancellation of some planned policy reform activities. The program accounted for LGAs' in-kind contributions to mitigate activity delays.

**The COVID-19 pandemic** restricted physical interaction and hence ENGINE slowed-down or canceled some policy reform interventions. Alternative means of program implementation such as virtual meetings and consultations helped the implementation of some of the activities. This still presented a challenge for many LGAs to adopt.

The COVID-19 pandemic restricted physical interaction and hence slow down or cancelation of some policy reform interventions.

With the COVID-19 Pandemic, alternative means of program implementation such as virtual meetings and consultations helped the implementation of some of the activities. This still presented a challenge for many LGAs to adopt.

### Recommendations for Future Programs

#### Support roll-out of LGACI and PRPT tools:

LGACI and PRPT tools can truly serve as an important framework to enact pro-growth economic policies. Future programs, to the degree required, should support the roll-out of these tools to all 185 mainland LGAs.

#### Provide institutional strengthening

**assistance:** ENGINE provided strong support to D-by-D efforts that are being operationalized through the Government of Tanzania's RLGSP, which places Local Economic Development (LED) - as championed by the private sector- at the center of its design. Implementation of this initiative will necessitate the strengthening of LGAs in various technical and administrative areas. The need for more capacity building of LGA staff is inevitable, especially at the ward level where members of staff are the implementors. Future programming can ensure that this program and LED are a success by providing this institutional strengthening assistance.

**Continue and expand PPDs:** ENGINE's strategy of PPDs proved effective as it created good working relations between private

sector partners and LGAs, which before was quite contentious. The continuation and expansion of PPDs are highly recommended.

**Partnering with national ministries:** For some policy reforms, there is a need for the program to have national ministries as partners as this will help to fast track program activities at the local level through their engagements.

**Include LGA staff in the design of annual workplans:** It has also been learned that activities that match LGA priorities are easily implemented. It is important to include LGA staff in the design of annual workplans to gain their buy in to ensure smooth implementation of them. This will also help LGAs to incorporate some activities into their budgets.



*An ENGINE BDS coordinator taking the opportunity to introduce ENGINE to [redacted] then-Second Vice President of Zanzibar, at the Nane Nane Agricultural exhibit in Zanzibar*



## COMPONENT 2 EQUIPPING FOR GROWTH

### Challenges, Adaptations, and Lessons Learned

**There is a significant mismatch between generic services offered in Tanzania and demand for specific BDS in agribusiness value chains:** Most MSMEs in agribusiness value chains would improve their operations if they received appropriate BDS. Unfortunately, ENGINE initially found most of the services provided by the majority of BDSPs were too generic and did not respond adequately to the needs of agribusiness value chain MSMEs. This has made it even harder for the MSMEs to recognize the value of BDS and has contributed to a large extent to their unwillingness to pay. ENGINE responded to this challenge by capacitating BDSPs to tailor services to respond to the specific needs of agribusiness value chains.

An example of this included the initiative to train a select group BDSPs on how to formulate and train smallholder farmer groups for the pyrethrum value chain. The same approach was extended to the selected 16 business clusters where BDSPs were coached to tailor services to respond to the needs of the business clusters. During the second year of program implementation, the e-Coupon support was tweaked to focus on MSMEs involved in agribusiness and nutrition activities only. An associated challenge came when connecting the BDSPs, who for the most part are located in urban areas, with rural-based MSMEs. The city-based BDSPs had little to no capacity in marketing their services to these MSMEs. Targeted efforts were needed to reach out to agribusiness and rural MSMEs,

with services that are solution-oriented. Further efforts should give adequate priority to the creation of awareness and behavioral change campaigns as crucial interventions to build a sustainable market for BDS.

### **There are rampant BDS market distortions:**

There are many donor or government-funded programs that were providing free BDS to the same MSMEs that ENGINE was targeting. Market distortions entailed several practices such as payment of transport allowance, sitting allowance, and provision of meals to MSMEs while attending training sessions. To counter this challenge, ENGINE made concerted efforts to facilitate linkages between BDSPs and beneficiaries of government and development partners' programs. Increasingly, many IPs began to utilize ENGINE supported BDSPs to serve their MSMEs beneficiaries on commercial terms. The involvement of government authorities and other development programs was crucial in facilitating a sustainable BDS market. Working with BDSPs and MSMEs alone is not enough.

### **The majority of businesses are informal:**

Many businesses cannot fully benefit from existing funding and market access opportunities due to the level of informality. Unfortunately, most of the ENGINE supported BDSPs did not have expertise in facilitating MSMEs to formalize their businesses. ENGINE responded to this challenge by deploying a local short-term consultant to compile a business formalization guide and train ENGINE-assisted BDSPs in Mbeya, Iringa, and Morogoro on how to apply the guide and offer business formalization services to MSMEs. In Zanzibar, ENGINE partnered with



BPRA to train a select group of BDSPs to provide business formalization services to MSMEs through the BPRA online registration system. Formalization remains an important ingredient to spur further growth of MSMEs in Tanzania.

**The outbreak of the COVID-19 pandemic curtailed business operations:** Following the outbreak of the COVID-19 pandemic, ENGINE activities that entailed group meetings (TA and business linkage meetings) were postponed and some had to be canceled as expert volunteers and consultants could not travel to Tanzania. Likewise, some BDSPs had to cancel outreach and training activities in line with COVID-19 restrictions. ENGINE responded to this challenge by resorting to virtual means to provide TA and facilitating business linkages. Training materials were shared with BDSPs through video clips and more than 12 webinars were facilitated. Group discussions were conducted through social media and linkage meetings were facilitated via skype or Zoom software. A key lesson is that programs should develop short-term, medium-term, and long-term strategies to assist MSMEs and BDSPs to continue operating amidst the COVID-19 pandemic. Also, remote assistance could be a more cost-effective approach to provide TA and reach out to more BDSPs.

**Tight macro-economic condition stifled demand for BDS, investment, job creation, and investment:** In the later part of 2017, the business environment and overall macroeconomic conditions changed, making it somewhat harder for most businesses to perform. As a result, many MSMEs went into “survival mode” and some went out of

business. The majority of MSMEs could not afford to create jobs or make any meaningful investments or purchase BDS. The program responded to this challenge by promoting BDS to SMEs linked with lead firms in selected agricultural and nutrition value chain as they were perceived to have a better chance of buying BDS. Also, BDSPs were encouraged to seek opportunities to offer services to groups of MSMEs in business clusters instead of focusing on individual MSMEs.



*ENGINE supported-BDSP from the TransWorld Academy speaking to visitors at booth*

## Recommendations for Future Programs

### Harmonize Provision of BDS to MSMEs:

Most USAID programs and other development partners' programs provide free or highly subsidized BDS, where MSMEs receive sitting fees, transport allowances, and food. Unless donors think through the consequences of their actions and together agree on a common strategy concerning the provision of BDS, MSMEs will never consider BDS to be an important ingredient in their businesses. Also, the present situation in which donors and the projects they fund directly compete to serve

the same MSMEs using different approaches is counterproductive. The fact that MSMEs are at various stages of growth and thus will need a different facilitation approach cannot be ignored. Nevertheless, such facilitation must be coordinated and harmonized.



■■■■■ founder, and owner of textile producer Musa Gallery in Zanzibar, worked with S&C General, an ENGINE-supported BDSP, to develop a marketing and promotional strategy to increase sales locally and to attract international clients

**Involve Government Authorities at Early Stages:** To minimize delays and frustrations that are often caused by government bureaucracies, future programs that seek to promote the BDS market – especially to MSMEs involved in cash crops – should seek to engage with relevant government authorities upfront. ENGINE encountered endless bureaucracies in efforts to link BDSPs with pyrethrum smallholder farmers. This could have been avoided if LGAs were engaged in the process earlier on, as LGAs have proved to be a crucial link to MSMEs and, when properly

engaged, they even provided business opportunities to BDSPs.<sup>1</sup> District Community Development Officers (DCDOs) and Ward Executive Officers (WEOs) are key links to connect BDSPs with women and youth economic groups. TOs are key links to connect BDSPs with MSMEs directly or through their business associations and/or networks at the district council or municipal levels.

**Focus on quality, not quantity:** The need for donor-funded programs to achieve large indicator target results in short timeframes leads to pressure to work with a large number of BDSPs, including those who offer generic services, which may not necessarily be what MSMEs needs. The same is the case with the desire to record a large number of MSMEs as program beneficiaries with very little focus on the sustainability of those businesses. ENGINE noted a significant amount of MSMEs that received support but have already gone out of business less than two years since they were supported. The presence of many BDSPs in the market that offer services that do not solve the real problems of MSMEs is among the reasons why many MSMEs do not recognize the value of BDS and therefore not willing to pay. Future programs should therefore target a few BDSPs and MSMEs that have better growth potential.

**Capacitate Businesses to Survive the Effects of the COVID-19 pandemic:** To continue building a sustainable BDS market and spur

<sup>1</sup> Mbeya CC hired ENGINE-assisted BDSPs to offer credit readiness training to youth and women economic groups that receive grants/loans from Mbeya CC.

the growth of MSMEs, future program activities will need to come up with short-term, medium-term, and long term responses for BDSPs and MSMEs to respond to business challenges created by the COVID-19 pandemic. For BDSPs this could imply shifting away from physical meetings and group training sessions to virtual meetings and digitalization of MSME support. This could also mean developing specific services/operating procedures (for example improved packaging and hygienical services) for MSMEs involved in selected value chains. The value chains with high potential (from ENGINE's experience) include the following: poultry, beekeeping, salt, seaweed, avocado, horticulture, oil seeds, rice, maize, and dairy.

#### **Continued Support of Regional BDS**

**Alliances:** As supported by ENGINE, BDSP Alliances can play a central role in either carrying out or coordinating actions to address aspects related to the previous recommendations. Whereas ENGINE was successful in setting up these alliances, they will still have to be further strengthened to effectively carry out their core mandate which includes harmonizing the provision of BDS to MSMEs, serving as an interlocutor for BDSPs with the government, and assuring that BDS evolve along a path focused on quality services that respond to specific MSME requirements. Future programming could step in to provide this assistance, as well as assess the continuing role that these alliances should play in fostering a sustainable BDS market.

## **COMPONENT 3 FINANCING FOR GROWTH**

### **Challenges, Adaptations, and Lessons Learned**

**Having partners that are strategically aligned and committed to a program is perhaps the most important factor for success:** At the start of the program, ENGINE was asked to work with four FIs that had DCA guarantee agreements. Because ENGINE and the FIs did not choose each other, the relationships were difficult from their inception. The initial partners did not really value the support that was being offered, so interactions were often difficult. In Year 1, ENGINE began the process of selecting new partners. The initial plan was that these new partners would supplement the original four, but during Year 2, all of the original partnerships ended (each for its own reason, but in all cases, because DCA terminated their guarantee agreements). The four new partnerships were not perfect, but they were markedly more productive. These partners also had challenges. BOA, Finca, and VisionFund each underwent leadership changes during the program. Amana Bank was later added as a fifth partner but again proved much less responsive. The shift away from the originally prescribed partners was a key adaptation that enabled the program to achieve results that would otherwise have not been achieved.

**Taking into consideration the context under which the FIs were operating throughout program implementation:** In the years prior to ENGINE, Tanzania's economy had been growing at a considerable rate. ENGINE's inception coincided with a change



in the administration, whose policies were disruptive to the country's economic growth trajectory. Banks across the board faced great struggles and rates of non-performing loans (NPLs) jumped up sharply. This is important, as ENGINE was promoting the broadening of credit at a time when banks were forced to restrict it.

### **Challenges achieving greater progress through our grants:**

Three organizations selected to receive grants could ultimately not be awarded; after conducting pre-award assessments, our findings showed that these organizations had too many deficiencies in their management to justify releasing funds to them (VisionFund, Jumiya ya Changamoto, and UMI Microfinance). Relatedly, Amana Bank delayed the start of their grant fund by six months and did not respond to requests from USAID for additional documentation. Ultimately, their grant activities began in January 2020 and were prematurely forced to halt once the COVID-19 outbreak took hold.

### **Working with—and through—a local training provider was an important adaptation:**

ENGINE's initial concept did not include a local training provider, but the potential was identified in Year 1 and added in Year 2. TIOB's knowledge of the local finance industry and eagerness to collaborate with ENGINE staff and international experts yielded higher quality training materials that embodied both international best practices and the reality of how finance works in Tanzania. The institution's network enabled ENGINE to develop and deliver higher quality technical assistance to a substantially larger number of bank personnel than would have otherwise been possible. In addition, since these training

courses continue to be offered on a recurring basis, the impact will be sustained beyond the life of project.

Local trainers also proved critical amid the COVID-19 outbreak when international travel was effectively suspended. Despite this, ENGINE was able to still carry out three TA assignments with FI partners using locally-sourced consultants.



*BizFundi facilitator from ENGINE registering an MSME on the platform*

### **Technology is often a barrier, not a link, for agricultural enterprises:**

Unreliable internet service in regional towns was a challenge in creating awareness of the BizFundi online digital platform to producer groups. With a limited familiarity with technology, many MSMEs were reluctant to register on the BizFundi platform, even in areas with access to the internet. Hiring agents to travel throughout ENGINE's ZOI helped persuade some potential users to sign-up and utilize the platform. Another adaptation was the creation, printing, and distribution of paper-based user directories. These physical documents, which



included account holders' contact information and service menus, were popular and appreciated by many beneficiaries.

**B2B events are essential to bridging enterprises with BDSPs and FIs:**

The participatory approach of B2B events enabled different stakeholders to share their work and provided room to engage, network, and close business deals. This increases the opportunity for programs such as ENGINE to bring greater impact to the communities they are working with, as witnessed with the multi-IP sponsored and hosted B2B events discussed in section four of this report.

### Recommendations for Future Programs

**Prioritize interventions that relieve constraints impeding demand for credit and other forms of finance a:**

A great deal was done by ENGINE to address both the supply of and demand for available credit. While both are important, addressing the constraints that impede potential demand will accelerate distribution of financial resources to MSMEs. , Increasing the volume of financial resources that can be made available to small producers through the banking system typically requires changes in government and bank policies and/or procedures, capacitation of bank personnel, and more widely, changes in the mindset of the banking community to increase the volume of loans that are available to the sector. Working with MSMEs to make them "bankable" – especially through the assistance of CR BDSPs – is a more expedient process that can be realized in days and weeks, not months or years. Farmer to Farmer Access to Finance program is applying this recommendation in programming in Tanzania.

**Prioritize the expansion of credit readiness programs:**

This expansion will strengthen the capacity of MSMEs to access loans by linking banks to BDSPs for the purpose of qualifying MSMEs for loans on their behalf (acting as agents), banks can concentrate resources on core bank functions such due diligence and loan closure – resulting in a positive supply effect. There are other opportunities for success with relatively low investment such as modifying bank policies – that will enhance lending operations for MSMEs, particularly small agricultural producers. Some of these concern basic aspects, such as distance requirements of banks for servicing small agricultural producers that could be revised or relaxed, especially for small producer operations that are within a certain limited distance, an approach that has been applied through the IESC Farmer to Farmer Access to Finance program in Tanzania in 2020 with Access Bank.

## ANNEX 1

## FINAL PERFORMANCE INDICATOR TABLE

MEL Plan		Performance Indicator Title (source of information)	Disaggregation	Total ENGINE Year One (FY17) Actuals	Total ENGINE Year Two (FY18) Actuals	Total ENGINE Year Three (FY19) Actuals	Total ENGINE Year Four (FY20) Actuals	Life of Project (LOP) Totals		
Indicator Code	Type							LOP Target	Final Results	%
Activity Purpose: Increase private sector investment leading to inclusive, broad-based economic growth in the SAGCOT, plus Zanzibar										
P1	Custom/ Outcome	Value of new private sector investment facilitated by ENGINE	Aggregate	N/A	USD 2,236,739	USD 8,579,773	USD 2,817,302	USD 8,097,766	USD 13,633,814	168%
			Morogoro	N/A	USD 828,237	USD 3,344,665	USD 992,037	N/A	USD 5,164,939	
			Iringa	N/A	USD 598,017	USD 2,327,831	USD 804,818	N/A	USD 3,730,666	
			Mbeya	N/A	USD 673,776	USD 2,710,295	USD 612,928	N/A	USD 3,996,999	
			Zanzibar	N/A	USD 127,705	USD 187,218	USD 388,065	N/A	USD 702,988	
Component 1: Implementing policies for growth										
1A	Custom/ Outcome	Percent of target LGAs with improved or maintained Local Government Authority Competitiveness Index (LGACI) scores	Overall % of Target LGAs	N/A	Data unavailable	Data unavailable	82%	At least 50% of All 11 target LGAs maintain or improve their LGACI scores	82%	164%
			Number of Morogoro LGAs	N/A	Data unavailable	Data unavailable	2		2	
			Number of Iringa LGAs	N/A	Data unavailable	Data unavailable	2		2	
			Number of Mbeya LGAs	N/A	Data unavailable	Data unavailable	2		2	
			Number of Zanzibar LGAs	N/A	Data unavailable	Data unavailable	3		3	
1B	Custom/ Output and Outcome	Number of business enabling environment policies analyzed, consulted on, drafted or revised, approved, and implemented with USG assistance	Aggregate	71	326	459	108	480	964	201%
			Stage 1	29	101	145	38	240	313	130%
			Stage 2	37	158	205	9	120	409	341%
			Stage 3	3	45	86	18	70	152	217%
			Stage 4	2	16	20	25	30	63	210%
			Stage 5	0	6	3	18	20	27	135%
			Total Policies Passing 1 or More Steps	12	114	106	65	N/A	297	
1C	Custom/ Outcome	Number of policies with reform recommendations	Aggregate	80	167	82	35	243	364	150%
			Morogoro Municipal Council	21	10	4	1	N/A	36	

MEL Plan		Performance Indicator Title ( <i>source of information</i> )	Disaggregation	Total ENGINE Year One (FY17) Actuals	Total ENGINE Year Two (FY18) Actuals	Total ENGINE Year Three (FY19) Actuals	Total ENGINE Year Four (FY20) Actuals	Life of Project (LOP) Totals		
Indicator Code	Type							LOP Target	Final Results	%
		made to the relevant authority in forums with key stakeholders present	Kilosa District Council	0	16	2	3	N/A	21	
			Iringa Municipal Council	21	18	5	8	N/A	52	
			Mufindi District Council	0	13	4	0	N/A	17	
			Mbeya City Council	13	5	14	4	N/A	36	
			Kyela District Council	0	21	4	3	N/A	28	
			Zanzibar Urban Municipal Council	0	13	2	1	N/A	16	
			Chake Chake Town Council	0	7	7	0	N/A	14	
			Wete Town Council	0	7	6	0	N/A	13	
			West A Municipal Council	0	13	9	0	N/A	22	
			West B Municipal Council	0	18	4	0	N/A	22	
			Morogoro	21	26	6	4	N/A	57	
			Iringa	21	31	9	8	N/A	69	
			Mbeya	13	26	18	7	N/A	64	
			Zanzibar	0	58	28	1	N/A	87	
1D	Custom/ Output	Number of roadmaps for regulations and administrative procedures made publicly available	Aggregate	0	6	23	0	26	29	112%
			Morogoro Municipal Council	0	2	3	0	N/A	5	
			Kilosa District Council	0	2	0	0	N/A	2	
			Iringa Municipal Council	0	2	2	0	N/A	4	
			Mufindi District Council	0	0	2	0	N/A	2	
			Mbeya City Council	0	0	2	0	N/A	2	
			Kyela District Council	0	0	4	0	N/A	4	
			Zanzibar Urban Municipal Council	0	0	2	0	N/A	2	
			Chake Chake Town Council	0	0	2	0	N/A	2	
			Wete Town Council	0	0	2	0	N/A	2	

MEL Plan		Performance Indicator Title ( <i>source of information</i> )	Disaggregation	Total ENGINE Year One (FY17) Actuals	Total ENGINE Year Two (FY18) Actuals	Total ENGINE Year Three (FY19) Actuals	Total ENGINE Year Four (FY20) Actuals	Life of Project (LOP) Totals		
Indicator Code	Type							LOP Target	Final Results	%
			West A Municipal Council	0	0	2	0	N/A	2	
			West B Municipal Council	0	0	2	0	N/A	2	
1E	Custom/ Output	Number of broad public and private stakeholders' business enabling environment (BEE) policy forums established or supported	Aggregate	14	27	42	11	67	94	140%
			Morogoro	3	11	9	1	N/A	24	
			Iringa	5	5	7	0	N/A	17	
			Mbeya	3	7	9	6	N/A	25	
			Zanzibar	1	3	16	4	N/A	24	
1F	Custom/ Outcome	Average percent change from previous year in business licenses issued across all target LGAs	Aggregate	N/A	56.2%	3.1%	3.7%	At least 20% increase from baseline as an average across all mainland target LGAs, and at least 10% across all targeted LGAs in Zanzibar	63%	315%
			Morogoro Municipal Council	N/A	14.5%	12.9%	8.3%		Mainland LGAs:	
			Kilosa District Council	N/A	32.8%	-3.1%	-2.7%		74%	370%
			Iringa Municipal Council	N/A	44.1%	7.4%	14.1%			
			Mufindi District Council	N/A	Data unavailable	-4.7%	43.3%			
			Mbeya City Council	N/A	19.7%	6.6%	-1.1%			
			Kyela District Council	N/A	169.8%	12.8%	13.6%			
			Zanzibar Urban Municipal Council	N/A	Data unavailable	11.7%	-26.4%		Zanzibar LGAs:	
			Chake Chake Town Council	N/A	Data unavailable	-0.1%	-31.3%		-6.7%	-67%
			Wete Town Council	N/A	Data unavailable	-2.7%	14.0%			
			West A Municipal Council	N/A	Data unavailable	-1.0%	7.0%			
			West B Municipal Council	N/A	Data unavailable	-6.1%	1.5%			
1G	Custom/ Output	Number of individuals trained on the job in women/youth integration, policy analysis, policy design, advocacy, and implementation	Aggregate	253	404	808	630	1,500	2,095	140%
			Women	182	144	254	218	N/A	798	
			Youth	71	168	379	257	N/A	875	
			Public Sector Affiliated	Data unavailable	285	543	508	N/A	1336	
			Private Sector Affiliated	Data unavailable	119	265	122	N/A	506	



MEL Plan		Performance Indicator Title <i>(source of information)</i>	Disaggregation	Total ENGINE Year One (FY17) Actuals	Total ENGINE Year Two (FY18) Actuals	Total ENGINE Year Three (FY19) Actuals	Total ENGINE Year Four (FY20) Actuals	Life of Project (LOP) Totals		
Indicator Code	Type							LOP Target	Final Results	%
1H	Custom/ Outcome	Number of operating units across target LGAs receiving policy analysis capacity building	Aggregate	51	127	259	253	377	690	183%
1I	Custom/ Output	Number of institutions engaged in policy reform work strengthened and/or established	Aggregate	9	39	49	51	150	148	99%
			Public Sector Affiliated	Data unavailable	28	39	43	N/A	110	
			Private Sector Affiliated	Data unavailable	11	10	8	N/A	29	
Component 2: Equipping for growth										
2A	Custom/ Outcome	Value of sales by ENGINE supported BDS providers	Aggregate	N/A	USD 333,682	USD 603,051	USD 592,903	USD 1,360,000	USD 1,529,636	112%
			Women Owned/Managed	N/A	USD 113,645	USD 301,226	USD 232,387	N/A	USD 647,258	
			Youth Owned/Managed	N/A	USD 119,094	USD 373,047	USD 332,745	N/A	USD 824,887	
2B	Custom/ Outcome	Percent change in revenue of MSMEs within the ZOI purchasing services from ENGINE-supported BDS providers	Aggregate	N/A	8.1%	10.2%	11.5%	15% Increase On average from Baseline	29.9%	199%
			Women Owned/Managed	N/A	8.6%	9.3%	14.1%		32.0%	
			Jointly Owned/Managed	N/A	9.9%	13.7%	12.2%		35.8%	
			Youth Owned/Managed	N/A	8.1%	10.8%	11.6%		30.5%	
			Morogoro	N/A	9.2%	12.3%	12.3%		33.8%	
			Iringa	N/A	9.2%	11.9%	10.3%		31.3%	
			Mbeya	N/A	5.5%	7.4%	11.2%		24.1%	
			Zanzibar	N/A	9.9%	11.6%	13.6%		35.0%	
			Micro	N/A	8.3%	10.2%	11.0%		29.4%	
			Small	N/A	10.0%	10.9%	11.0%		32.0%	
			Medium	N/A	8.0%	N/A	30.5%		38.5%	
2C	Custom/ Outcome	Number of jobs created by private enterprises, business associations, and	Aggregate	N/A	199	707	770	2,186	1676	77%
			Women	N/A	107	294	389	N/A	789	
			Youth	N/A	186	593	597	N/A	1376	

MEL Plan		Performance Indicator Title ( <i>source of information</i> )	Disaggregation	Total ENGINE Year One (FY17) Actuals	Total ENGINE Year Two (FY18) Actuals	Total ENGINE Year Three (FY19) Actuals	Total ENGINE Year Four (FY20) Actuals	Life of Project (LOP) Totals		
Indicator Code	Type							LOP Target	Final Results	%
		CSOs within the ZOI who received ENGINE assistance	Morogoro	N/A	34	124	50	N/A	207	
			Iringa	N/A	31	163	119	N/A	312	
			Mbeya	N/A	113	248	377	N/A	737	
			Zanzibar	N/A	23	104	78	N/A	205	
2D	EG3.2/Output	Number of individuals participating in USG food security programs	Aggregate	N/A	479	991	900	1,404	2370	169%
			Sex: Female	N/A	150	318	321	N/A	789	
			Sex: Male	N/A	317	667	577	N/A	1561	
			Sex: N/A	N/A	12	6	2	N/A	20	
			Age: Youth (15-35)	N/A	194	489	406	N/A	1089	
			Age: Non-Youth (35+)	N/A	266	482	467	N/A	1215	
			Age: N/A	N/A	19	20	26	N/A	65	
			Type of Individual: People in Government	N/A	291	527	586	N/A	1404	
			Type of Individual: Proprietors & Employees of USG-assisted private sector firms	N/A	72	253	118	N/A	443	
			Type of Individual: People in civil society	N/A	116	211	196	N/A	523	
2E	Custom /Output	Number of MSMEs purchasing services from ENGINE-supported BDS providers	Aggregate	N/A	4,308	3,487	2,443	2,600	10,238	394%
			Women Owned/Managed	N/A	1,926	1,050	1,151	N/A	4,127	
			Youth Owned/Managed	N/A	2,228	1,459	1,372	N/A	5,059	
			Morogoro	N/A	534	1,118	876	N/A	2,528	
			Iringa	N/A	1,097	1,062	514	N/A	2,673	
			Mbeya	N/A	1,535	734	437	N/A	2,706	
			Zanzibar	N/A	1,142	573	616	N/A	2,331	

MEL Plan		Performance Indicator Title ( <i>source of information</i> )	Disaggregation	Total ENGINE Year One (FY17) Actuals	Total ENGINE Year Two (FY18) Actuals	Total ENGINE Year Three (FY19) Actuals	Total ENGINE Year Four (FY20) Actuals	Life of Project (LOP) Totals		
Indicator Code	Type							LOP Target	Final Results	%
			Micro	N/A	3,299	2,729	2,044	N/A	8,072	
			Small	N/A	288	172	385	N/A	845	
			Medium	N/A	85	23	14	N/A	122	
2F	Custom/ Output	Number of MSMEs informed about BDS and financial services	Aggregate	691	3,945	3,233	849	5,700	8,718	153%
			Women Owned/Managed	368	1,793	1,416	436	N/A	4,013	
			Youth Owned/Managed	147	2,254	2,094	427	N/A	4,922	
			Morogoro	137	1,114	746	126	N/A	2,123	
			Iringa	155	875	487	334	N/A	1,851	
			Mbeya	236	955	882	15	N/A	2,088	
			Zanzibar	163	633	381	374	N/A	1,551	
2G	Custom/ Output	Number of MSMEs issued with e-Coupons	Aggregate	N/A	490	762	1,056	600	2,308	385%
			Micro	N/A	436	676	907	N/A	2,019	
			Small	N/A	53	84	149	N/A	286	
			Medium	N/A	1	2	0	N/A	3	
2H	Custom/ Outcome	Number of BDS providers receiving ENGINE assistance	Aggregate	95	105	95	80	405	375	93%
			Women Owned/Managed	49	40	37	26	N/A	152	
			Youth Owned/Managed	27	27	38	28	N/A	120	
			Morogoro	15	14	15	14	N/A	58	
			Iringa	20	20	22	16	N/A	78	
			Mbeya	32	40	31	19	N/A	122	
			Zanzibar	28	31	27	31	N/A	117	
2I	Custom/ Outcome	Number of new products or services offered by ENGINE-supported BDSPs	Aggregate	0	193	99	70	48	362	754%

MEL Plan		Performance Indicator Title <i>(source of information)</i>	Disaggregation	Total ENGINE Year One (FY17) Actuals	Total ENGINE Year Two (FY18) Actuals	Total ENGINE Year Three (FY19) Actuals	Total ENGINE Year Four (FY20) Actuals	Life of Project (LOP) Totals		
Indicator Code	Type							LOP Target	Final Results	%
Component 3: Financing for growth										
3A	Custom/ Outcome	Percent of DCA utilization among partner financial institutions	Amana Bank	N/A	N/A	N/A	2.5%	N/A	2.5%	N/A
3B	EG 3.2-27/ Output	Value of agriculture-related financing accessed as a result of USG assistance	Value of Loans- Aggregate	N/A	USD 716,890	USD 5,120,156	USD 1,306,487	USD 1,803,750	USD 7,143,533	396%
			Value of Loans- Women Owned	N/A	USD 319,994	USD 2,513,975	USD 719,861	N/A	USD 3,553,829	
			Value of Loans- Male Owned	N/A	USD 393,914	USD 2,598,568	USD 583,190	N/A	USD 3,575,672	
			Value of Loans- Jointly Owned: Gender	N/A	USD 0	USD 3,627	USD 0	N/A	USD 3,627	
			Value of Loans- N/A: Gender	N/A	USD 2,982	USD 3,987	USD 3,436	N/A	USD 10,404	
			Value of Loans- Youth Owned	N/A	USD 206,011	USD 1,515,852	USD 479,518	N/A	USD 2,201,381	
			Value of Loans- Non-Youth Owned	N/A	USD 510,879	USD 3,554,641	USD 826,968	N/A	USD 4,892,488	
			Value of Loans- Jointly Owned: Youth	N/A	USD 0	USD 48,943	USD 0	N/A	USD 48,943	
			Value of Loans- N/A: Youth	N/A	USD 0	USD 720	USD 0	N/A	USD 720	
			Value of Loans- Micro	N/A	USD 499,360	USD 4,380,117	USD 1,306,487	N/A	USD 6,185,964	
			Value of Loans- Small	N/A	USD 217,530	USD 608,940	USD 0	N/A	USD 826,471	
			Value of Loans- Medium	N/A	USD 0	USD 131,099	USD 0	N/A	USD 131,099	
			# of Loans- Aggregate	N/A	1,631	8,917	3,457	N/A	14,005	
			# of Loans- Women Owned	N/A	880	5,184	1,923	N/A	7,987	
			# of Loans- Male Owned	N/A	738	3,719	1,529	N/A	5,986	
			# of Loans- Jointly Owned: Gender	N/A	0	5	0	N/A	5	
			# of Loans- N/A: Gender	N/A	13	9	5	N/A	27	



MEL Plan		Performance Indicator Title ( <i>source of information</i> )	Disaggregation	Total ENGINE Year One (FY17) Actuals	Total ENGINE Year Two (FY18) Actuals	Total ENGINE Year Three (FY19) Actuals	Total ENGINE Year Four (FY20) Actuals	Life of Project (LOP) Totals		
Indicator Code	Type							LOP Target	Final Results	%
			# of Loans- Youth Owned	N/A	663	3,396	1,543	N/A	5,602	
			# of Loans- Non-Youth Owned	N/A	968	5,395	1,914	N/A	8,277	
			# of Loans- Jointly Owned: Youth	N/A	0	124	0	N/A	124	
			# of Loans- N/A: Youth	N/A	0	2	0	N/A	2	
			# of Loans- Micro	N/A	1,500	8,846	3,457	N/A	13,803	
			# of Loans- Small	N/A	131	69	0	N/A	200	
			# of Loans- Medium	N/A	0	2	0	N/A	2	
3C	Custom/ Outcome	Percent increase in number of business loans issued to MSMEs operating within the ZOI from financial institutions receiving ENGINE assistance	Aggregate	N/A	8.3%	-4.2%	-48.0%	15%	-43.9%	-293%
			Women Owned/Managed	N/A	-21.9%	-7.9%	-48.0%	N/A	-77.8%	
			Youth Owned/Managed	N/A	-1.8%	-6.3%	-50.4%	N/A	-58.4%	
			FINCA	N/A	28.0%	11.9%	-53.2%	N/A	-13.3%	
			VISIONFUND	N/A	-53.2%	-32.3%	-49.1%	N/A	-134.6%	
			YETU	N/A	Not Reported	-13.4%	-32.4%	N/A	-45.9%	
			AMANA BANK	N/A	N/A	N/A	N/A	N/A	N/A	
			BANK OF AFRICA	N/A	50.0%	N/A	85.7%	N/A	135.7%	
3D	Custom/ Outcome	Percent increase in value of loans issued to MSMEs operating within the ZOI from financial institutions receiving ENGINE assistance	Aggregate	N/A	38.6%	-2.5%	-34.8%	15%	1.3%	9%
			Women Owned/Managed	N/A	-44.7%	-0.1%	-38.6%	N/A	-83.5%	
			Youth Owned/Managed	N/A	-27.6%	5.4%	-50.2%	N/A	-72.5%	
			FINCA	N/A	8.2%	4.7%	-34.6%	N/A	-21.7%	
			VISIONFUND	N/A	-44.7%	-23.4%	-42.9%	N/A	-111.0%	
			YETU	N/A	Not Reported	-18.4%	-28.0%	N/A	-46.4%	
			AMANA BANK	N/A	N/A	N/A	N/A	N/A	N/A	
			BANK OF AFRICA	N/A	152.4%	N/A	90.1%	N/A	242.5%	

MEL Plan		Performance Indicator Title <i>(source of information)</i>	Disaggregation	Total ENGINE Year One (FY17) Actuals	Total ENGINE Year Two (FY18) Actuals	Total ENGINE Year Three (FY19) Actuals	Total ENGINE Year Four (FY20) Actuals	Life of Project (LOP) Totals		
Indicator Code	Type							LOP Target	Final Results	%
3E	Custom/ Output	Number of Financial Institutions staff trained	Aggregate	75	109	247	180	550	611	111%
			Women	29	36	89	46	N/A	200	
			Youth	13	61	98	102	N/A	274	
3F	Custom/ Output	Number of financial institution policies or practices changed to cater to overlooked clients as a result of ENGINE assistance	Aggregate	N/A	4	10	7	7	21	300%
3G	Custom/ Outcome	Number of users registered on the BizFundi platform	Aggregate	180	2,505	840	112	1,380	3,637	264%
			Women	66	1,242	368	47	N/A	1,723	
			Youth	60	1,645	609	45	N/A	2,359	
Cross-Cutting (Volunteerism)										
CC1	Custom/ Output	Number of volunteer expert assignments mobilized	Aggregate	28	28	28	11	117	95	81%
			Women	10	9	18	5	N/A	42	
			Component 1	11	12	4	3	N/A	30	
			Component 2	3	7	6	4	N/A	20	
			Component 3	11	9	17	4	N/A	41	
CC2	Custom/ Output	Number of days of volunteer expert service delivered	Aggregate	587	674	804	229	2,700	2,294	85%
			Component 1	349	253	64	66	N/A	733	
			Component 2	84	224	191	102	N/A	601	
			Component 3	91	197	445	60	N/A	793	
CC3	Custom/ Output	Value of volunteer expert service	Aggregate	USD 388,788	USD 468,334	USD 466,461	USD 188,942	USD 1,548,062	USD 1,512,525	98%
			Component 1	USD 192,564	USD 182,049	USD 37,805	USD 54,009	N/A	USD 466,427	
			Component 2	USD 66,393	USD 162,388	USD 137,060	USD 73,482	N/A	USD 439,323	
			Component 3	USD 80,749	USD 123,897	USD 291,597	USD 61,451	N/A	USD 557,694	

MEL Plan		Performance Indicator Title ( <i>source of information</i> )	Disaggregation	Total ENGINE Year One (FY17) Actuals	Total ENGINE Year Two (FY18) Actuals	Total ENGINE Year Three (FY19) Actuals	Total ENGINE Year Four (FY20) Actuals	Life of Project (LOP) Totals		
Indicator Code	Type							LOP Target	Final Results	%
CC4	GNDR-2/ Output	Percentage of female participants in USG-assisted programs designed to increase access to productive economic resources	Aggregate	N/A	54.4%	58.2%	55.7%	45%	57.2%	127%
CC5	YOUTH-3/ Output	Percentage of participants in USG-assisted programs designed to increase access to productive economic resources who are youth (15-29)	Aggregate	N/A	40.6%	38.6%	44.6%	40%	40.4%	101%

**Footnotes:**

1. For Custom Indicator 2A, the value of sales of BDS providers includes both sales of stand-alone BDS by traditional types of BDSPs as well as sales of providers who bundle BDS with other goods/products that they sell to MSME clients. An example of such a bundled BDS product would be agri-input sellers providing BDS extension advice to farmers who purchase fertilizers and chemicals from them, where the cost of that extension advice is bundled with the agri-input sales price. It would be cost-prohibitive to attempt to extrapolate the value of the BDS itself from the sale price and thus the total value is taken.
2. For Custom indicator 3A, the utilization rate is taken from USAID's Credit Management System (CMS). These data are reported semi-annually, with the next update scheduled for July 2020. ENGINE's targets for this indicator were tied to previous DCA guarantee partners. This quarter is the first that ENGINE included data from Amana Bank. ENGINE has not set a target for this indicator because programmatic activities are scheduled to conclude in May 2020, prior to this indicator being updated.
3. "N/A" refers to data points where either no data collection was conducted by ENGINE as the activity implementation was not at a stage to reasonably yield results for the indicator or data points where no Y2 or LOP targets were set in the MEL Plan. "Data unavailable" refers to data points where the activity implementation has proceeded to a stage to yield results, but no data can be reported due to either reporting issues faced with the partner or other issues related to the indicators reporting period (ie. Quarterly vs Annual reporting).
4. To accommodate Financial Institutions required lead times needed to consolidate their lending records and other data that they report to ENGINE at the end of each quarter, the FI reporting period will conclude one month prior to ENGINE's reporting period, e.g., Sept-Nov, Dec-Feb, Mar-May, Jun-Aug.
5. Due to data limitations relating to Financial Institutions' capture of MSMEs employment level in their loans database, the FI's categorize the MSMEs size based on the size of their loans and/or loan product. Each FI based on their target market for loans have slightly different ranges in loan sizes that define what is a Micro, Small or Medium-sized enterprise. Based on secondary research and an analysis of each of their categorizations, ENGINE will define micro enterprise as those taking loans up to TZS 5million

(USD2,170 at current exchange rates), Small enterprise between TZS 5million to TZS 200 million (USD 2,170 to USD 87,000), and a Medium enterprise as between TZS 200million to TZS 800 million (USD 87,000 to USD 347,000). This definition best fits with the FTF global definition based around employment (ie. micro enterprise has less than 10 employees, Small has between 10 to 49 employees and Medium has between 50 to 249 employees) and is a consequence of the Tanzanian FI partner database limitations.

6. For the percentage change type custom indicators 1F, 2B, 3C, and 3D, following a review of the method used to calculate their cumulative LOP actuals (and also taking into account the method used during their target setting) it was agreed that the cumulative LOP actuals would be an annually calculated dataset, calculated by taking the sum of the yearly average percentage point changes. The yearly average would be calculated by taking the average of the percentage changes reported during the 4 quarters of the year. For Amana Bank, as we are only reporting on their entirely new lending in Zanzibar that commenced in FY'20Q2 as a result of ENGINE assistance, we were unable to report on year-on-year percentage improvement indicators 3C and 3D as their FY'19Q2 comparison values which form the denominator is 0.
7. For Standard Indicator 3B (EG3.2-27), there were adjustments made to the FY'20 Quarter 2 reported value for the disaggregation points tracking the value and number of loans to individuals whose gender data is unavailable, ie. "N/A- Gender". These disaggregation points were incorrectly reported as "0" in FY'20 Quarter 2.



## ANNEX 2

### LIST OF REPORTS AND KNOWLEDGE PRODUCTS

NO.	PRODUCT NAME	AUTHOR	DATE
<b>COMPONENT 1</b>			
1	Zanzibar National Chamber of Commerce, Industry and Agriculture (ZNCCIA) Organizational Development Assessment	[REDACTED]	Jun-17
2	Morogoro 2018 Action Plan	[REDACTED]	Jul-17
3	Iringa Land Use Planning Reform Report	[REDACTED]	Aug-17
4	Morogoro Institutional Architecture Assessment	[REDACTED]	Aug-17
5	Improving the Capacity of Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA) Mbeya	[REDACTED] [REDACTED]	Nov-17
6	Solid Waste Management Kyela District Council (DC)	[REDACTED]	Nov-17
7	Zanzibar Decentralization-by-Devolution (D-by-D) Initiative Assessment	[REDACTED]	Nov-17
8	Service Levy Revenue Improvement Strategies in Mbeya	[REDACTED]	Mar-18
9	TCCIA Mbeya Membership Improvement Strategies	[REDACTED]	Mar-18
10	TCCIA Mbeya Organizational Development	[REDACTED] [REDACTED]	Mar-18
11	TCCIA Morogoro Membership Improvement Strategies	[REDACTED]	Apr-18
12	Business Formalization Survey Report	[REDACTED] [REDACTED] [REDACTED]	May-18
13	Institutional and Capability Analysis of Councils in Zanzibar	[REDACTED]	May-18
14	Institutional Architecture Assessment (IAA) Kyela DC	[REDACTED]	Jul-18
15	Public-Private Dialogue (PPD) Guidelines and Procedures Zanzibar National Business Council (ZNBC)	[REDACTED] [REDACTED]	Jul-18
16	Assessment of Local Economic Development (LED) of President's Office for Regional Administration, Local Government and Special Departments (PO-RALGSD)	[REDACTED]	Aug-18
17	Concept Note Business Formalization Survey	[REDACTED]	Aug-18
18	Kilosa 2018-2019 Action Plan	[REDACTED]	Aug-18

NO.	PRODUCT NAME	AUTHOR	DATE
19	Kilosa IAA Report	[REDACTED]	Aug-18
20	Morogoro Solid Waste Management	[REDACTED]	Aug-18
21	Mufindi IAA Report	[REDACTED]	Aug-18
22	Urban Municipal Council (MC) IAA Report	[REDACTED]	Sep-18
23	West A MC IAA Report	[REDACTED]	Sep-18
24	West B MC IAA Report	[REDACTED]	Sep-18
25	TCCIA Morogoro Organizational Development	[REDACTED]	Sep-18
26	Solid Waste Management Mbeya City Council (CC)	[REDACTED]	Nov-18
27	Iringa Solid Waste Management Assessment	[REDACTED]	Nov-18
28	Strategic Plan Mbeya CC	[REDACTED]	Nov-18
29	Tanzania National Business Council (TNBC) PPD Structure and Guidelines	[REDACTED]	Nov-18
30	Pemba Local Government Authority (LGA) IAA Report	[REDACTED]	Dec-18
31	Improving the Capacity of TCCIA Iringa	[REDACTED] [REDACTED]	Dec-18
32	ZNBC PPD Structure and Guidelines	[REDACTED]	Dec-18
33	Revenue Enhancement Plan	[REDACTED] [REDACTED]	Mar-19
34	Iringa Five Year Strategic Plan Review	[REDACTED]	Apr-19
35	Report on Local Government Authority Competitiveness Index (LGACI) Online Training	[REDACTED] [REDACTED]	Apr-19
36	Strategic Plan Kyela DC	[REDACTED]	Apr-19
37	Online Policy Reform Priority Setting Tool (PRPT) and LGACI System Pretesting	[REDACTED]	May-19
38	Membership, Communication and Marketing Strategies TCCIA Mbeya	[REDACTED]	Sep-19
39	Iringa TCCIA Membership communication and Marketing Strategies	[REDACTED]	Oct-19
40	Kilosa DC Strategic Plan	[REDACTED]	Oct-19
41	Strategic Plan Urban Municipal Council (MC)	[REDACTED]	Oct-19

NO.	PRODUCT NAME	AUTHOR	DATE
42	Strategic Plan West A MC		Oct-19
43	Strategic Plan West B MC		Oct-19
44	TCCIA Morogoro Marketing Communication and Membership Strategy		Oct-19
45	Urban MC Investment Profile		Oct-19
46	West A MC Investment Profile		Oct-19
47	West B MC Investment Profile		Oct-19
48	Strategic Plan Chake Chake Town Council (TC)		Nov-19
49	Strategic Plan Wete TC		Nov-19
50	Morogoro Investment Promotional Strategies		Dec-19
51	Kyela DC Investment and Promotional Strategies		Feb-20
52	Iringa Investment Opportunity Target Sheets		Mar-20
53	Iringa Investment Profile Strategies		Mar-20
54	Review of Zanzibar Growth Strategy Zanzibar Planning Commission (ZPC)		Mar-20
55	Improving the Capacity of TCCIA Kyela		Apr-20
<b>COMPONENT 2</b>			
1	Field Assessment of Business Development Services (BDS) Market Needs		Mar-17
2	BDS Service Design and Delivery (Morogoro and Iringa)		Sep-17
3	Service Design and Delivery Morogoro and Iringa		Sep-17
4	BDS Service Design and Delivery (Zanzibar and Mbeya)		Oct-17
5	Financial Management		Oct-17
6	BDS Marketing (Zanzibar and Mbeya)		Nov-17
7	BDS Service Design and Delivery (Iringa and Morogoro)		Nov-17
8	BDSPs Internal Communication		Nov-17

NO.	PRODUCT NAME	AUTHOR	DATE
9	Accounting and Financial Management	██████████	Mar-18
10	Lead Firm Business Development Service Provider (BDSP) Assessment	██████████	Mar-18
11	BDS Marketing and Sales (Morogoro and Mbeya)	██████████	Aug-18
12	BDS Marketing and Sales (Zanzibar and Iringa)	██████████	Sep-18
13	Developing Relations with Lead Firms	██████████	Sep-18
14	Building Capacity of BDSPs in the Consultancy Process	██████████	Dec-18
15	Formation of Group Farmers with Lead Firms	██████████	Dec-18
16	Improvement of Training Skills and Materials	██████████	Jun-19
17	Strategic Planning Zanzibar and Morogoro	██████████	Aug-19
18	BDSP Formalization Compliance Guide	██████████	Sep-19
19	Strategic Planning Iringa and Mbeya	██████████	Sep-19
20	Building Regional BDSP Networks and Alliances Zanzibar	██████████	Dec-19
21	Food Safety, Traceability, and Global GAP	██████████	Dec-19
22	Islamic Financing and Management Training to BDSP	██████████	Dec-19
23	Market Linkages Zanzibar, Pemba and Iringa	██████████	Dec-19
24	Assessing Lead Firm Sector Interventions and Developing Updated Strategies	██████████	May-20
<b>COMPONENT 3</b>			
1	Assessment of Financial Institutions (FI) to determine technical assistance and training needs	██████████	Feb-17
2	Credit Readiness and Loan Packaging	██████████	Oct-17
3	Developing an Agriculture Lending Strategy	██████████	Nov-17
4	Core Banking System Analysis	██████████	Nov-17
5	Micro, Small and Medium Enterprise (MSME) Credit Risk Management & Problem loans Training	██████████	Apr-17
6	Risk Management Assessment	██████████	Sep-17
7	Agriculture Course Development	██████████	Mar-18



NO.	PRODUCT NAME	AUTHOR	DATE
8	Bank Process Improvement	[REDACTED]	Jun-18
10	Credit Readiness and Loan Packaging	[REDACTED]	Feb-18
11	Loan Workout and Collection	[REDACTED]	Mar-18
12	Producer Organizations Credit Assessment (NAFAKA)	[REDACTED]	Dec-18
13	Small and Medium Enterprise (SME) Credit Risk Management Framework Review (FINCA, VisionFund, Yetu)	[REDACTED]	Nov-18
14	SME Lending (FINCA and Yetu trip reports)	[REDACTED]	Sep-18
15	Youth Lending Assessment (VisionFund)	[REDACTED]	Oct-18
16	Building the Capacity of Leadership at Financial Institutions in Tanzania	[REDACTED]	May-19
17	FINCA Project Management Analysis	[REDACTED]	May-19
18	Strategic Planning for Tanzania Institute of Bankers	[REDACTED]	May-19
19	Customer Service tools for Bank Of Africa (BOA) Tanzania	[REDACTED]	Aug-19
20	East Africa Banking School Master Class	[REDACTED]	Aug-19
21	Islamic Financing Assignment Report	[REDACTED]	Sep-19
22	Environmental Compliance for Amana Bank	[REDACTED]	Oct-19
23	Microfinance Policy and Framework - Changamoto	[REDACTED]	Oct-19
24	Marketing Tools and Strategy for Yetu Microfinance	[REDACTED]	Dec-19
25	Credit Readiness Training for BDSPs	[REDACTED]	Jan-20
26	Customer Experience Strategy FINCA	[REDACTED]	Feb-20
27	Recoveries and Debt Collection FINCA	[REDACTED]	Feb-20
28	Tanzania Institute of Bankers Digital Media Production	[REDACTED]	May-20
29	Funds and Treasury Management Yetu	[REDACTED]	Jun-20
30	Financial Analysis Yetu	[REDACTED]	Jun-20
31	Credit Risk Mitigation BOA Tanzania	[REDACTED] [REDACTED]	Jul-20

## ANNEX 3

### LIST OF BUSINESS ENABLING ENVIRONMENT POLICIES

NO	POLICY REFORM NAME	LGA PARTNER	TYPE OF POLICY REFORM	IMPLEMENTATION STATE REACHED
1	Business License Fee Schedule Documentation Reform-Roadmaps	Morogoro MC	Administrative Procedures	Stage 5: Full & Effective Implementation
2	Business License Procedures Documentation Reform-Roadmaps	Morogoro MC	Administrative Procedures	Stage 5: Full & Effective Implementation
3	Crop Tax and Mixed Crops Fee Schedule Documentation Reform Roadmap	Kyela DC	Administrative Procedures	Stage 5: Full & Effective Implementation
4	Crop Tax and Mixed Crops Payment Procedures Documentation Reform Roadmap	Kyela DC	Administrative Procedures	Stage 5: Full & Effective Implementation
5	Crop Tax By Law	Mbeya CC	By Law	Stage 5: Full & Effective Implementation
6	Development of the LGACI Reform	LGTI	Administrative Procedures	Stage 5: Full & Effective Implementation
7	Environmental Conservation By Law	Mbeya CC	By Law	Stage 5: Full & Effective Implementation
8	Fees and Levies By law	Mbeya CC	By Law	Stage 5: Full & Effective Implementation
9	Fees and Levies By law	Morogoro MC	By Law	Stage 5: Full & Effective Implementation
10	Forest Product Tax By Law	Mbeya CC	By Law	Stage 5: Full & Effective Implementation
11	Investment Promotion Strategy	Mbeya CC	Administrative Procedures	Stage 5: Full & Effective Implementation
12	LGA Strategic Plan Reform	Mbeya CC	Administrative Procedures	Stage 5: Full & Effective Implementation
13	LGA usage of the LGACI Reform	Kyela DC	Administrative Procedures	Stage 5: Full & Effective Implementation
14	LGA usage of the LGACI Reform	West A DC	Administrative	Stage 5: Full & Effective

NO	POLICY REFORM NAME	LGA PARTNER	TYPE OF POLICY REFORM	IMPLEMENTATION STATE REACHED
			Procedures	Implementation
15	LGA usage of the LGACI Reform	West B DC	Administrative Procedures	Stage 5: Full & Effective Implementation
16	LGA usage of the LGACI Reform	Zanzibar Urban DC	Administrative Procedures	Stage 5: Full & Effective Implementation
17	Parking Fees By Law	Mbeya CC	By Law	Stage 5: Full & Effective Implementation
18	Produce Market Levy By Law	Mbeya CC	By Law	Stage 5: Full & Effective Implementation
19	PRPT & LGACI Online Systems Development Reform	PO-RALG	Administrative Procedures	Stage 5: Full & Effective Implementation
20	Revenue Enhancement Plan	Mbeya CC	Administrative Procedures	Stage 5: Full & Effective Implementation
21	Sanitation & Environmental By Law	Mbeya CC	By Law	Stage 5: Full & Effective Implementation
22	Service Levy Bylaw Reform	Mbeya CC	By Law	Stage 5: Full & Effective Implementation
23	TCCIA Membership Registration Procedures Reform	TCCIA Morogoro	Administrative Procedures	Stage 5: Full & Effective Implementation
24	TCCIA Communication and Marketing Procedures Reform	TCCIA Iringa	Administrative Procedures	Stage 5: Full & Effective Implementation
25	TCCIA Communication and Marketing Procedures Reform	TCCIA Mbeya	Administrative Procedures	Stage 5: Full & Effective Implementation
26	TCCIA Communication and Marketing Procedures Reform	TCCIA Morogoro	Administrative Procedures	Stage 5: Full & Effective Implementation
27	ZNBC Public Private Dialogue Guideline and Procedures Reform	ZNBC	Administrative Procedures	Stage 5: Full & Effective Implementation
28	Building Permit Procedures Reform- Roadmaps	Iringa MC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
29	Building Permit Procedures Reform- Roadmaps	Morogoro MC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities

NO	POLICY REFORM NAME	LGA PARTNER	TYPE OF POLICY REFORM	IMPLEMENTATION STATE REACHED
30	Business License Fee Schedule Documentation Reform-Roadmaps	Chake Chake DC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
31	Business License Fee Schedule Documentation Reform-Roadmaps	Iringa MC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
32	Business License Fee Schedule Documentation Reform-Roadmaps	Kilosa DC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
33	Business License Fee Schedule Documentation Reform-Roadmaps	Kyela DC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
34	Business License Fee Schedule Documentation Reform-Roadmaps	Mbeya CC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
35	Business License Fee Schedule Documentation Reform-Roadmaps	Mufindi DC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
36	Business License Fee Schedule Documentation Reform-Roadmaps	West A DC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
37	Business License Fee Schedule Documentation Reform-Roadmaps	West B DC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
38	Business License Fee Schedule Documentation Reform-Roadmaps	Wete DC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
39	Business License Fee Schedule Documentation Reform-Roadmaps	Zanzibar Urban DC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
40	Business License Procedures Documentation Reform-Roadmaps	Chake Chake DC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
41	Business License Procedures Documentation Reform-Roadmaps	Iringa MC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities



NO	POLICY REFORM NAME	LGA PARTNER	TYPE OF POLICY REFORM	IMPLEMENTATION STATE REACHED
42	Business License Procedures Documentation Reform-Roadmaps	Kilosa DC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
43	Business License Procedures Documentation Reform-Roadmaps	Kyela DC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
44	Business License Procedures Documentation Reform-Roadmaps	Mbeya CC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
45	Business License Procedures Documentation Reform-Roadmaps	Mufindi DC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
46	Business License Procedures Documentation Reform-Roadmaps	West A DC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
47	Business License Procedures Documentation Reform-Roadmaps	West B DC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
48	Business License Procedures Documentation Reform-Roadmaps	Wete DC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
49	Business License Procedures Documentation Reform-Roadmaps	Zanzibar Urban DC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
50	Cooperative Societies Training Procedures	Ministry of Agriculture	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
51	Investment Promotion Strategy	Kyela DC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
52	Investment Promotion Strategy	Morogoro MC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
53	LGA Strategic Plan Reform	Kyela DC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
54	LGA Strategic Plan Reform	West A DC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
55	LGA Strategic Plan Reform	West B DC	Administrative	Stage 4: Approval from Final

NO	POLICY REFORM NAME	LGA PARTNER	TYPE OF POLICY REFORM	IMPLEMENTATION STATE REACHED
			Procedures	Approving Authorities
56	LGA Strategic Plan Reform	Wete DC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
57	LGA Strategic Plan Reform	Zanzibar Urban DC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
58	LGA usage of the LGACI Reform	Mbeya CC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
59	Nutrition Institutional Development Roadmap and Action Plan	Iringa MC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
60	Nutrition Institutional Development Roadmap and Action Plan	Mbeya CC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
61	Nutrition Institutional Development Roadmap and Action Plan	Morogoro MC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
62	TNBC Public Private Dialogue Guidelines Development Reform	TNBC	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
63	ZNCCIA Membership & Fee Structure Reform	ZNCCIA	Administrative Procedures	Stage 4: Approval from Final Approving Authorities
64	Building Permit Fee Schedule Documentation Reform- Roadmaps	Iringa MC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
65	Building Permit Fee Schedule Documentation Reform- Roadmaps	Mbeya CC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
66	Building Permit Fee Schedule Documentation Reform- Roadmaps	Morogoro MC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
67	Building Permit Procedures Reform- Roadmaps	Mbeya CC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
68	Facilitation of Loans to Women, Youth and persons with Disabilities	PO-RALG	Legal Framework	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)

NO	POLICY REFORM NAME	LGA PARTNER	TYPE OF POLICY REFORM	IMPLEMENTATION STATE REACHED
69	Fish Farming & Business Documentation Roadmap	Morogoro MC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
70	Fish Landing Site By Law	Chake Chake DC	By Law	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
71	Fish Landing Site By Law	West A DC	By Law	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
72	Fish Landing Site By Law	West B DC	By Law	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
73	Fish Landing Site By Law	Wete DC	By Law	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
74	Investment Promotion Strategy	Iringa MC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
75	Investment Promotion Strategy	Kilosa DC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
76	Investment Promotion Strategy	Mufindi DC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
77	Investment Promotion Strategy	West A DC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
78	Investment Promotion Strategy	West B DC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
79	Investment Promotion Strategy	Zanzibar Urban DC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
80	LGA Strategic Plan Reform	Chake Chake DC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)

NO	POLICY REFORM NAME	LGA PARTNER	TYPE OF POLICY REFORM	IMPLEMENTATION STATE REACHED
81	LGA Strategic Plan Reform	Iringa MC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
82	LGA Strategic Plan Reform	Kilosa DC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
83	LGA usage of the LGACI Reform	Chake Chake DC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
84	LGA usage of the LGACI Reform	Iringa MC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
85	LGA usage of the LGACI Reform	Kilosa DC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
86	LGA usage of the LGACI Reform	Morogoro MC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
87	LGA usage of the LGACI Reform	Mufindi DC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
88	LGA usage of the LGACI Reform	Wete DC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
89	Mangrove Forest Bylaw	Chake Chake DC	By Law	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
90	Mangrove Forest Bylaw	West A DC	By Law	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
91	Mangrove Forest Bylaw	Wete DC	By Law	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
92	Marine Products By Law	Chake Chake DC	By Law	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)



NO	POLICY REFORM NAME	LGA PARTNER	TYPE OF POLICY REFORM	IMPLEMENTATION STATE REACHED
93	Marine Products By Law	Wete DC	By Law	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
94	Nutrition By Law	Morogoro MC	By Law	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
95	Offences & Instant Fines By law	Chake Chake DC	By Law	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
96	Offences & Instant Fines By law	West A DC	By Law	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
97	Offences & Instant Fines By law	Wete DC	By Law	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
98	Produce Market Levy By Law	Iringa MC	By Law	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
99	Revenue Enhancement Plan	Iringa MC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
100	Revenue Enhancement Plan	Morogoro MC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
101	Service Levy Bylaw Reform	Chake Chake DC	By Law	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
102	Service Levy Bylaw Reform	Morogoro MC	By Law	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
103	Service Levy Bylaw Reform	West A DC	By Law	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
104	Service Levy Bylaw Reform	West B DC	By Law	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)

NO	POLICY REFORM NAME	LGA PARTNER	TYPE OF POLICY REFORM	IMPLEMENTATION STATE REACHED
105	Service Levy Bylaw Reform	Wete DC	By Law	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
106	Service Levy Bylaw Reform	Zanzibar Urban DC	By Law	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
107	Service Levy Enforcement Procedures Reform- Roadmap	Iringa MC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
108	Service Levy Enforcement Procedures Reform- Roadmap	Kyela DC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
109	Service Levy Enforcement Procedures Reform- Roadmap	Mbeya CC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
110	Service Levy Enforcement Procedures Reform- Roadmap	Morogoro MC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
111	Service Levy Enforcement Procedures Reform- Roadmap	Mufindi DC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
112	Service Levy Payment Procedures Reform- Roadmap	Iringa MC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
113	Service Levy Payment Procedures Reform- Roadmap	Kyela DC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
114	Service Levy Payment Procedures Reform- Roadmap	Mbeya CC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
115	Service Levy Payment Procedures Reform- Roadmap	Morogoro MC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
116	Service Levy Payment Procedures Reform- Roadmap	Mufindi DC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)

NO	POLICY REFORM NAME	LGA PARTNER	TYPE OF POLICY REFORM	IMPLEMENTATION STATE REACHED
117	Social Economic Profile	Morogoro MC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
118	TCCIA Membership Registration Procedures Reform	TCCIA Iringa	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
119	TCCIA Membership Registration Procedures Reform	TCCIA Mbeya	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
120	ZALGA Communication Plan Reform	ZALGA	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
121	ZALGA Constitution Reform	ZALGA	Legal Framework	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
122	ZALGA Strategic Plan Reform	ZALGA	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
123	Zanzibar Growth Strategy	ZPC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
124	Zanzibar National Business Council Act	ZNBC	Legal Framework	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
125	ZNBC Action Plan & Budget Reform	ZNBC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
126	ZNBC Strategic Plan Reform	ZNBC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
127	ZNCCIA Constitution Reform	ZNCCIA	Legal Framework	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)
128	ZWCC Board of Directors Manual	ZWCC	Administrative Procedures	Stages 1-3 (Analysis, Consultation, Drafting & Revisions)

## ANNEX 4

### FINAL LGACI RANKINGS

The Local Government Authority Competitiveness Index (LGACI) is a customized measurement and ranking system to track and manage the business environments of Local Government Authorities (LGA) throughout Tanzania mainland and Zanzibar. ENGINE developed this tool to provide LGAs a framework and toolset to engage in a self-assessment and engage the business community and other community stakeholders (through the public-private dialogues) to identify strengths and gaps that affect their business enabling environments. This tool provides the basis for a continuous constructive dialogue between public and private sectors with relation to policy review and reform. It also generates a sense of healthy competition among the LGAs themselves. LGACI is data-driven; information is gathered using a questionnaire which is used to survey both LGA staff and partners. The LGACI consists of 12 indices, 35 dimensions, 74 indicators, and 149 questions. Designed with the intention of creating a tool that is both effective yet easy to collect data for, the questionnaires ask for scores from 10 (the highest rating) to 0 (the lowest rating), and all questions are closed-ended.



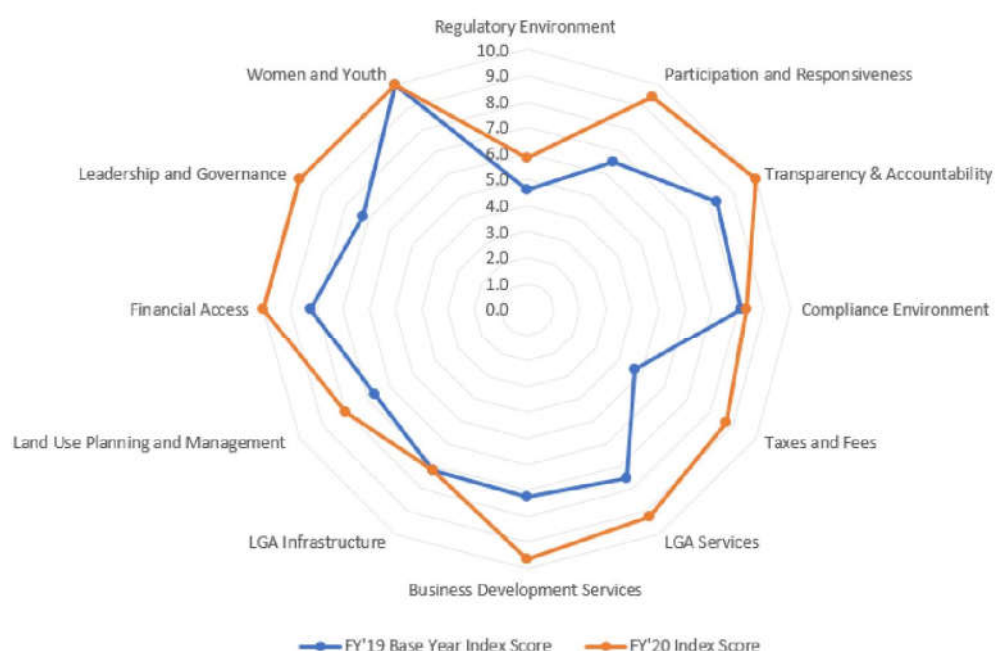


Multiple trainings were provided to relevant staff at participating LGAs and private sector participants over years three and four. These modules capacitated the end-users on how to use the LGACI questionnaire to gather data, as well as analyze, interpret, and report findings from the collected data. Together with private sector and community stakeholders, these LGAs have provided and produced the following results for fiscal years 2019 and 2020. These results are presented below by LGA in both table and graphic formats.

### Iringa Municipal Council

0 to 4		<b>Emerging:</b> The LGA has limited capacity to provide basic levels of services and support to MSMEs operating in their jurisdiction (ie. Does not meet expectations).			
5 to 8		<b>Progressing:</b> The LGA has sufficient capacity to provide adequate levels of services and support to MSMEs to operating in their jurisdiction (ie. Meets expectations).			
9 to 10		<b>Leading:</b> The LGA has excellent capacity for providing services and support to MSMEs operating in their jurisdiction (ie. Exceeds expectations).			
SN	LGACI Dimension	LGACI Sub-dimension	FY'19 Base Score	FY'20 Index Score	Year on Year % Change
1	Regulatory Environment	Business Registration and Licensing	6.67	6.67	0%
		Central Point of Service	0.00	0.00	N/A
		SME Database	6.25	8.75	40%
		District/Regional Business Council	5.50	8.00	45%
2	Participation and Responsiveness	Participatory Process	9.00	9.17	2%
		LGA Responsiveness to Private Sector	7.50	10.00	33%
		LGA Communication with Private Sector	5.00	8.13	63%
		LGA s Programs for Women and Youth	3.75	10.00	167%
		Women and Youth Business Investment	7.50	10.00	33%
3	Transparency & Accountability	Access to Information	6.67	10.00	50%
		Access to Planning Documents and Budgets	8.33	10.00	20%
		Accountability	10.00	10.00	0%
4	Compliance Environment	Time Spent on Compliance	8.75	10.00	14%
		Time Spent on Inspections	7.50	6.67	-11%
5	Taxes and Fees	Payment Procedures	6.88	7.50	9%
		One-Stop Center	2.50	10.00	300%
6	LGA Services	LGA Service Provision Capacity and Quality	7.50	10.00	33%
		Corruption in Service Provision	6.25	8.75	40%
		Customer Service	8.33	8.33	0%
		LGA Investment Promotion Strategy	8.13	10.00	23%
7	Business Development Services	Business Training	10.00	10.00	0%
		Business Development Services (BDS)	5.50	9.00	64%
		Creativity and Proactiveness	6.25	10.00	60%
8	LGA Infrastructure	Roads and Transportation	8.00	7.00	-13%
		Utility Services	8.57	8.57	0%

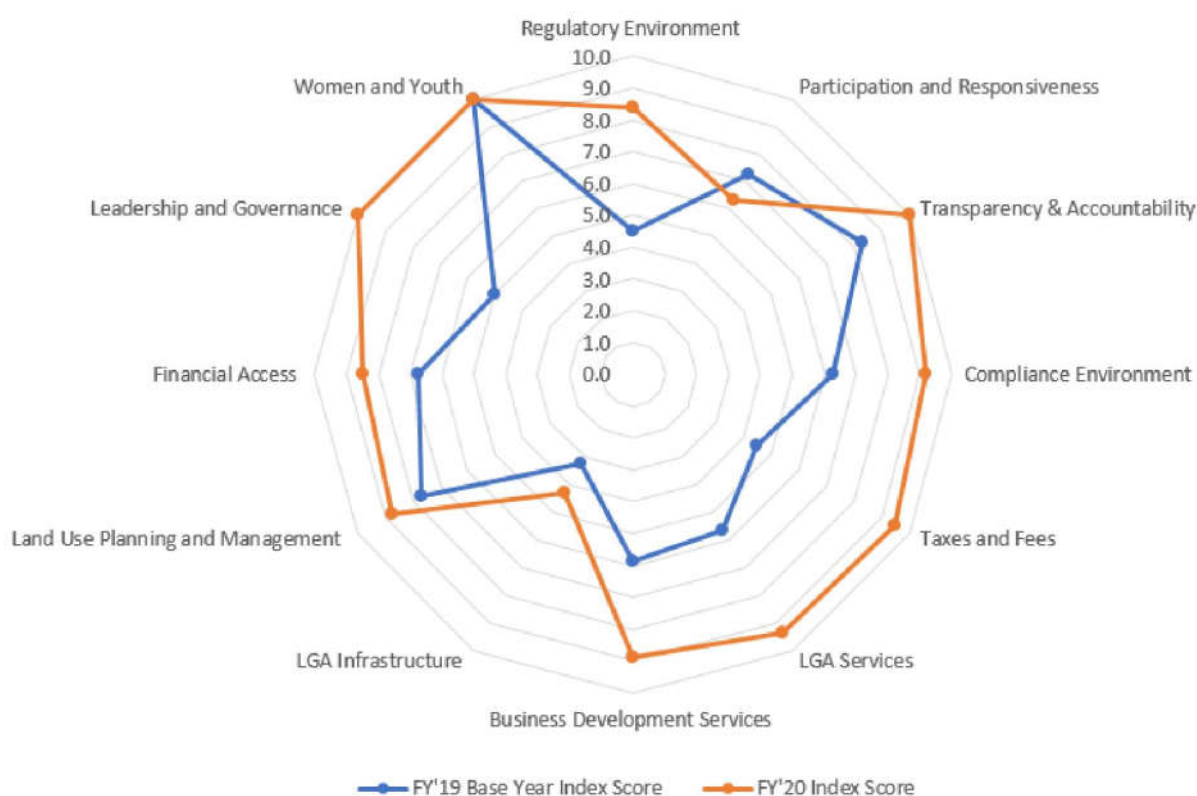
		Cleanliness	4.64	6.43	38%
		Market Facilities	7.50	6.67	-11%
9	Land Use Planning and Management	Land Use Planning and Zoning	7.50	9.00	20%
		Monitoring of Available Land for Business Use	5.63	7.50	33%
		Local Land Committees	6.88	7.50	9%
10	Financial Access	Access to Banking Services	10.00	10.00	0%
		Provision of Financial Services and Training	8.00	10.00	25%
		Enabling Small & Medium Industries	5.83	10.00	71%
		Business/Industrial/Science Parks	9.17	10.00	9%
11	Leadership and Governance	Leadership Ethics Charter	9.38	10.00	7%
		LGA Ombudsman's Office	5.00	10.00	100%
12	Women and Youth	Women/Youth Business Equity	10.00	10.00	0%
<b>AGGREGATE LGACI SCORES AND YEAR ON YEAR PER (%) CHANGE</b>			<b>7.02</b>	<b>8.75</b>	<b>+25%</b>
			<b>INCREASED OR MAINTAINED LGACI SCORE OVER THE YEAR</b>		



## Mufindi District Council

0 to 4		<b>Emerging:</b> The LGA has limited capacity to provide basic levels of services and support to MSMEs operating in their jurisdiction (ie. Does not meet expectations).			
5 to 8		<b>Progressing:</b> The LGA has sufficient capacity to provide adequate levels of services and support to MSMEs to operating in their jurisdiction (ie. Meets expectations).			
9 to 10		<b>Leading:</b> The LGA has excellent capacity for providing services and support to MSMEs operating in their jurisdiction (ie. Exceeds expectations).			
SN	LGACI Dimension	LGACI Sub-dimension	FY'19 Base Score	FY'20 Index Score	Year on Year % Change
1	Regulatory Environment	Business Registration and Licensing	6.67	10.00	50%
		Central Point of Service	1.88	5.00	167%
		SME Database	1.88	10.00	433%
		District/Regional Business Council	7.50	8.50	13%
2	Participation and Responsiveness	Participatory Process	10.00	1.67	-83%
		LGA Responsiveness to Private Sector	10.00	0.00	-100%
		LGA Communication with Private Sector	3.75	10.00	167%
		LGA s Programs for Women and Youth	5.00	10.00	100%
		Women and Youth Business Investment	7.50	10.00	33%
3	Transparency & Accountability	Access to Information	10.00	10.00	0%
		Access to Planning Documents and Budgets	5.00	10.00	100%
		Accountability	10.00	10.00	0%
4	Compliance Environment	Time Spent on Compliance	7.50	10.00	33%
		Time Spent on Inspections	5.00	8.33	67%
5	Taxes and Fees	Payment Procedures	9.00	9.00	0%
		One-Stop Center	0.00	10.00	N/A
6	LGA Services	LGA Service Provision Capacity and Quality	7.50	7.50	0%
		Corruption in Service Provision	10.00	10.00	0%
		Customer Service	0.00	10.00	N/A
		LGA Investment Promotion Strategy	5.00	10.00	100%
7	Business Development Services	Business Training	6.67	6.67	0%
		Business Development Services (BDS)	6.00	10.00	67%
		Creativity and Proactiveness	5.00	10.00	100%
8	LGA Infrastructure	Roads and Transportation	4.00	4.00	0%
		Utility Services	5.71	6.43	13%
		Cleanliness	0.00	0.00	N/A
		Market Facilities	3.33	6.67	100%
9	Land Use Planning and Management	Land Use Planning and Zoning	8.00	10.00	25%
		Monitoring of Available Land for Business Use	7.50	7.50	0%
		Local Land Committees	7.50	8.75	17%
10	Financial Access	Access to Banking Services	10.00	10.00	0%

		Provision of Financial Services and Training	7.00	9.00	29%
		Enabling Small & Medium Industries	5.00	5.00	0%
		Business/Industrial/Science Parks	5.00	10.00	100%
11	Leadership and Governance	Leadership Ethics Charter	10.00	10.00	0%
		LGA Ombudsman's Office	0.00	10.00	N/A
12	Women and Youth	Women/Youth Business Equity	10.00	10.00	0%
<b>AGGREGATE LGACI SCORES AND YEAR ON YEAR PER (%) CHANGE</b>			<b>7.02</b>	<b>8.75</b>	<b>+36%</b>
			INCREASED OR MAINTAINED LGACI SCORE OVER THE YEAR		

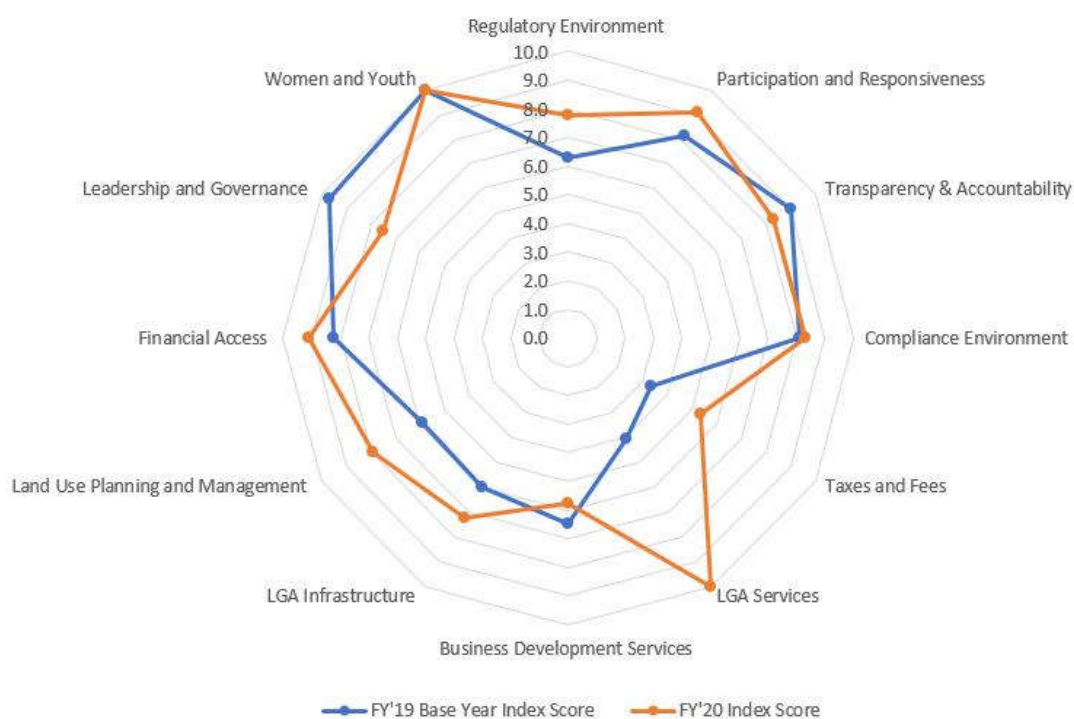




## Morogoro Municipal Council

0 to 4		<b>Emerging:</b> The LGA has limited capacity to provide basic levels of services and support to MSMEs operating in their jurisdiction (ie. Does not meet expectations).			
5 to 8		<b>Progressing:</b> The LGA has sufficient capacity to provide adequate levels of services and support to MSMEs to operating in their jurisdiction (ie. Meets expectations).			
9 to 10		<b>Leading:</b> The LGA has excellent capacity for providing services and support to MSMEs operating in their jurisdiction (ie. Exceeds expectations).			
SN	LGACI Dimension	LGACI Sub-dimension	FY'19 Base Score	FY'20 Index Score	Year on Year % Change
1	Regulatory Environment	Business Registration and Licensing	6.67	8.33	25%
		Central Point of Service	1.25	5.00	300%
		SME Database	8.75	8.75	0%
		District/Regional Business Council	8.50	9.00	6%
2	Participation and Responsiveness	Participatory Process	8.50	9.17	8%
		LGA Responsiveness to Private Sector	7.50	10.00	33%
		LGA Communication with Private Sector	5.94	8.75	47%
		LGA s Programs for Women and Youth	8.75	7.50	-14%
		Women and Youth Business Investment	10.00	10.00	0%
3	Transparency & Accountability	Access to Information	8.75	8.33	-5%
		Access to Planning Documents and Budgets	8.33	6.67	-20%
		Accountability	10.00	10.00	0%
4	Compliance Environment	Time Spent on Compliance	8.75	10.00	14%
		Time Spent on Inspections	7.50	6.67	-11%
5	Taxes and Fees	Payment Procedures	5.00	9.00	80%
		One-Stop Center	1.67	1.67	0%
6	LGA Services	LGA Service Provision Capacity and Quality	3.75	10.00	167%
		Corruption in Service Provision	7.50	10.00	33%
		Customer Service	0.00	10.00	N/A
		LGA Investment Promotion Strategy	5.00	10.00	100%
7	Business Development Services	Business Training	7.50	3.33	-56%
		Business Development Services (BDS)	7.00	9.00	29%
		Creativity and Proactiveness	5.00	5.00	0%
8	LGA Infrastructure	Roads and Transportation	7.50	8.00	7%
		Utility Services	5.36	7.14	33%
		Cleanliness	5.36	7.14	33%
		Market Facilities	5.83	6.67	14%
9	Land Use Planning and Management	Land Use Planning and Zoning	6.50	10.00	54%
		Monitoring of Available Land for Business Use	5.00	5.00	0%

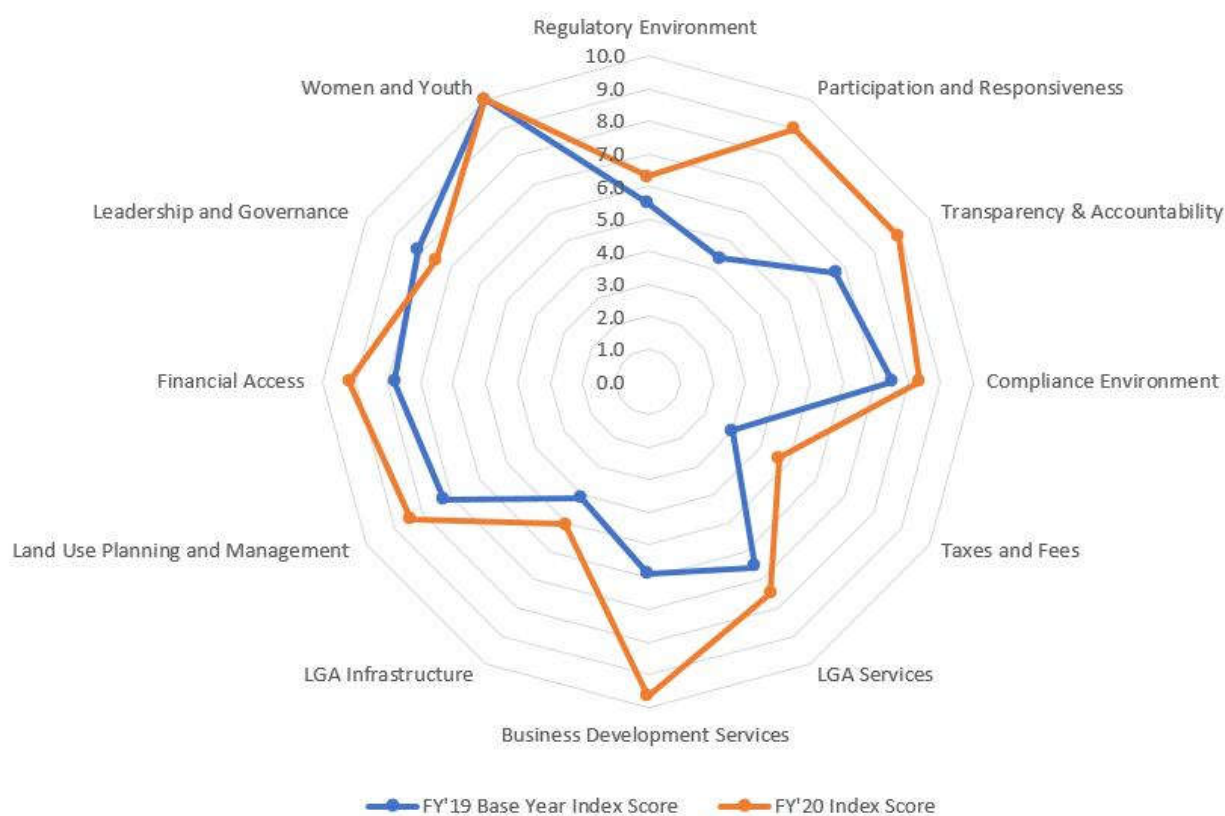
		Local Land Committees	6.25	8.75	40%
10	Financial Access	Access to Banking Services	10.00	10.00	0%
		Provision of Financial Services and Training	8.00	8.00	0%
		Enabling Small & Medium Industries	6.67	10.00	50%
		Business/Industrial/Science Parks	8.33	8.33	0%
11	Leadership and Governance	Leadership Ethics Charter	9.38	10.00	7%
		LGA Ombudsman's Office	10.00	5.00	-50%
12	Women and Youth	Women/Youth Business Equity	10.00	10.00	0%
<b>AGGREGATE LGACI SCORES AND YEAR ON YEAR PER (%) CHANGE</b>			<b>6.91</b>	<b>8.11</b>	<b>+17%</b>
			INCREASED OR MAINTAINED LGACI SCORE OVER THE YEAR		



## Kilosa District Council

0 to 4		<b>Emerging:</b> The LGA has limited capacity to provide basic levels of services and support to MSMEs operating in their jurisdiction (ie. Does not meet expectations).			
5 to 8		<b>Progressing:</b> The LGA has sufficient capacity to provide adequate levels of services and support to MSMEs to operating in their jurisdiction (ie. Meets expectations).			
9 to 10		<b>Leading:</b> The LGA has excellent capacity for providing services and support to MSMEs operating in their jurisdiction (ie. Exceeds expectations).			
SN	LGACI Dimension	LGACI Sub-dimension	FY'19 Base Score	FY'20 Index Score	Year on Year % Change
1	Regulatory Environment	Business Registration and Licensing	8.33	6.67	-20%
		Central Point of Service	0.00	0.00	N/A
		SME Database	7.50	10.00	33%
		District/Regional Business Council	6.00	8.50	42%
2	Participation and Responsiveness	Participatory Process	0.00	9.17	N/A
		LGA Responsiveness to Private Sector	0.00	10.00	N/A
		LGA Communication with Private Sector	4.38	5.63	29%
		LGA s Programs for Women and Youth	7.50	10.00	33%
		Women and Youth Business Investment	10.00	10.00	0%
3	Transparency & Accountability	Access to Information	5.00	6.67	33%
		Access to Planning Documents and Budgets	5.00	10.00	100%
		Accountability	10.00	10.00	0%
4	Compliance Environment	Time Spent on Compliance	10.00	10.00	0%
		Time Spent on Inspections	5.00	6.67	33%
5	Taxes and Fees	Payment Procedures	6.00	6.00	0%
		One-Stop Center	0.00	3.33	N/A
6	LGA Services	LGA Service Provision Capacity and Quality	8.75	10.00	14%
		Corruption in Service Provision	8.75	10.00	14%
		Customer Service	0.00	0.00	N/A
		LGA Investment Promotion Strategy	8.75	10.00	14%
7	Business Development Services	Business Training	6.67	10.00	50%
		Business Development Services (BDS)	6.00	9.00	50%
		Creativity and Proactiveness	5.00	10.00	100%
8	LGA Infrastructure	Roads and Transportation	6.00	5.00	-17%
		Utility Services	5.00	5.71	14%
		Cleanliness	2.14	2.86	33%
		Market Facilities	3.33	6.67	100%
9	Land Use Planning and Management	Land Use Planning and Zoning	8.00	9.00	13%
		Monitoring of Available Land for Business Use	6.25	7.50	20%

		Local Land Committees	7.50	8.75	17%
10	Financial Access	Access to Banking Services	7.50	10.00	33%
		Provision of Financial Services and Training	7.00	10.00	43%
		Enabling Small & Medium Industries	10.00	10.00	0%
		Business/Industrial/Science Parks	6.67	6.67	0%
11	Leadership and Governance	Leadership Ethics Charter	8.75	10.00	14%
		LGA Ombudsman's Office	7.50	5.00	-33%
12	Women and Youth	Women/Youth Business Equity	10.00	10.00	0%
<b>AGGREGATE LGACI SCORES AND YEAR ON YEAR PER (%) CHANGE</b>			<b>6.06</b>	<b>7.80</b>	<b>+29%</b>
			INCREASED OR MAINTAINED LGACI SCORE OVER THE YEAR		

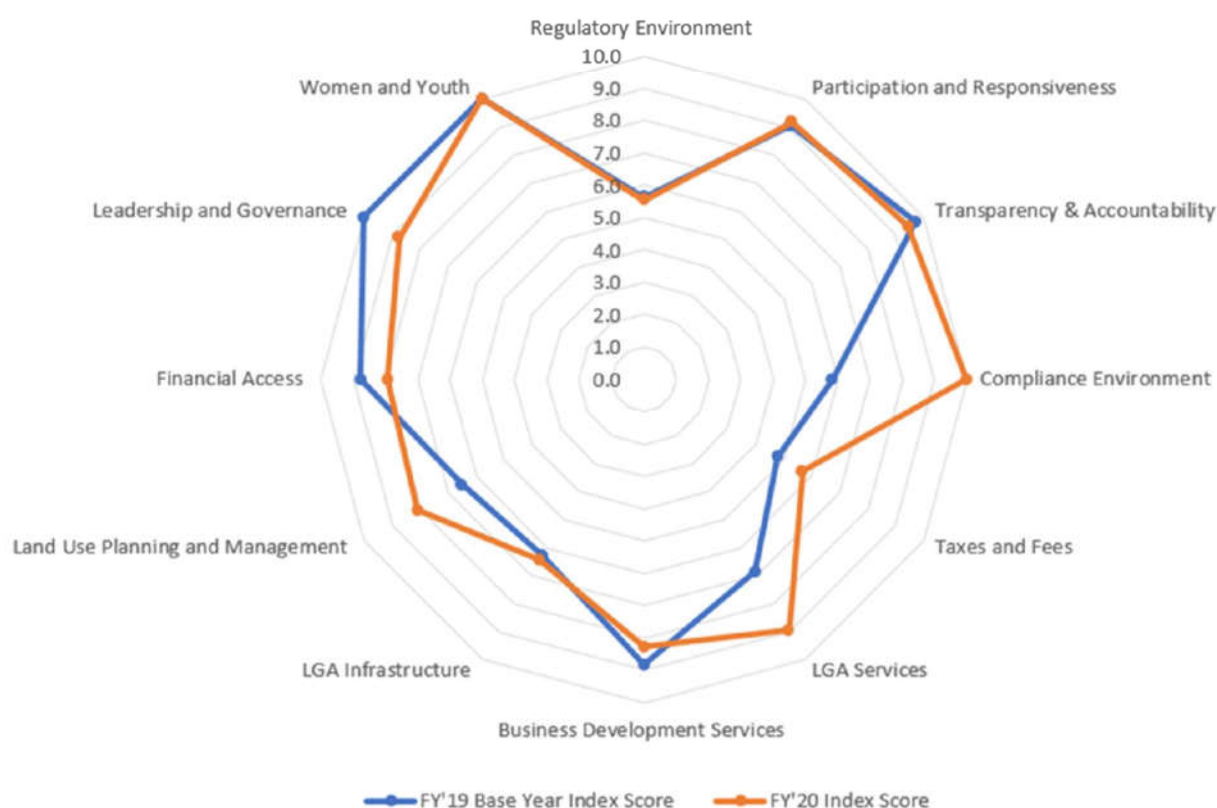


## Mbeya City Council

0 to 4		<b>Emerging:</b> The LGA has limited capacity to provide basic levels of services and support to MSMEs operating in their jurisdiction (ie. Does not meet expectations).			
5 to 8		<b>Progressing:</b> The LGA has sufficient capacity to provide adequate levels of services and support to MSMEs to operating in their jurisdiction (ie. Meets expectations).			
9 to 10		<b>Leading:</b> The LGA has excellent capacity for providing services and support to MSMEs operating in their jurisdiction (ie. Exceeds expectations).			
SN	LGACI Dimension	LGACI Sub-dimension	FY'19 Base Score	FY'20 Index Score	Year on Year % Change
1	Regulatory Environment	Business Registration and Licensing	5.00	6.67	33%
		Central Point of Service	0.00	0.00	N/A
		SME Database	10.00	7.50	-25%
		District/Regional Business Council	7.50	8.00	7%
2	Participation and Responsiveness	Participatory Process	9.00	8.33	-7%
		LGA Responsiveness to Private Sector	10.00	10.00	0%
		LGA Communication with Private Sector	8.75	7.50	-14%
		LGA s Programs for Women and Youth	7.50	10.00	33%
		Women and Youth Business Investment	10.00	10.00	0%
3	Transparency & Accountability	Access to Information	9.17	8.33	-9%
		Access to Planning Documents and Budgets	10.00	10.00	0%
		Accountability	10.00	10.00	0%
4	Compliance Environment	Time Spent on Compliance	5.00	10.00	100%
		Time Spent on Inspections	6.67	10.00	50%
5	Taxes and Fees	Payment Procedures	6.25	8.00	28%
		One-Stop Center	3.33	3.33	0%
6	LGA Services	LGA Service Provision Capacity and Quality	8.75	8.75	0%
		Corruption in Service Provision	8.75	10.00	14%
		Customer Service	0.00	8.33	N/A
		LGA Investment Promotion Strategy	10.00	8.75	-13%
7	Business Development Services	Business Training	10.00	8.33	-17%
		Business Development Services (BDS)	9.00	9.00	0%
		Creativity and Proactiveness	7.50	7.50	0%
8	LGA Infrastructure	Roads and Transportation	7.00	7.00	0%
		Utility Services	6.43	7.14	11%
		Cleanliness	5.00	5.00	0%
		Market Facilities	6.67	6.67	0%
9	Land Use Planning and Management	Land Use Planning and Zoning	7.00	8.00	14%
		Monitoring of Available Land for Business Use	3.75	7.50	100%



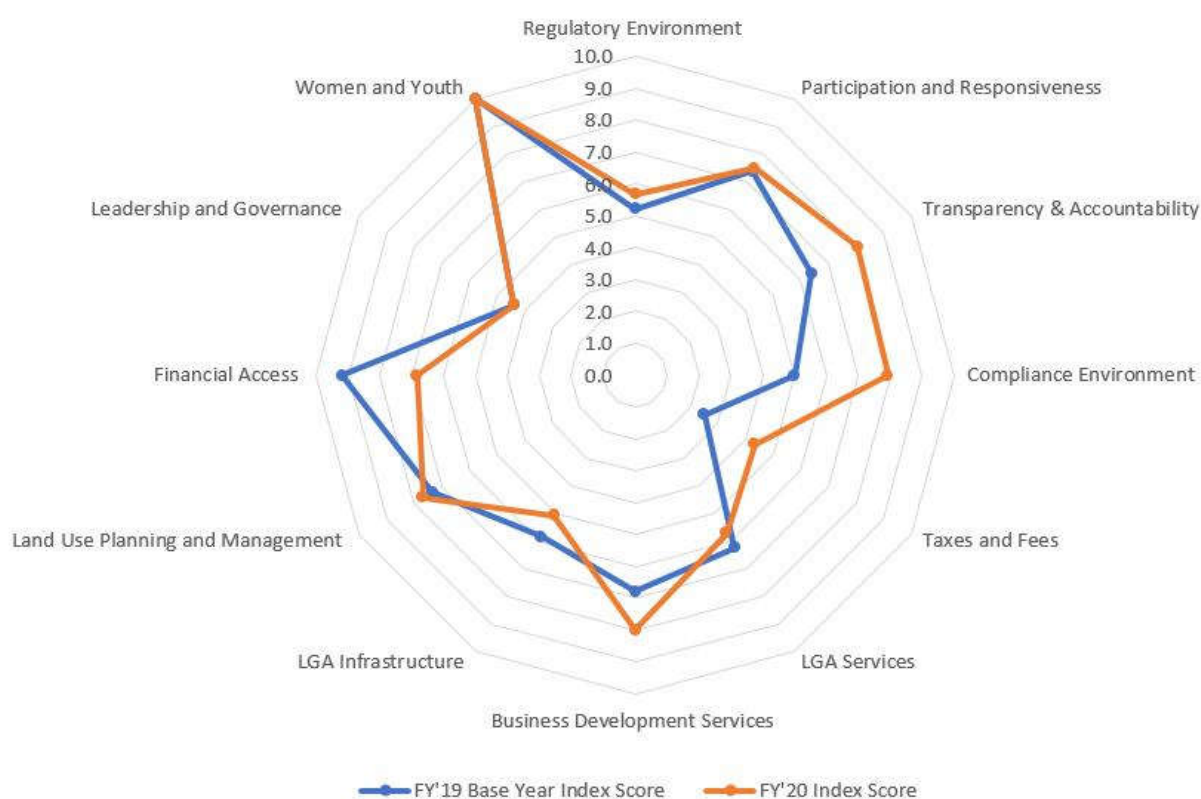
		Local Land Committees	8.75	8.75	0%
10	Financial Access	Access to Banking Services	10.00	10.00	0%
		Provision of Financial Services and Training	10.00	10.00	0%
		Enabling Small & Medium Industries	8.33	6.67	-20%
		Business/Industrial/Science Parks	6.67	5.00	-25%
11	Leadership and Governance	Leadership Ethics Charter	10.00	10.00	0%
		LGA Ombudsman's Office	10.00	7.50	-25%
12	Women and Youth	Women/Youth Business Equity	10.00	10.00	0%
<b>AGGREGATE LGACI SCORES AND YEAR ON YEAR PER (%) CHANGE</b>			<b>7.62</b>	<b>8.04</b>	<b>+6%</b>
			INCREASED OR MAINTAINED LGACI SCORE OVER THE YEAR		



## Kyela District Council

0 to 4		<b>Emerging:</b> The LGA has limited capacity to provide basic levels of services and support to MSMEs operating in their jurisdiction (ie. Does not meet expectations).			
5 to 8		<b>Progressing:</b> The LGA has sufficient capacity to provide adequate levels of services and support to MSMEs to operating in their jurisdiction (ie. Meets expectations).			
9 to 10		<b>Leading:</b> The LGA has excellent capacity for providing services and support to MSMEs operating in their jurisdiction (ie. Exceeds expectations).			
SN	LGACI Dimension	LGACI Sub-dimension	FY'19 Base Score	FY'20 Index Score	Year on Year % Change
1	Regulatory Environment	Business Registration and Licensing	3.33	6.67	100%
		Central Point of Service	0.00	0.00	N/A
		SME Database	10.00	7.50	-25%
		District/Regional Business Council	7.50	8.50	13%
2	Participation and Responsiveness	Participatory Process	7.50	10.00	33%
		LGA Responsiveness to Private Sector	5.00	5.00	0%
		LGA Communication with Private Sector	4.38	5.00	14%
		LGA s Programs for Women and Youth	10.00	10.00	0%
		Women and Youth Business Investment	10.00	7.50	-25%
3	Transparency & Accountability	Access to Information	5.83	7.50	29%
		Access to Planning Documents and Budgets	3.33	6.67	100%
		Accountability	10.00	10.00	0%
4	Compliance Environment	Time Spent on Compliance	7.50	7.50	0%
		Time Spent on Inspections	2.50	8.33	233%
5	Taxes and Fees	Payment Procedures	5.00	7.00	40%
		One-Stop Center	0.00	1.67	N/A
6	LGA Services	LGA Service Provision Capacity and Quality	7.50	6.25	-17%
		Corruption in Service Provision	7.50	6.25	-17%
		Customer Service	0.00	1.67	N/A
		LGA Investment Promotion Strategy	10.00	8.75	-13%
7	Business Development Services	Business Training	8.33	10.00	20%
		Business Development Services (BDS)	7.00	9.00	29%
		Creativity and Proactiveness	5.00	5.00	0%
8	LGA Infrastructure	Roads and Transportation	6.00	6.00	0%
		Utility Services	6.43	5.71	-11%
		Cleanliness	4.29	3.57	-17%
		Market Facilities	6.67	5.00	-25%
9	Land Use Planning and Management	Land Use Planning and Zoning	7.00	8.00	14%
		Monitoring of Available Land for Business Use	6.25	6.25	0%

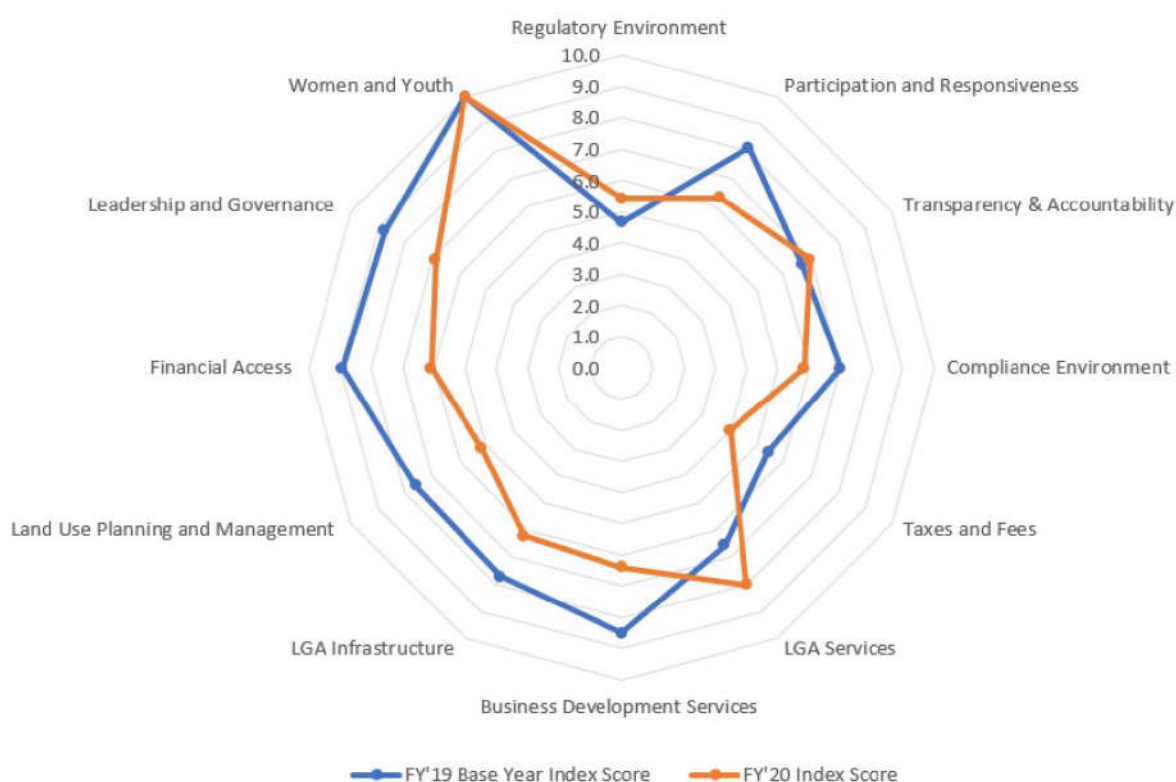
		Local Land Committees	8.75	8.75	0%
10	Financial Access	Access to Banking Services	10.00	10.00	0%
		Provision of Financial Services and Training	10.00	9.00	-10%
		Enabling Small & Medium Industries	10.00	8.33	-17%
		Business/Industrial/Science Parks	6.67	0.00	-100%
11	Leadership and Governance	Leadership Ethics Charter	8.75	8.75	0%
		LGA Ombudsman's Office	0.00	0.00	N/A
12	Women and Youth	Women/Youth Business Equity	10.00	10.00	0%
<b>AGGREGATE LGACI SCORES AND YEAR ON YEAR PER (%) CHANGE</b>			<b>6.43</b>	<b>6.62</b>	<b>+3%</b>
			INCREASED OR MAINTAINED LGACI SCORE OVER THE YEAR		



## Zanzibar Urban Municipal Council

0 to 4		<b>Emerging:</b> The LGA has limited capacity to provide basic levels of services and support to MSMEs operating in their jurisdiction (ie. Does not meet expectations).			
5 to 8		<b>Progressing:</b> The LGA has sufficient capacity to provide adequate levels of services and support to MSMEs to operating in their jurisdiction (ie. Meets expectations).			
9 to 10		<b>Leading:</b> The LGA has excellent capacity for providing services and support to MSMEs operating in their jurisdiction (ie. Exceeds expectations).			
SN	LGACI Dimension	LGACI Sub-dimension	FY'19 Base Score	FY'20 Index Score	Year on Year % Change
1	Regulatory Environment	Business Registration and Licensing	3.33	6.67	100%
		Central Point of Service	0.00	0.00	N/A
		SME Database	6.25	7.50	20%
		District/Regional Business Council	9.00	7.50	-17%
2	Participation and Responsiveness	Participatory Process	10.00	8.33	-17%
		LGA Responsiveness to Private Sector	5.00	5.00	0%
		LGA Communication with Private Sector	5.63	5.63	0%
		LGA s Programs for Women and Youth	10.00	7.50	-25%
		Women and Youth Business Investment	10.00	5.00	-50%
3	Transparency & Accountability	Access to Information	10.00	7.50	-25%
		Access to Planning Documents and Budgets	0.00	3.33	N/A
		Accountability	10.00	10.00	0%
4	Compliance Environment	Time Spent on Compliance	5.00	5.00	0%
		Time Spent on Inspections	9.00	6.67	-26%
5	Taxes and Fees	Payment Procedures	7.50	8.00	7%
		One-Stop Center	3.33	0.00	-100%
6	LGA Services	LGA Service Provision Capacity and Quality	6.25	7.50	20%
		Corruption in Service Provision	10.00	10.00	0%
		Customer Service	0.00	8.33	N/A
		LGA Investment Promotion Strategy	10.00	6.25	-38%
7	Business Development Services	Business Training	10.00	6.67	-33%
		Business Development Services (BDS)	8.00	5.00	-38%
		Creativity and Proactiveness	7.50	7.50	0%
8	LGA Infrastructure	Roads and Transportation	8.00	4.00	-50%
		Utility Services	9.29	8.57	-8%
		Cleanliness	8.57	5.71	-33%
		Market Facilities	5.00	6.67	33%
9	Land Use Planning and Management	Land Use Planning and Zoning	9.00	8.00	-11%
		Monitoring of Available Land for Business Use	5.00	6.25	25%

		Local Land Committees	8.75	1.25	-86%
10	Financial Access	Access to Banking Services	10.00	10.00	0%
		Provision of Financial Services and Training	9.00	6.00	-33%
		Enabling Small & Medium Industries	6.67	3.33	-50%
		Business/Industrial/Science Parks	10.00	5.00	-50%
11	Leadership and Governance	Leadership Ethics Charter	10.00	8.75	-13%
		LGA Ombudsman's Office	7.50	5.00	-33%
12	Women and Youth	Women/Youth Business Equity	10.00	10.00	0%
<b>AGGREGATE LGACI SCORES AND YEAR ON YEAR PER (%) CHANGE</b>			<b>7.37</b>	<b>6.31</b>	<b>-14%</b>
			LGACI SCORE HAS DECREASED OVER THE YEAR		

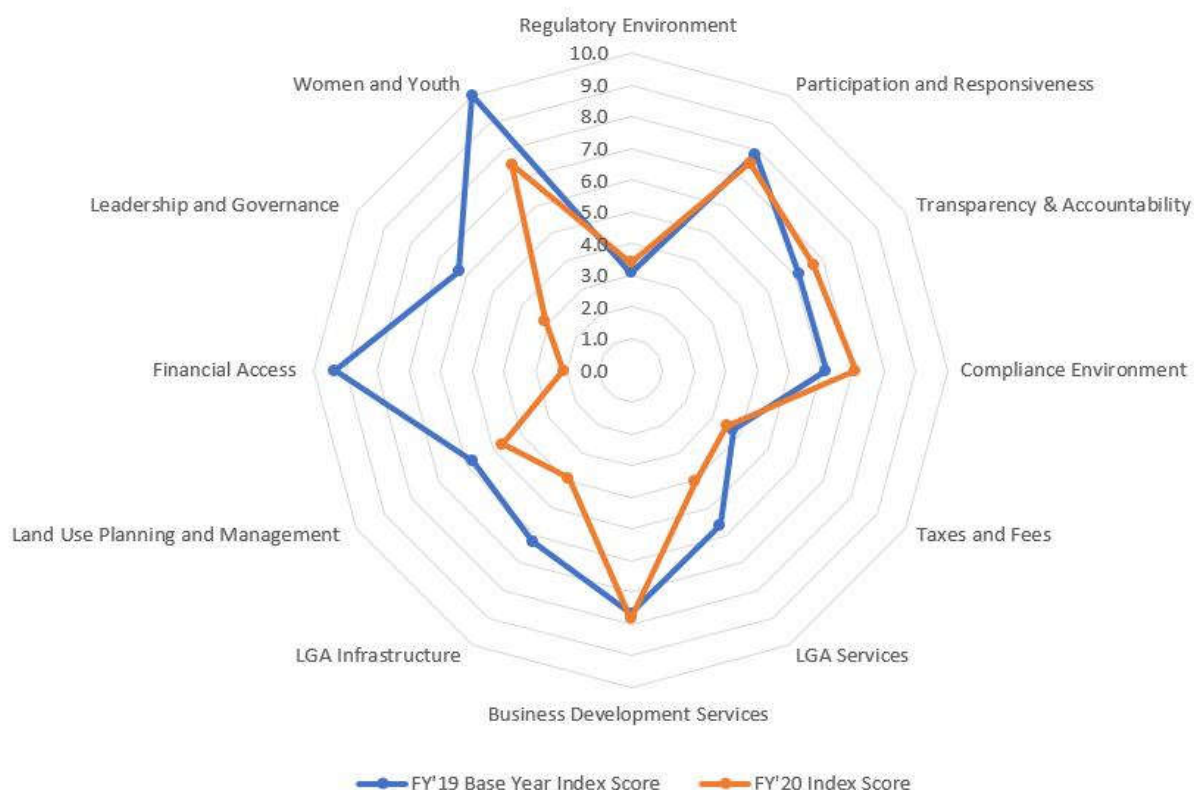




## West A District Council

0 to 4		<b>Emerging:</b> The LGA has limited capacity to provide basic levels of services and support to MSMEs operating in their jurisdiction (ie. Does not meet expectations).			
5 to 8		<b>Progressing:</b> The LGA has sufficient capacity to provide adequate levels of services and support to MSMEs to operating in their jurisdiction (ie. Meets expectations).			
9 to 10		<b>Leading:</b> The LGA has excellent capacity for providing services and support to MSMEs operating in their jurisdiction (ie. Exceeds expectations).			
SN	LGACI Dimension	LGACI Sub-dimension	FY'19 Base Score	FY'20 Index Score	Year on Year % Change
1	Regulatory Environment	Business Registration and Licensing	3.33	3.33	0%
		Central Point of Service	0.00	0.00	N/A
		SME Database	0.00	3.75	N/A
		District/Regional Business Council	9.00	6.50	-28%
2	Participation and Responsiveness	Participatory Process	10.00	8.33	-17%
		LGA Responsiveness to Private Sector	5.00	5.00	0%
		LGA Communication with Private Sector	6.88	4.38	-36%
		LGA s Programs for Women and Youth	10.00	10.00	0%
		Women and Youth Business Investment	7.50	10.00	33%
3	Transparency & Accountability	Access to Information	6.67	6.67	0%
		Access to Planning Documents and Budgets	1.67	3.33	100%
		Accountability	10.00	10.00	0%
4	Compliance Environment	Time Spent on Compliance	5.00	7.50	50%
		Time Spent on Inspections	7.33	6.67	-9%
5	Taxes and Fees	Payment Procedures	7.50	7.00	-7%
		One-Stop Center	0.00	0.00	N/A
6	LGA Services	LGA Service Provision Capacity and Quality	5.00	7.50	50%
		Corruption in Service Provision	10.00	2.50	-75%
		Customer Service	0.00	0.00	N/A
		LGA Investment Promotion Strategy	7.50	6.25	-17%
7	Business Development Services	Business Training	10.00	10.00	0%
		Business Development Services (BDS)	8.00	6.00	-25%
		Creativity and Proactiveness	5.00	7.50	50%
8	LGA Infrastructure	Roads and Transportation	7.00	5.00	-29%
		Utility Services	7.86	6.43	-18%
		Cleanliness	5.00	4.29	-14%
		Market Facilities	5.00	0.00	-100%
9	Land Use Planning and Management	Land Use Planning and Zoning	6.00	4.00	-33%
		Monitoring of Available Land for Business Use	5.00	3.75	-25%

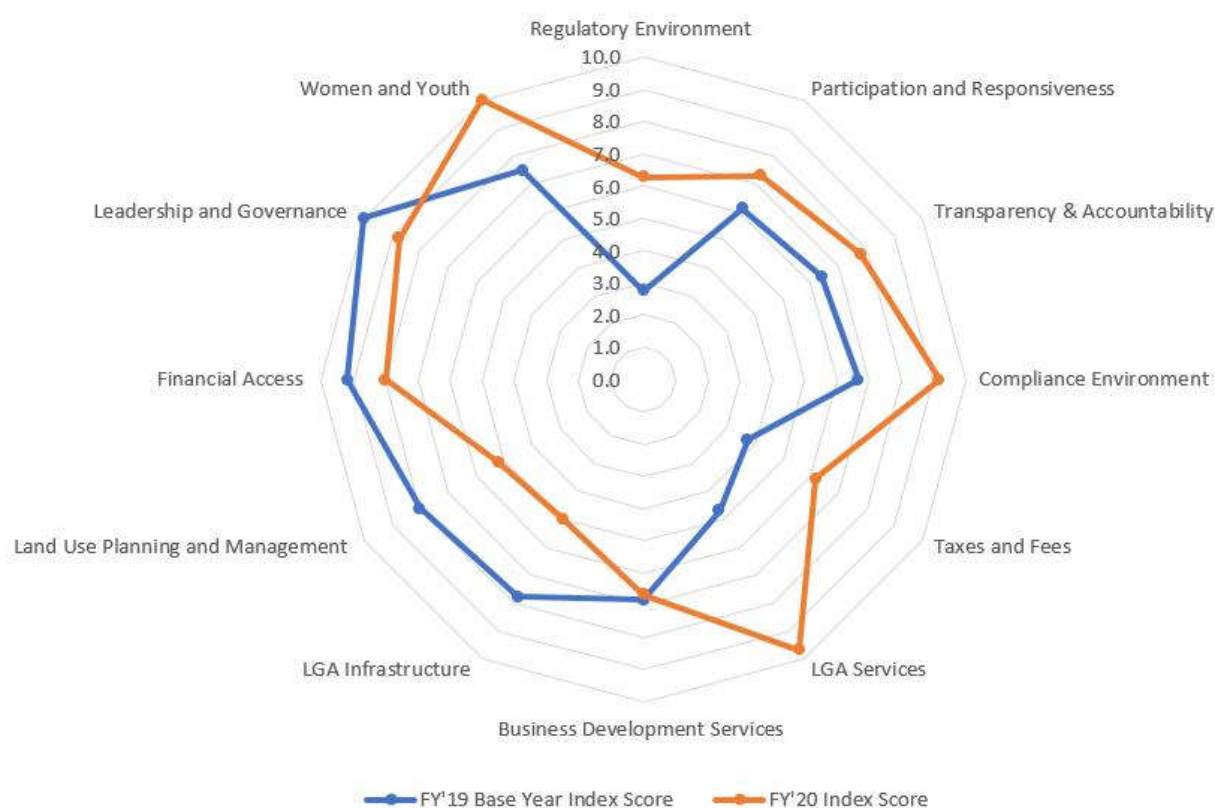
		Local Land Committees	6.25	6.25	0%
10	Financial Access	Access to Banking Services	10.00	2.50	-75%
		Provision of Financial Services and Training	9.00	6.00	-33%
		Enabling Small & Medium Industries	8.33	0.00	-100%
		Business/Industrial/Science Parks	10.00	0.00	-100%
11	Leadership and Governance	Leadership Ethics Charter	10.00	6.25	-38%
		LGA Ombudsman's Office	2.50	0.00	-100%
12	Women and Youth	Women/Youth Business Equity	10.00	7.50	-25%
<b>AGGREGATE LGACI SCORES AND YEAR ON YEAR PER (%) CHANGE</b>			<b>6.41</b>	<b>4.98</b>	<b>-22%</b>
			LGACI SCORE HAS DECREASED OVER THE YEAR		



## West B Municipal Council

0 to 4		<b>Emerging:</b> The LGA has limited capacity to provide basic levels of services and support to MSMEs operating in their jurisdiction (ie. Does not meet expectations).			
5 to 8		<b>Progressing:</b> The LGA has sufficient capacity to provide adequate levels of services and support to MSMEs to operating in their jurisdiction (ie. Meets expectations).			
9 to 10		<b>Leading:</b> The LGA has excellent capacity for providing services and support to MSMEs operating in their jurisdiction (ie. Exceeds expectations).			
SN	LGACI Dimension	LGACI Sub-dimension	FY'19 Base Score	FY'20 Index Score	Year on Year % Change
1	Regulatory Environment	Business Registration and Licensing	5.00	8.33	67%
		Central Point of Service	0.00	5.00	N/A
		SME Database	0.00	6.25	N/A
		District/Regional Business Council	6.00	5.50	-8%
2	Participation and Responsiveness	Participatory Process	10.00	8.33	-17%
		LGA Responsiveness to Private Sector	0.00	5.00	N/A
		LGA Communication with Private Sector	3.13	8.13	160%
		LGA s Programs for Women and Youth	10.00	7.50	-25%
		Women and Youth Business Investment	7.50	7.50	0%
3	Transparency & Accountability	Access to Information	5.83	6.67	14%
		Access to Planning Documents and Budgets	3.33	6.67	100%
		Accountability	10.00	10.00	0%
4	Compliance Environment	Time Spent on Compliance	5.00	10.00	100%
		Time Spent on Inspections	8.33	8.33	0%
5	Taxes and Fees	Payment Procedures	7.50	9.00	20%
		One-Stop Center	0.00	3.33	N/A
6	LGA Services	LGA Service Provision Capacity and Quality	5.00	10.00	100%
		Corruption in Service Provision	6.25	10.00	60%
		Customer Service	0.00	10.00	N/A
		LGA Investment Promotion Strategy	7.50	8.75	17%
7	Business Development Services	Business Training	10.00	10.00	0%
		Business Development Services (BDS)	8.00	5.00	-38%
		Creativity and Proactiveness	2.50	5.00	100%
8	LGA Infrastructure	Roads and Transportation	8.00	5.00	-38%
		Utility Services	8.57	6.43	-25%
		Cleanliness	7.86	3.57	-55%
		Market Facilities	6.67	5.00	-25%
9	Land Use Planning and Management	Land Use Planning and Zoning	9.00	8.00	-11%
		Monitoring of Available Land for Business Use	7.50	7.50	0%

		Local Land Committees	7.50	0.00	-100%
10	Financial Access	Access to Banking Services	10.00	10.00	0%
		Provision of Financial Services and Training	10.00	7.00	-30%
		Enabling Small & Medium Industries	8.33	6.67	-20%
		Business/Industrial/Science Parks	8.33	8.33	0%
11	Leadership and Governance	Leadership Ethics Charter	10.00	10.00	0%
		LGA Ombudsman's Office	10.00	7.50	-25%
12	Women and Youth	Women/Youth Business Equity	7.50	10.00	33%
<b>AGGREGATE LGACI SCORES AND YEAR ON YEAR PER (%) CHANGE</b>			<b>6.49</b>	<b>7.28</b>	<b>+12%</b>
			INCREASED OR MAINTAINED LGACI SCORE OVER THE YEAR		

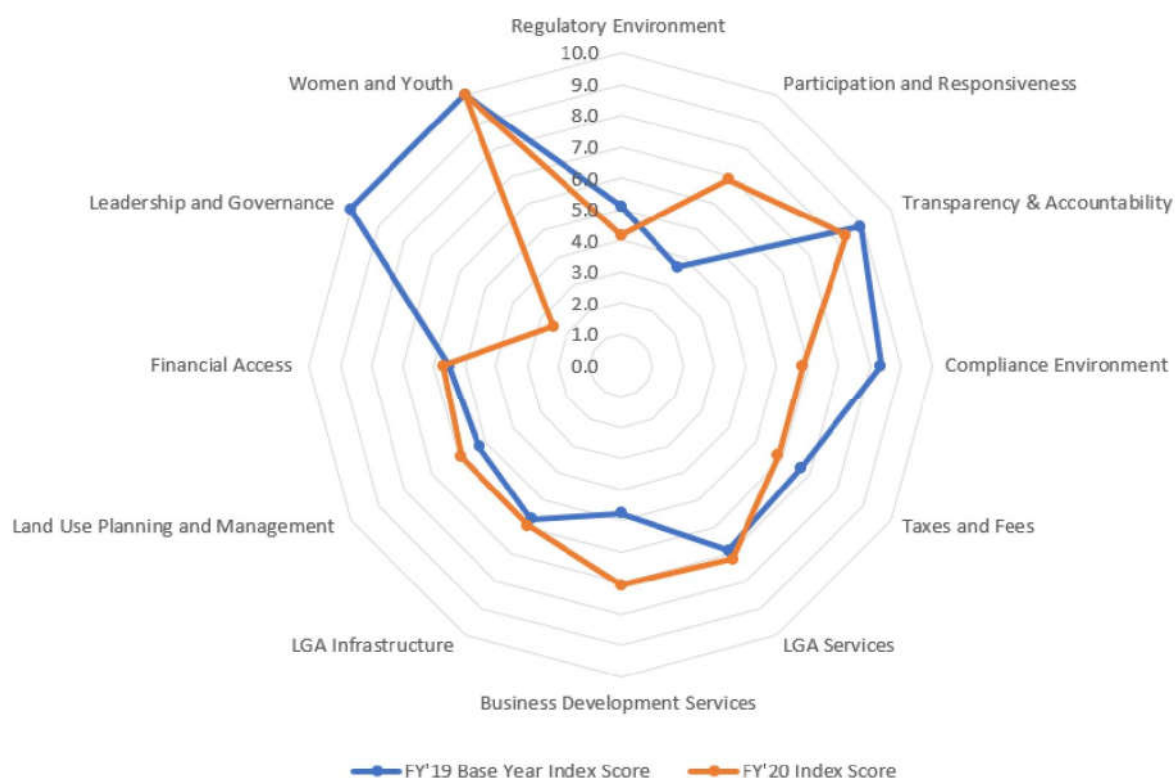


## Chake Chake District Council

0 to 4		<b>Emerging:</b> The LGA has limited capacity to provide basic levels of services and support to MSMEs operating in their jurisdiction (ie. Does not meet expectations).			
5 to 8		<b>Progressing:</b> The LGA has sufficient capacity to provide adequate levels of services and support to MSMEs to operating in their jurisdiction (ie. Meets expectations).			
9 to 10		<b>Leading:</b> The LGA has excellent capacity for providing services and support to MSMEs operating in their jurisdiction (ie. Exceeds expectations).			
SN	LGACI Dimension	LGACI Sub-dimension	FY'19 Base Score	FY'20 Index Score	Year on Year % Change
1	Regulatory Environment	Business Registration and Licensing	6.67	6.67	0%
		Central Point of Service	3.75	0.00	-100%
		SME Database	10.00	10.00	0%
		District/Regional Business Council	0.00	0.00	N/A
2	Participation and Responsiveness	Participatory Process	0.00	7.50	N/A
		LGA Responsiveness to Private Sector	0.00	5.00	N/A
		LGA Communication with Private Sector	3.13	4.38	40%
		LGA s Programs for Women and Youth	7.50	7.50	0%
		Women and Youth Business Investment	7.50	10.00	33%
3	Transparency & Accountability	Access to Information	8.33	8.33	0%
		Access to Planning Documents and Budgets	8.33	6.67	-20%
		Accountability	10.00	10.00	0%
4	Compliance Environment	Time Spent on Compliance	10.00	5.00	-50%
		Time Spent on Inspections	6.67	6.67	0%
5	Taxes and Fees	Payment Procedures	10.00	10.00	0%
		One-Stop Center	3.33	1.67	-50%
6	LGA Services	LGA Service Provision Capacity and Quality	8.75	10.00	14%
		Corruption in Service Provision	10.00	8.75	-13%
		Customer Service	0.00	0.00	N/A
		LGA Investment Promotion Strategy	8.75	10.00	14%
7	Business Development Services	Business Training	3.33	6.67	100%
		Business Development Services (BDS)	6.00	7.00	17%
		Creativity and Proactiveness	5.00	7.50	50%
8	LGA Infrastructure	Roads and Transportation	5.00	6.00	20%
		Utility Services	7.14	5.71	-20%
		Cleanliness	5.71	7.14	25%
		Market Facilities	5.00	5.00	0%
9	Land Use Planning and Management	Land Use Planning and Zoning	7.00	9.00	29%
		Monitoring of Available Land for Business Use	3.75	8.75	133%



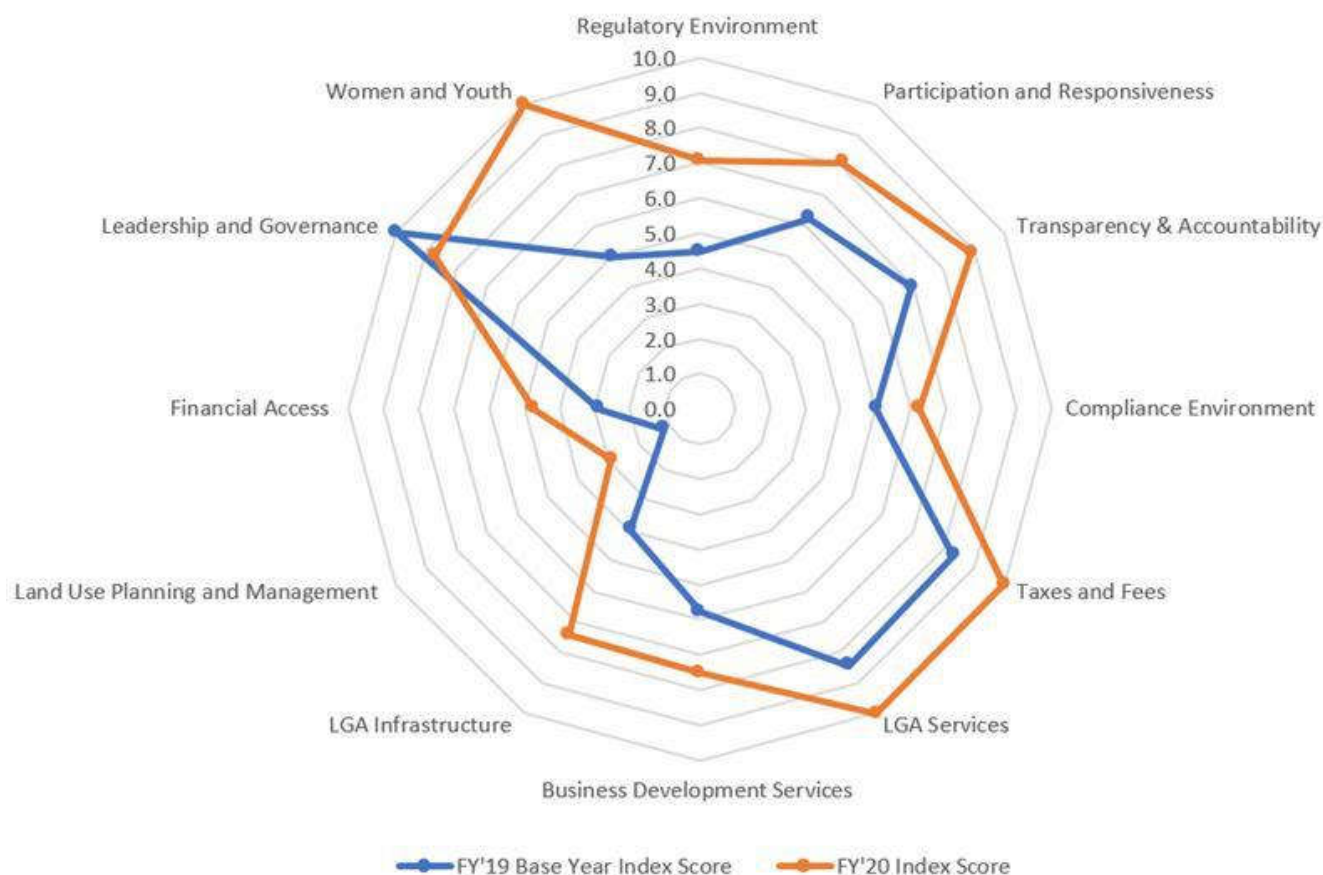
		Local Land Committees	5.00	0.00	-100%
10	Financial Access	Access to Banking Services	10.00	7.50	-25%
		Provision of Financial Services and Training	7.00	7.00	0%
		Enabling Small & Medium Industries	5.00	8.33	67%
		Business/Industrial/Science Parks	0.00	0.00	N/A
11	Leadership and Governance	Leadership Ethics Charter	10.00	5.00	-50%
		LGA Ombudsman's Office	10.00	0.00	-100%
12	Women and Youth	Women/Youth Business Equity	10.00	10.00	0%
<b>AGGREGATE LGACI SCORES AND YEAR ON YEAR PER (%) CHANGE</b>			<b>6.15</b>	<b>6.18</b>	<b>0%</b>
			INCREASED OR MAINTAINED LGACI SCORE OVER THE YEAR		



## Wete Town Council

0 to 4		<b>Emerging:</b> The LGA has limited capacity to provide basic levels of services and support to MSMEs operating in their jurisdiction (ie. Does not meet expectations).			
5 to 8		<b>Progressing:</b> The LGA has sufficient capacity to provide adequate levels of services and support to MSMEs to operating in their jurisdiction (ie. Meets expectations).			
9 to 10		<b>Leading:</b> The LGA has excellent capacity for providing services and support to MSMEs operating in their jurisdiction (ie. Exceeds expectations).			
SN	LGACI Dimension	LGACI Sub-dimension	FY'19 Base Score	FY'20 Index Score	Year on Year % Change
1	Regulatory Environment	Business Registration and Licensing	6.67	8.33	25%
		Central Point of Service	3.75	10.00	167%
		SME Database	7.50	10.00	33%
		District/Regional Business Council	0.00	0.00	N/A
2	Participation and Responsiveness	Participatory Process	7.50	9.17	22%
		LGA Responsiveness to Private Sector	5.00	5.00	0%
		LGA Communication with Private Sector	3.75	6.25	67%
		LGA s Programs for Women and Youth	7.50	10.00	33%
		Women and Youth Business Investment	7.50	10.00	33%
3	Transparency & Accountability	Access to Information	7.50	8.33	11%
		Access to Planning Documents and Budgets	3.33	8.33	150%
		Accountability	10.00	10.00	0%
4	Compliance Environment	Time Spent on Compliance	5.00	2.50	-50%
		Time Spent on Inspections	5.00	10.00	100%
5	Taxes and Fees	Payment Procedures	10.00	10.00	0%
		One-Stop Center	6.67	10.00	50%
6	LGA Services	LGA Service Provision Capacity and Quality	7.50	10.00	33%
		Corruption in Service Provision	10.00	10.00	0%
		Customer Service	10.00	10.00	0%
		LGA Investment Promotion Strategy	6.25	10.00	60%
7	Business Development Services	Business Training	3.33	5.00	50%
		Business Development Services (BDS)	4.00	10.00	150%
		Creativity and Proactiveness	10.00	7.50	-25%
8	LGA Infrastructure	Roads and Transportation	5.00	5.00	0%
		Utility Services	5.71	9.29	63%
		Cleanliness	3.57	7.14	100%
		Market Facilities	1.67	8.33	400%
9	Land Use Planning and Management	Land Use Planning and Zoning	1.00	5.00	400%
		Monitoring of Available Land for Business Use	2.50	3.75	50%

		Local Land Committees	0.00	0.00	N/A
10	Financial Access	Access to Banking Services	7.50	10.00	33%
		Provision of Financial Services and Training	4.00	4.00	0%
		Enabling Small & Medium Industries	0.00	5.00	N/A
		Business/Industrial/Science Parks	0.00	0.00	N/A
11	Leadership and Governance	Leadership Ethics Charter	10.00	7.50	-25%
		LGA Ombudsman's Office	10.00	10.00	0%
12	Women and Youth	Women/Youth Business Equity	5.00	10.00	100%
<b>AGGREGATE LGACI SCORES AND YEAR ON YEAR PER (%) CHANGE</b>			<b>5.51</b>	<b>7.44</b>	<b>+35%</b>
			INCREASED OR MAINTAINED LGACI SCORE OVER THE YEAR		



## ANNEX 5

### COLLABORATION, LEARNING AND ADAPTING CASE-STUDY

#### **Case Title: Disrupting Supply and Demand for Tanzanian Business Development Services - And Promoting Sustainability and Self-Reliance Along the Way**

**Name:** Paul Valemei, David Stein, Goodluck Mosha

**Organization:** International Executive Service Corps (IESC) and Mennonite Economic Development Associates (MEDA)

#### **Summary**

The Enabling Growth through Investment and Enterprise Program (ENGINE) was a four-year, USAID Tanzania-funded Feed the Future activity implemented by the International Executive Service Corps (IESC). The program facilitated a systematic approach to review and reform regulatory, informational, and financial channels that support business growth and investment in the southern agricultural regions of Mbeya, Morogoro, and Iringa, as well as Zanzibar (ENGINE's 'zone of influence', or ZOI) and Dar es Salaam.

One of ENGINE's three key components focused on equipping businesses for growth by building the capacity of over 60 business development service providers (BDSPs) within the ZOI and stimulating market demand for their services among growing micro, small, and medium-sized enterprises (MSMEs).

The business development services (BDS) industry has been a key component of economic growth throughout the developing world. These services and the BDSPs who provide them play an especially critical role in assisting MSMEs to formalize and enhance their profit models, and then to scale up. By accelerating the BDS marketplace for high quality services in the ZOI, ENGINE indirectly increased the revenue of MSMEs and helped them create new jobs.

ENGINE's hands-on work with the Tanzanian BDS marketplace through the e-Coupon mechanism has had a positive impact on MSME demand for BDS and the resulting BDSP sales as well as on MSME revenue and job creation.

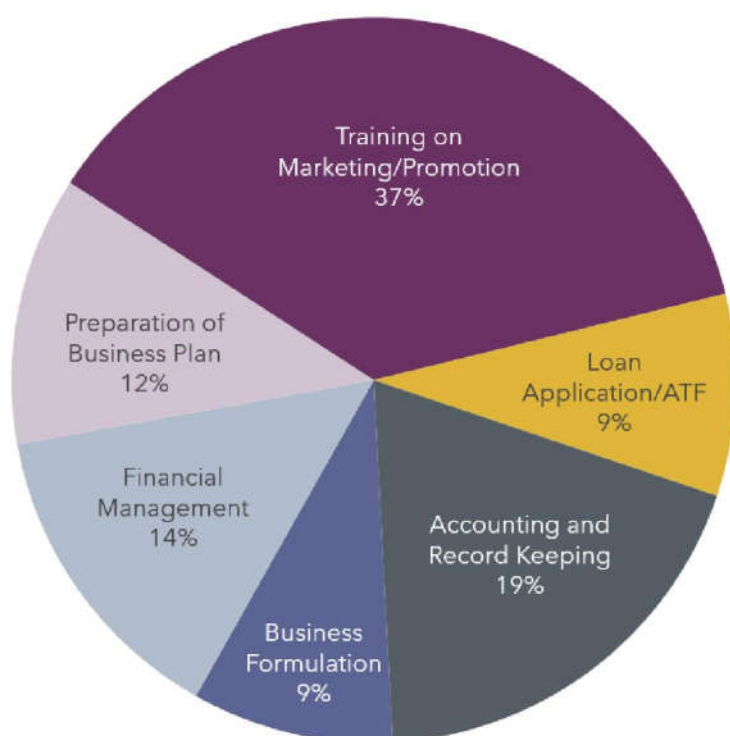
#### **1. What is the general context in which the case takes place? What organizational or development challenge(s) prompted you to collaborate, learn, and/or adapt?**

As a part of its holistic approach, the ENGINE program provided considerable assistance to the development of the BDS industry within its zone of influence with the support of sub partner Mennonite Economic Development Associates (MEDA). In the process of identifying BDSPs to partner with, ENGINE learned that the majority of targeted MSMEs in agriculture and related sectors utilizing BDS services received assistance for free through government and donor funded programs and other subsidized sources. *Although a certain amount of subsidization was anticipated, the level of dependency was more extensive than ENGINE had expected.* MSMEs were not encouraged to

pay and, in some instances, were being paid to receive training or advisory services by their benefactors. BDSPs marketed their MSME services to government agencies and international donors instead of the MSMEs themselves, and the industry became supply-driven with limited relevance for the actual needs of the market-segment they sought to serve.

*Consequently, MSMEs could not quantify, and or appreciate the value of BDS and therefore did not see the need to pay for services. Without increasing the perceived market value of BDS among MSMEs, the market for these services would remain dependent on donors in an unsustainable model.*

Chart 1: Types of BDS Purchased with e-Coupons



ENGINE sought to disrupt the status quo by intervening in both the supply and demand side of the market eco-system. On the supply side, ENGINE trained BDSPs on how to better understand the problems/challenges facing MSMEs and to tailor services to address these pain points. On the demand side, ENGINE worked to enhance MSME awareness of the benefits of utilizing these services. The e-Coupon mechanism was introduced as a tool to induce behavioral change among MSMEs by getting them to not only try and pay for BDS but also to transition them from a free service mentality towards a user-fee based service. Through the e-Coupon mechanism, MSMEs purchasing BDS for the first time received a one-time discount ranging between 10 to 40 percent<sup>2</sup> of the market price of a service from authorized providers.

The e-Coupon mechanism became operational in February 2018 and by the end of June 2020, a total of 2,308 coupons were issued, all of which were redeemed.<sup>3</sup> This represented a 100 percent issuance-redemption rate for the e-Coupon facility over the life of the program (LOP), with the average redemption period ranging between five and six days. To achieve its acceptance by the business community and ensure that it was being used in a strategic manner, the e-Coupon mechanism needed continuous fine-tuning to meet the changing needs of MSMEs and BDSPs as

<sup>2</sup> Discount levels were based on the total cost of the service type being purchased. The schedule of discounts was designed by ENGINE with consultation with USAID.

<sup>3</sup> The majority of e-Coupons went to micro-sized enterprises (87%). The remaining ones were mostly used by small-sized enterprises (12%), with only a few being used by medium-sized enterprises (<1%).



well as the shifting priorities of the Program. To do so, ENGINE continually monitored the performance of the mechanism, analyzed results, and incorporated feedback from stakeholders including the participating MSMEs and BDSPs, as well as USAID and other implementing partners (IPs) also engaged and experienced with private-sector actors throughout the country.

## **2. Why did you decide to use a CLA approach? Why was CLA considered helpful for addressing your organizational or development challenge(s)?**

The strategic goal of the e-Coupon mechanism was not to increase the sale of BDSP partners but to shift the mentality of both the BDSPs and potential clients and strengthen the market by facilitating a beneficial symbiotic relationship between them. The implementation of the mechanism required a model of continuous improvement, including strategic pivots to ensure the e-Coupons went to potential clients who would benefit from the BDS they received and return for more, and the redesigning of eligibility parameters to key target beneficiaries (i.e. enterprise size, location, type of economic activity, etc.). As such, the ENGINE program found the CLA approach of project monitoring and execution to be a natural fit with the strategy of developing a more sustainable BDS sector. By following a continuous cycle of reiterations and learning, the use of the e-Coupon relied heavily on the core principles of CLA:

- **Collaboration:** Not just limited to working within the donor community and the USAID mission, but partnering BDSPs with current and potential MSME clients.
- **Learning:** Multiple forms of both quantitative and qualitative data and feedback were continually received directly from the partner BDSPs and MSME beneficiaries.
- **Adapting:** By analyzing the information received directly from both BDSP issuers as well as MSME users of the e-Coupon mechanism each reporting quarter, the ENGINE team was able to identify areas in the mechanism's structure, rollout, and support-system that needed fine-tuning early in order to ensure that the coupons were not only being successfully issued and redeemed, but also going to the target MSMEs.

## **3. Tell us the story of how you used a collaborating, learning and/or adapting approach to address the organizational or development challenge described in Question 2.**

The e-Coupon mechanism evolved through a number of stages. In each stage, key principles of the CLA approach were used to assist in the design, rollout, and ultimate expansion of the mechanism:

**Design Phase:** This period ranged from March 2017 through July 2017. During this period, in-depth interviews and surveys of BDSPs and MSMEs were carried out by program staff to identify the significant challenges in getting MSMEs to start paying for BDS. Following a period of internal discussions over this market feedback, ENGINE presented a plan to USAID of an activity that would provide a limited discount to MSMEs to encourage them to start paying. In a market where BDS was typically fully subsidized by donors and MSMEs were sometimes even paid to receive these services, any form of payment by the MSMEs for BDS was a major behavioral shift. USAID responded positively to the concept.

The program drafted the workflow and engaged an IT developer to build a system that would manage the entire life-cycle of an e-Coupon: from registering MSME applications to the issuance, redemption, and reporting of each coupon. ENGINE also engaged a mobile solution company to develop an SMS window allowing e-Coupons to be issued directly to the MSME-owner's mobile phone devices. BDSPs would be able to complete the redemption process through their mobile phones when MSMEs came to redeem their coupons. All transactions could be instantly verified, authorized, and reported with a few clicks on any mobile phone.

**Issue:** IESC's compliance and finance teams required proof that a) the BDS services for which e-Coupon reimbursements were claimed were actually rendered to qualifying MSME clients; and b) the qualifying MSME clients that received the e-Coupon supported BDS services also paid for the balance of BDS service cost not funded by e-Coupon. To confirm this, BDSPs were required to issue (and report) official tax receipts to MSMEs through electronic fiscal devices (EFD). However, many BDSPs did not have an EFD, citing the high cost (350,000 TZS, or 150 USD) of the device as a barrier.

**Adaptation:** ENGINE decided to provide a "bonus" that reimbursed the costs of purchasing EFDs for those requiring support in attaining them, but only after they met certain targets for BDS sales and e-Coupons issuance.

**Total e-Coupons Issued & Redeemed: 15**

**Piloting Phase:** This phase lasted from August 2017 to January 2018. During this period, ENGINE conducted a rapid assessment of the BDS market to further understand the range of services currently offered by providers, their pricing mechanisms, and operating procedures. Based on this research, ENGINE developed key documents to support operations of the e-Coupon mechanism. These included: collaboration agreements with BDSPs; training materials and plans; and, training sessions to a selected group of 14 BDSPs to test the functionality of the system. Throughout this process, ENGINE engaged BDSPs for their feedback. This feedback became crucial to the final development of the system and key process documents.

Once the system was tested and ready for full operation, ENGINE presented a detailed review of the entire system to USAID. Following these discussions and collaborative efforts, USAID gave approval for the official launch of the mechanism and for BDSPs to begin utilizing the mechanism.

**Phase One:** This phase lasted from February 2018 to February 2019 and consisted of the initial rollout of the e-Coupon mechanism to additional BDSP partners and their prospective MSME clients. Capacity building provided to BDSPs was based on the key lessons learned during the pilot phase of the mechanism. Following assessments showing initial low levels of market awareness of BDSP providers and the e-Coupon mechanism, ENGINE used segments in local FM station talk radio shows to promote the e-Coupon mechanism. ENGINE continued to provide training and technical

**Issue:** The acceptance of the e-Coupon by MSMEs was slow, primarily due to the low-quality of products BDSPs could supply to smaller clients.

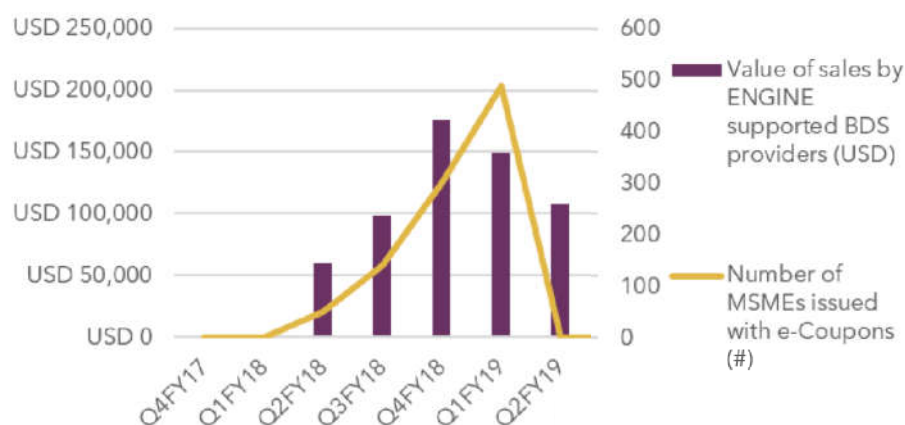
**Adaptation:** ENGINE worked with BDSP partners to evolve their services in accordance with the needs of MSMEs. BDSPs moved away from products that were too general and unhelpful towards specific areas identified through the increased engagement taking place during Year 2 of ENGINE.

**Total e-Coupons Issued & Redeemed: 947**

assistance to enhance BDSPs' product offerings for and how to market to MSMEs. By the end of this phase, approximately 978 MSMEs had purchased BDS for the first time through the e-Coupon mechanism thus far – significantly higher than the LOP target of 600.

**Reflection Phase:** Following the conclusion of the e-Coupon roll-out in early 2019, ENGINE management took time to analyze the execution and impact of the initiative. As we reviewed e-Coupon issuance and BDSP sales, we saw there was a strong correlation between the two.

Chart 2: Correlation of BDSP Sales and Number of Redeemed e-Coupons



The funds budgeted for the e-Coupons had been used up, and no plans were made to continue this incentive program. However, it was at this point that ENGINE's management became concerned that vital targets pertaining to MSME development were not being met. BDSP sales in particular began to lag and ENGINE management knew that this would adversely affect MSME sales and employment.

We posited – after receiving stakeholder input and feedback from business roundtables and quarterly discussions – that an expanded e-Coupon issuance could help augment these sales. Therefore, further internal analysis was conducted, and tranches of funding for expanded e-Coupon issuance were conditionally approved. The first tranche was expedited that summer and subsequent funding tranches were reliant on evaluating the results from prior iterations. This approach, consonant with CLA principles, allowed ENGINE's managers to evaluate the effectiveness of expanded e-Coupon issuance on program targets on an evolving basis and tweak particular implementation aspects, as needed, to achieve intended program results.

**Phase Two:** ENGINE restarted the e-Coupon in August 2019 with an additional tranche that lasted through November 2019. Before initiating this tranche of e-Coupons, the program made several changes in the mechanism to better target MSMEs in agricultural and nutrition value chains. In addition to encouraging BDSPs to market their services beyond the cities and towns they were located in, ENGINE also refined the e-Coupon discount

**Issue:** Prior to this phase, the pool of qualified MSME clients included non-agricultural/ nutrition businesses, as BDSPs' geographical reach was limited to urban settings.

**Adaptation:** ENGINE worked with BDSP partners on expanding their geographic market throughout their regions by training them on how to tailor their products to address the needs of rural clients and promote service to them.

**Total e-Coupons Issued & Redeemed: 571**

schedule. To better link with ENGINE interventions in specific agricultural value chains such as poultry, salt, and pyrethrum, the discount schedule for the e-Coupon mechanism was also altered to enable MSMEs such as farmers' groups to access e-Coupons. Originally, services that cost between 100,000 and 5M TZS were eligible for the incentive. The new schedule would include services valued up to 10M TZS to accommodate bulky BDS sales to groups of MSMEs. The new discount rate was also restructured to provide higher incentives of 30 percent off for less expensive services targeted at smaller enterprises, and smaller incentives as low as 10 percent to more expensive services targeted at larger enterprises and groups.

**Phase Three:** The final tranche of e-Coupons was initiated in January 2020. Based on system reports on the use of e-Coupons and BDS sales by region, ENGINE management identified the need to raise more awareness of the e-Coupon mechanism to lagging areas, primarily on the island of Pemba. By the end of this phase, a cumulative LOP total of 2,308 MSMEs had paid for BDS for the first time with the e-Coupon mechanism.

**Issue:** By January 2020, it became clear the use of e-Coupons had become saturated in Mbeya, Morogoro, and Iringa, but less so in Zanzibar.

**Adaptation:** ENGINE increased efforts to add more BDSP partners in Zanzibar and placed caps on the number of e-Coupons earmarked for the mainland.

**Total e-Coupons Issued & Redeemed: 775**

#### **4. Organizational Effectiveness: How has collaborating, learning, and adapting affected your team and/or organization? If it's too early to tell, what effects do you expect to see in the future?**

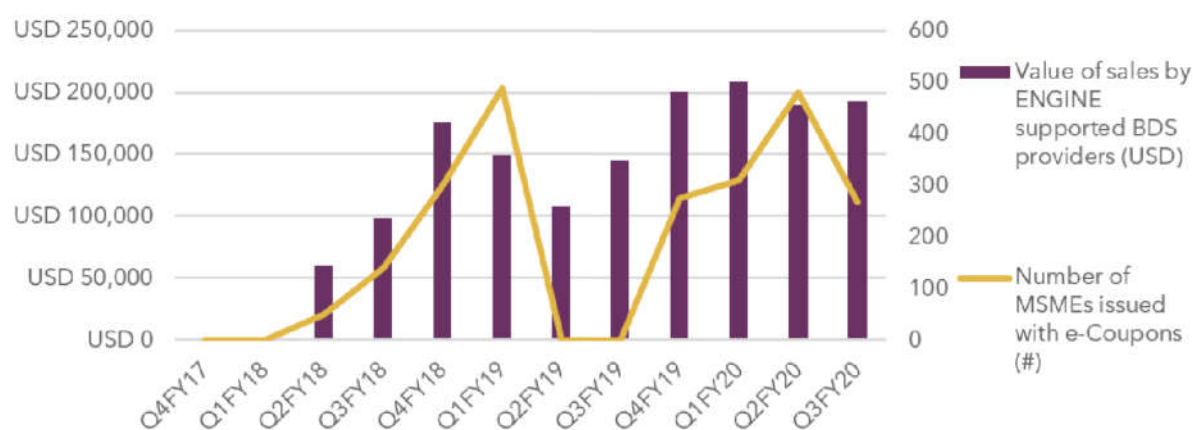
The approach of external collaboration encouraged ENGINE team members to consult with all different types of market actors and target beneficiaries when designing traditional and nontraditional interventions. This led to improved communication channels, better designs, and more effective implementation of program activities, as well as the development of innovative solutions such as the e-Coupon mechanism itself.

Additionally, by designing the MEL system towards active learning – as opposed to passively collecting data on USAID indicators – ENGINE's senior staff helped create a culture of openness and honest inquiry. Team members were provided access to results and field data and encouraged to question program assumptions and logic for program activities. This was done through pause and reflect sessions held following the aggregation of results each quarter, as well as during the more regular weekly meetings between senior managers and staff in Dar es Salaam and the regional offices and the home office team throughout each quarter. Although there were disagreements, consensus was achieved as staff from all levels understood the common goal to identify and address root causes of problems in the market and design solutions that are more responsive to the needs of target beneficiaries was a team effort.

## 5. Development Results: How has using a CLA approach contributed to your development outcomes? What evidence can you provide? If it is too early to tell, what effects do you expect to see in the future?

As part of the data gathering exercise that fed into the development of the e-Coupon mechanism, ENGINE would also host BDSP and MSME feedback sessions at the end of each quarter in each of the four regional offices. The majority of the MSMEs invited to these sessions were those who had accessed the e-Coupon mechanism. These sessions were not only significant for data collection for ENGINE indicators, but they also contributed to behavioral change, with partners and beneficiaries gathering to discuss mutual challenges and means to overcome them. In doing so, ENGINE maintained a strong correlation between e-Coupons and BDSP through the final months of technical activities in the third quarter of 2020, at which point the value of BDS sales remained high while the issuance of e-Coupons came to an end.

Chart 3: Correlation of BDSP Sales and Number of Redeemed e-Coupons Over LOP



Over the LOP, 2,308 MSMEs purchased BDS for the first time through the e-Coupon subsidy activity. In a market where BDS was fully subsidized by donors and the government, this was a significant behavioral change since these first-time purchasers and users of BDS still had to cover 60 to 90 percent of the total purchase price of the service.

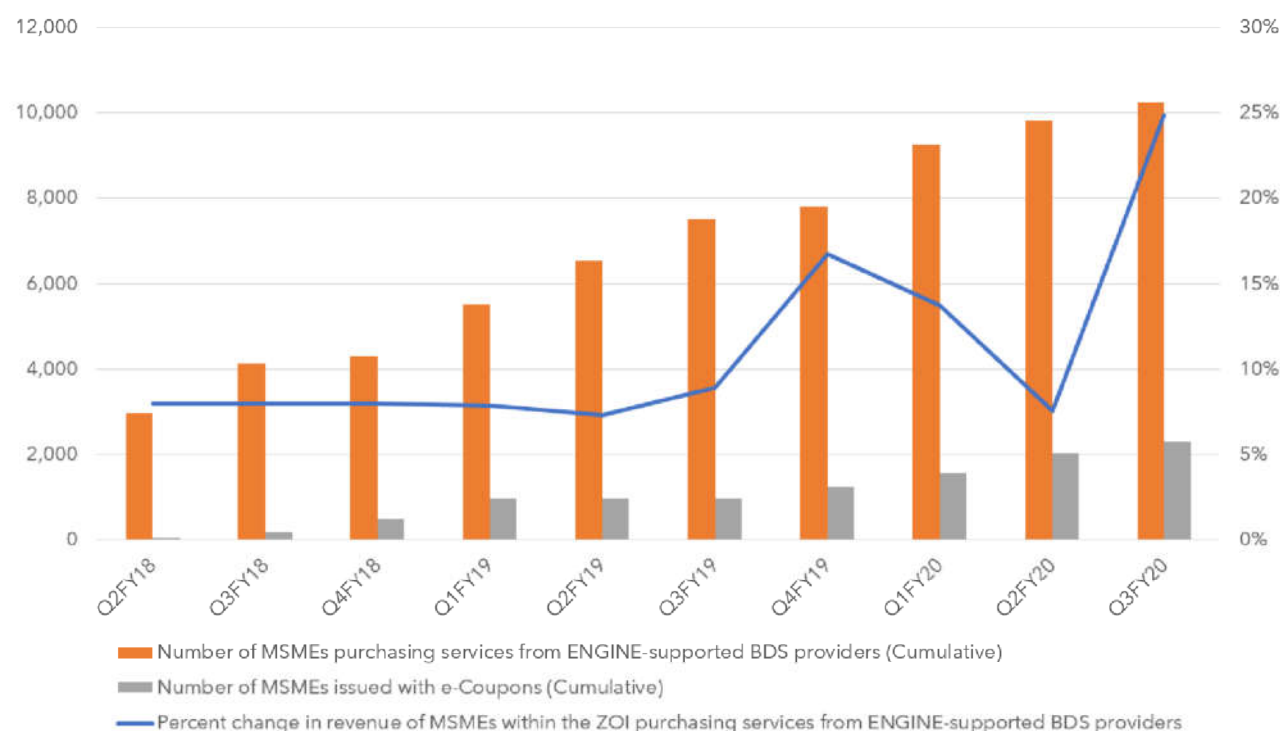
Of the 347 MSME respondents interviewed during the Final Beneficiary survey conducted in July 2020, 46 percent had accessed the e-Coupon subsidy. Of this subset, 55 percent stated that they were willing to pay full-price for BDS after trying it for the first time.

The data also illustrate how the increase in MSMEs procuring BDS – partly fueled by the e-Coupon mechanism – correlates with a continuum of growth for MSME beneficiaries throughout ENGINE's last three years. As each type of service provided (e.g. accounting, financial management, marketing, and promotion, etc.) has long-term impacts, we expect the beneficiaries will continue to benefit from them after ENGINE closes.



This correlation also implies a higher quality of BDS products is now available to this segment of the economy. If the services were still too broad and not tailored to the needs of the clients, the level of growth in MSME revenue would most likely be flatter than it currently is.

*Chart 4: Correlation of MSME Revenue Growth and the Cumulative Numbers of MSMEs Purchasing BDS and e-Coupons Issued*



By continuing to grow with the help of BDSPs, these MSMEs should not only want to purchase more services but need to in order to sustainably grow their businesses, ultimately creating that symbiotic relationship between client and provider required to have a sustainable marketplace.

## 6. What factors enabled your CLA approach and what obstacles did you encounter? How would you advise others to navigate the challenges you faced?

### Success/enabling factors:

- **Positive adaptive management from USAID:** USAID was very adaptive and provided approvals in a timely manner. Furthermore, USAID strongly supported ENGINE's efforts to break MSME dependency on donors and the government to cover BDS costs by urging all implementing partners to halt this subsidy. This resulted in further collaboration with IPs and ENGINE's BDS network throughout the program's zone of influence, culminating in business-to-business events across programs.
- **Flexibility among the program implementing partners to allocate time and funds to implement activities as needed.** IESC allocated more funds to the e-Coupon to respond to

increased demand for coupons, while MEDA was willing to continue providing the needed technical and analytical support. BDSPs were flexible in adopting new approaches in their businesses including for example use of EFD machines, record keeping, and new pricing arrangements.

- **Culture of honest inquiry:** Senior management was receptive to all concerns and allowed staff to be innovative and suggest changes to the e-Coupon system.
- **Use of data in decision making:** Decisions were based on data that was systematically collected and analyzed.

#### **Obstacles:**

- **The majority of lead firms were not willing to invest in their supply chains to improve efficiency of MSMEs through BDS.** All lead firms ENGINE engaged wanted to see improvement in their value chains, but most were not prepared to pay/contribute to the cost of BDS.
- **In some value chains, the commercialization of BDS was hampered by non-supportive government policies.** Some district agricultural development officers did not allow BDSPs to charge for services rendered to smallholder farmers, citing government policies on extension services which requires farmers to receive free services.

### **7. Did your CLA approach contribute to self-reliance? If so, how?**

The e-Coupon mechanism was always a temporary measure intended to support the long-term sustainability of the BDS market by boosting the potential target consumer market for BDS. When issued with a coupon, MSMEs knew that this was a one-time form of support to lower their costs for testing out BDS that they had never paid for/used before. Future usage of the BDS would be contingent on the MSMEs seeing benefits to their businesses and future livelihoods from these services and be willing to pay the full price for it accordingly.

By using an evidence based “Learning” approach of carrying out quarterly surveys of MSME users of BDS to gather their feedback on their satisfaction and the impact on their incomes and business growth, and applying adaptive management principles to fine-tune the design of BDSP capacity building activities, the CLA approach played a major role in building the resilience of the intervention activities targeted at the BDS market.

One such feedback from MSMEs was the mismatch between their business needs and the types of BDS products offered. Following ENGINE interventions, BDSPs have developed a greater range of products and services that respond to MSME client needs with them collectively reporting over 360 new products or services introduced over the LOP (750 percent more than initially projected). BDSPs have also invested in aggressively marketing their services to geographical areas and markets they had previously not considered.

The e-Coupon incentive played a key role in growing the market of MSME clients for BDS with BDSPs reporting over 10,000 new clients and additional earnings of over USD 1.5 million since receiving ENGINE support. As mentioned, the majority of surveyed clients who used e-Coupons to

purchase BDS for the first time indicated they would pay full-price in the future, a major shift in mentality!

This demand-driven approach also gave BDSPs more credibility with Tanzanian government agencies as well as international donors. ENGINE supported BDSPs have been recruited by the Mbeya City Council to provide services to Women and Youth groups and other constituents that receive support from the City Council. Additionally, several BDSPs have acquired contracts from development programs to provide services to their MSME beneficiaries.

## ANNEX 6

### LIST OF PARTNER INSTITUTIONS

NO.	ORGANIZATION NAME	LOCATION
<b>COMPONENT 1</b>		
1	Attorney General Chamber	Dar es Salaam
2	Business and Property Registration Agency (BPRA)	Dar es Salaam
3	Business Licensing Regulatory Council	Dar es Salaam
4	Chake Chake Town Council (TC)	Zanzibar
5	College of Business Education (CBE) Dodoma	Dodoma
6	District Business Council (DBC)	Dar es Salaam
7	District Commissioner Office	Dar es Salaam
8	Information Tourism & Heritage	Dar es Salaam
9	Iringa Municipal Council (MC)	Iringa
10	Kilosa District Council (DC)	Kilosa
11	Kyela DC	Kyela
12	Local Government Training Institute (LGTI)	Dodoma
13	Mbeya City Council (CC)	Mbeya
14	Micro, Small and Medium Industrial Development Agency (SMIDA)	Zanzibar
15	Ministry of Agriculture, Natural Resource, Livestock & Fishery	Zanzibar
16	Ministry of Education and Vocational Training	Dar es Salaam
17	Ministry of Finance and Planning (MOFP)	Dar es Salaam
18	Ministry of Industry, Trade & Marketing (MTIM)	Dar es Salaam
19	Ministry of Labor, Empowerment, Elder, Youth, Women & Children	Dar es Salaam
20	Morogoro MC	Morogoro
21	Mufindi DC	Mufindi
22	Office of the Chief Government Statistician (OCGS)	Dar es Salaam
23	President's Office Regional Administration and Local Government (PO-	Dar es Salaam

	RALG)	
24	President's Office Regional Administration and Local Government Special Departments (PO-RALGSD)	Dar es Salaam
25	Sokoine University of Agriculture (SUA)	Morogoro
26	State University of Zanzibar (SUZA)	Zanzibar
27	Tanzania National Business Council (TNBC)	Dar es Salaam
28	Tanzania Revenue Authority (TRA)	Dar es Salaam
29	Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA)-Iringa	Iringa
30	TCCIA-Kyela	Kyela
31	TCCIA-Mbeya	Mbeya
32	TCCIA-Morogoro	Morogoro
33	TCCIA-Mufindi	Mufindi
34	West A MC	Zanzibar
35	West B MC	Zanzibar
36	Wete DC	Zanzibar
37	Wete Town Council (TC)	Zanzibar
38	Wizara ya Elimu na Mafunzo ya Amali (WEMA)	Zanzibar
39	Zabeco Training Centre	Zanzibar
40	Zanzibar Agricultural Research Unit	Zanzibar
41	Zanzibar Airports Authority (ZAA)	Zanzibar
42	Zanzibar Environmental Management Authority (ZEMA)	Zanzibar
43	Zanzibar Investment Promotion Authority (ZIPA)	Zanzibar
44	Zanzibar Association of Local Government Authorities (ZALGA)	Zanzibar
45	Zanzibar National Business Council (ZNBC)	Zanzibar
46	Zanzibar National Chamber of Commerce, Industry & Agriculture (ZNCCIA)	Zanzibar
47	Zanzibar Planning Commission (ZPC)	Zanzibar
48	Zanzibar Ports Corporation	Zanzibar
49	Zanzibar Revenue Board	Zanzibar



50	Zanzibar Urban MC	Zanzibar
<b>COMPONENT 2</b>		
1	African Honey Solution Ltd	Mbeya
2	African Soil Hives Technology (ASHTECH)	Mafinga
3	Afrimark Co Ltd	Mbeya
4	Aggressive Ins.	Mbeya
5	Airport Taxi Drivers SACCOS	Mbeya
6	Darasa la Ufugaji Enterprise	Morogoro
7	DIAMI Co Ltd	Mbeya
8	Elimisha	Mbeya
9	Faidika Cooperative Society	Zanzibar
10	Five Giant Co Ltd	Iringa
11	Food Information Tanzania	Morogoro
12	Gando Entrepreneurship Program (GEP)	Zanzibar
13	HD Agribusiness	Zanzibar
14	Hollygreen Agric Group Ltd	Morogoro
15	IMARA Consultants	Zanzibar
16	J&J Tree and Fruit Tree Farm	Morogoro
17	Jumuiya ya Changamoto	Zanzibar
18	Jumuiya ya Elimu, Mafunzo, Ushauri na Utafiti (JEMUUZA)	Zanzibar
19	KAKHARI Consultants	Zanzibar
20	KALABAMU Ltd	Iringa
21	Khebhandza Marketing Co Ltd	Mbeya
22	Kihaga Youth Training Center	Zanzibar
23	Kinshaga Food Products and companies	Morogoro
24	Lambokile Company Ltd	Dar es Salaam
25	Makheya Enterprise	Mbeya

26	Malema Professional Enterprises	Morogoro
27	Microphas Investment Ltd	Morogoro
28	Moshak Consultants	Zanzibar
29	Moshi Cooperative University	Iringa
30	MOWI Consultancy	Mbeya
31	Mpandila General Suppliers	Mbeya
32	Mwangaza Microfinance	Mbeya
33	Near Consultant	Mbeya
34	New Position	Mbeya
35	Nia Safi Cooperative (NISACO)	Mbeya
36	Nittaleus Enterprises	Mbeya
37	Omega Agroviet	Morogoro
38	Pemba Beekeeping Association (PEBA)	Zanzibar
39	Poultry Farmers Development Organization (POFADEO)	Zanzibar
40	Promise Tanzania	Iringa
41	Research Planning and Project Write up	Iringa
42	Rural Consultancy Company Limited	Dodoma
43	S & C General	Zanzibar
44	SIDO- Morogoro	Morogoro
45	SIYB	Mbeya
46	Southern Zone Farmers Empowerment Organization	Iringa
47	SSEA Agricultural General Supply Limited	Iringa
48	Sokoine University Graduate Entrepreneurs Cooperative (SUGECO)	Morogoro
49	TATESA	Morogoro
50	The Business Assessors Ltd	Morogoro
51	TOMISA	Iringa
52	Waterfalls BDS	Zanzibar

53	Women Entrepreneurs Development Trust Fund (WEDTF)	Zanzibar
54	Women Seashells and Seaweed Conservation Association (WASCA)	Zanzibar
55	Zanzibar Association of the Disabled (UWZ)	Zanzibar
56	Zanzibar Beekeepers Association	Zanzibar
57	Zanzibar National Chamber of Commerce, Industry and Agriculture (ZNCCIA)	Zanzibar
58	Zanzibar Economic Empowerment Fund	Zanzibar
59	Zanzibar Federation of Informal Sectors organization (ZAFISO)	Zanzibar
60	Zanzibar Organic Spice Growers	Zanzibar
61	Zanzibar Transworld Academy	Zanzibar
62	Zanzibar Women Entrepreneurs Network (ZAWEN)	Zanzibar
63	Bidii Investment Tanzania Limited	Zanzibar
64	Silverlands Tanzania Limited	Iringa
65	Pyrethrum Company of Tanzania (PCT)	Mafinga
66	Swahili Coast Salt Company Ltd (SCSC)	Pemba
67	Moshi Cooperative University-HQ	Moshi
68	Tanzania Cooperatives Development Commission	Dodoma
<b>COMPONENT 3</b>		
1	ABSA Bank	Dar es Salaam
2	AKIBA Bank	Dar es Salaam
3	AMANA Bank	Dar es Salaam, Zanzibar, Pemba
4	AML Finance	Dar es Salaam
5	Azania BANK	Dar es Salaam
6	Bank of Africa	Dar es Salaam
7	Bank of Baroda	Dar es Salaam
8	Bank Of Tanzania	Dar es Salaam
9	Commercial Bank Of Africa	Dar es Salaam

10	Covenant Women Bank	Dar es Salaam
11	CRDB Bank	Dar es Salaam
12	Diamond Trust BANK	Dar es Salaam
13	EXIM Bank	Dar es Salaam
14	FINCA Microfinance Bank	Dar es Salaam, Arusha
15	KCB Bank	Dar es Salaam, Arusha
16	Letshego Tz Ltd	Dar es Salaam, Mbeya
17	Maendeleo Bank	Dar es Salaam
18	National Bank of Commerce Ltd (NBC)	Dar es Salaam
19	NMB Bank	Dar es Salaam
20	PRIDE Tanzania	Arusha
21	Tanzania Bankers Association	Dar es Salaam
22	Tanzania Investment Bank (TIB)	Dar es Salaam
23	The Peoples Bank of Zanzibar Ltd (PBZ)	Zanzibar
24	TPB Bank	Dar es Salaam
25	UBA Group	Dar es Salaam
26	Vision Fund Microfinance	Dar es Salaam, Arusha
27	Yetu Microfinance Bank	Dar es Salaam, Zanzibar

## ANNEX 7

### VOLUNTEER ASSIGNMENT SUMMARIES

FISCAL YEAR	NUMBER OF VOLUNTEER ASSIGNMENTS	VALUE OF COST SHARE
FY17	35	\$388,788
FY18	34	\$468,334
FY19	28	\$423,086
FY20	11	\$188,942
Total	108	\$1,469,150

SUMMARY OF VOLUNTEER ASSIGNMENTS				
PERIOD	NO.	VOLUNTEER NAME	LENGTH OF ASSIGNMENT (DAYS)	ASSIGNMENT DESCRIPTION
FY17 Q1	1	██████████	11.62	Designed an assessment tool for the following beneficiary banks: PRIDE, Akiba, CRDB. Done remotely.
FY17 Q2	2	██████████	26	Conducted the assessment with banks in person.
	3	██████████	14.53	Analyzed the rapid gender assessment and drafted the Gender Action Plan for ENGINE.
	4	██████████	11	Analyzed and advised ENGINE Component One interventions specific to Zanzibar municipalities and the PO-RALGSD.
	5	██████████	0.875	Provided remote assistance on ENGINE's digital platform and tested user experience.
	6	██████████	8.25	Provided remote assistance and design expertise on ENGINE's web application and mobile app User Interface.
	7	██████████	0.875	Provided remote assistance and design expertise on ENGINE's web application and mobile app User Interface.
FY17 Q3	8	██████████	16	Performed trainings on credit risk analysis to three of the four partner banks that ENGINE worked with.
	9	██████████	19	Supported the ENGINE field office with



				communications support - drafting success stories and giving communications trainings for staff.
	10	██████████	2.5	Designed the user interface for the ENGINE digital platform remotely.
	11	██████████	0.125	Remotely tested ENGINE's online system usability and accessibility and provided recommendations to the design team for improvement.
	12	██████████	1	Remotely tested ENGINE's online system usability and accessibility and provided recommendations to the design team for improvement.
	13	██████████	52.2	Designed and implemented a series of interventions that strengthened the ability of local governments to translate engagement with the private sector into effectively implemented policies that respond to constituent concerns.
	14	██████████	39	Enhanced the foundation documents of the Zanzibar Association of Local Government Authorities (ZALGA) in order to provide a clear framework and incentive for Zanzibar LGAs to participate in the revitalization and growth of the association in order to receive services that will benefit their constituents.
	15	██████████	35	Assisted in the finalization of the development of the draft Policy Reform Prioritization Tool (PRPT) and Manual of Operations, and the consultation process that took place with relevant stakeholders
	16	██████████	26	Enhanced the capacity of the Zanzibar National Chamber of Commerce, Industry and Agriculture (ZNCCIA) to effectively participate in Public-Private Dialogues (PPDs) and advocate for a strengthened business enabling environment in support of Micro Small and Medium Enterprises (MSMEs) and Business Development Services Providers (BDSPs)
	17	██████████	17	Worked with the Gender and Youth Specialist to access service gaps to youth, with focus on policy, Business Development Services (BDS) access, and access to finance.
FY17 Q4	18	██████████	14	Designed the training methodology and developed training materials for PRPT training for field trainers and facilitators as well as a

				Training of Trainers (ToT) workshop. The VE developed ToT materials and trained five PRPT training VEs and ENGINE staff on the training methodology developed through Component One. Observed ToTs delivered by PRPT training VEs and provided feedback and recommendations. Observed field sessions of PRPT application by Local Government Authorities (LGAs) and private sector representatives and provide feedback to both expert volunteers and field trainers.
19	██████████	18.125		Assisted Iringa LGA to evaluate their land use planning and related policies, by laws, regulations, and resources. The VE drafted a service improvement plan, proposed funding mechanisms to improve the delivery of services related to land use planning, and recommend reforms.
20	██████████	13		Assisted the adoption of revised documents by ZALGA to provide a clear framework and incentive for Zanzibar LGAs to participate in the revitalization and growth of the association so that member LGAs receive services that will benefit their constituents
21	██████████	16.25		Conducted a comprehensive needs assessment (Institutional Architecture Assessment [IAA]) and determined how ENGINE could assist in strengthening the business enabling environment in Iringa.
22	██████████	51.5		Designed and implemented a series of interventions which strengthened the ability of local governments to translate engagement with the private sector into effectively implemented policies that respond to constituent concerns.
23	██████████	31.5		Contributed to the reform and strengthening of the President's Office for Regional Administration, Local Government's (PO-RALG) Local Economic Development (LED) policy and strategy with PO-RALG technical staff. Identified the needs for strengthening the organizational development and staff capacity of the Zanzibar President's Office for Regional Administration, Local Government and Special Departments (PO-RALGSD) and LGAs (the 3 Urban Municipal Councils comprising the Urban/West Region of Unguja and the Chake Chake Town Council in

				Pemba).
24	██████████	24		Completed a comprehensive needs assessment (IAA) to determine how the ENGINE Program can assist LGAs strengthen their business enabling environment. This included the creation of an Action Plan, which provided an annual strategy and set of actions to address needs and challenges to the LGA business enabling environment (including policy reform and an improvement in managerial/administrative systems and procedures, as well as staff training/capacity building needs).
25	██████████	15		Enhanced the capacity of local Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA) chapters to effectively participate in PPDs to advocate for a strengthened business enabling environment in support of MSMEs and BDSPs.
26	██████████	5		Assisted financial institutions to overcome lender risk–aversion through adopting statistical analysis, predictive modeling, risk-based pricing methods, and adjustments to lender incentives.
27	██████████	28		Assisted BDSPs in Morogoro, Iringa, Mbeya, and Zanzibar to enhance the quality of their products and services by learning from their small and medium enterprise (SME) clients' feedback.
28	██████████	19		Assisted ENGINE senior management in the preparation of draft success stories in various formats, press releases, fact sheets, and blog posts.
29	██████████	1		Tested the program's newly developed digital platform remotely—both online interface and mobile application—and its usability and accessibility, leading to a series of functionality and design improvement recommendations for a smoother and more consistent user interface.
30	██████████	4.5		Remotely assisted the development of a digital business linkage platform.
31	██████████████████	2.625		Remotely assisted the development of a digital business linkage platform.
32	██████████ ██████████	1.375		Tested the program's newly developed digital platform—both online interface and mobile application—and its usability and accessibility,

				leading to a series of functionality and design improvement recommendations for a smoother and more consistent user interface.
	33	████████	3.4	Designed animations that described the functionalities of the BizFund digital platform.
	34	████████	25	Equipped BDSPs in Morogoro, Iringa, Mbeya and Zanzibar with modern accounting and financial management skills and systems. This assignment improved BDSPs' efficiency, reduced their costs, and allowed them to support more SMEs with affordable BDS.
	35	██████████	33	Assessed the technical assistance needs of selected BDSPs concerning quality control and client relationship management; and developed follow-up plans for each BDSP.
FY18 Q1	1	████████	26	Assisted the Covenant Bank for Women (CBW) to conduct an assessment of their current and future management information system needs and helped CBW leadership determine which ones were best suited for the bank.
	2	████████	26	Assisted BDSPs in Morogoro and Iringa to expand their SME client base by designing and delivering improved or new products and expanding into new markets.
	3	████████	22	Helped two Tanzania financial institutions become better able to address opportunities in SME agricultural finance.
	4	██████████	38	Developed a structured "credit readiness" process to help Tanzanian business owners with loan application preparation and packaging to improve their likelihood of qualifying for a commercial loan.
	5	██████ ██████	0.75	Assisted in the development of a digital business linkage platform.
	6	████████	27.13	Assisted service providers in designing and delivering improved or new products, responsive to client needs, and expanding into new markets.
	7	██████ ██████	32.07	Trained service providers to develop and employ effective internal communications, operating systems and Human Resources (HR) procedures.
	8	██████████	20.375	Enhanced the capacity of local TCCIs in Iringa and Mbeya to effectively participate in

				PPDs to advocate for a strengthened business enabling environment in support of MSMEs and BDSPs
	9	██████████	20	Designed a series of interventions which strengthen the ability of local governments to translate engagement with the private sector into effectively implemented policies that respond to constituent concerns
	10	██████████	17.5	Assisted LGAs in Mbeya to evaluate their solid and liquid waste collection and disposal, recycling, policies, by laws and regulations, and resources; draft service improvement plans; propose funding mechanisms to improve the delivery of solid and liquid waste collection and disposal as well as the recycling of the same; and recommend follow-on volunteer assignments in these areas.
	11	██████████	21	Assisted the PO-RALG SD in Zanzibar by assessing the current status of the Decentralization-by-Devolution (D-by-D) initiative and offered suggestions and recommendations on how to operationalize the devolution
	12	██████████	22.75	Enhanced the capacity of local TCCIAs in Iringa and Mbeya to effectively participate in PPDs and advocate for a strengthened business enabling environment in support of MSMEs and BDSPs.
FY18 Q2	13	██████████	18.5	Enhanced the capacity of local TCCIAs to effectively participate in PPDs and advocate for a strengthened business enabling environment in support of MSMEs and BDSPs
	14	██████████	19.6	Assisted LGAs in learning how to use the PRPT to assess, rank and prioritize the need of reform of their business policies and management/ administrative systems, procedures and processes (including staff capacity) that support them and delivered trainings to LGA and private sector (Business Council, TCCIA) staff that will use the PRPT.
	15	██████████ ██████ ██████	34.53	Trained service providers in finance and accounting best-practices. The main objective of this assignment was to equip BDSPs in Morogoro, Iringa, Mbeya and Zanzibar with modern accounting and financial management skills and systems. This was to improve BDSPs' efficiency, reduce their costs



				and allow them to support more SMEs with affordable BDS.
FY18 Q3	16	██████████	23	Finalized the draft strategic plan for the Zanzibar National Business Council (ZNBC).
	17	██████████	15	Assisted with the LGA IAA in Kyela and Mbeya.
	18	██████████	15	Assisted with the LGA IAA.
	19	██████████	15	Worked with FINCA Microfinance Bank to identify business process improvement opportunities.
	20	██████████████████	10	Conducted capacity building to BDSPs on consultancy process.
	21	██████████	25	Conducted capacity building to BDSPs on consultancy process.
	22	██████████	18	Assisted in the development of the mobile app and web development of the BizFundi application.
	23	██████████	20	Assisted in the development of the mobile app and web development of the BizFundi application.
FY18 Q4	24	██████████	17	Helped develop and test sustainable, repeatable, and quantifiable business process improvement recommendations (business requirements definition, gap analysis, cost-benefit analysis). She additionally conducted a training with FINCA staff on organization processes/efficiency of optimization
	25	██████████	27	Completed a comprehensive needs assessment (IAA) to identify and outline challenges in the LGA to strengthen their business enabling environment, and to develop, with the District Core Team, an LGA Action Plan that addresses the key issues identified during the IAA that can be addressed in the LGA's 2018-19 annual planning process and budget.
	26	██████████████████	21.25	Worked remotely with the ENGINE Component Three development team to develop BizFundi software components to perform specific functions as specified by the team.
	27	██████████	2.25	Worked remotely with the ENGINE Component Three development team to develop BizFundi software components to perform specific functions as specified by the

				team.
	28	████████	7.5	Worked remotely with the ENGINE Component Three development team to develop BizFundi software components to perform specific functions as specified by the team.
	29	████████	16.5	Conducted the LGA IAA in Kyela, Mbeya.
	30	████████	14.6	Conducted the LGA IAA in Kilosa, Morogoro.
	31	████████	30	Conducted the LGA IAA in Zanzibar (Unguja LGAs: West A, West B and Urban)
	32	████████	45.33	Equipped BDSPs in Mbeya and Iringa with the technical skills and tools to efficiently provide appropriate consultancy services to SMEs. The improved consulting skills and tools enhanced interactions between BDSPs and SMEs and stimulated SMEs to purchase BDS as they continued to realize the benefit of BDS to their business.
	33	████████	26	Equipped BDSPs in Mbeya and Morogoro with the skills and tools to market and promote their businesses. Marketing and promotional skills and tools assisted BDSPs sell their existing services to SMEs and provided another training service opportunity to grow their business and income.
	34	████████	21.4	Equipped BDSPs in Iringa and Zanzibar with the skills and tools to market and promote their businesses. Marketing and promotional skills and tools assisted BDSPs sell their existing services to SMEs and provided another training service opportunity to grow their business and income.
FY19 Q1	1	████████	40.93	Formed and supported pyrethrum farmer groups in Iringa and Mbeya to meet the needs of Pyrethrum Company of Tanzania (PCT). Trained business development service providers to support enterprises in pyrethrum value chain.
	2	████████	25	Built the capacity of financial institution staff on the practical skills required to address the unique challenges of lending to SMEs and presented international best practices for managing SME loans so that they may change their behavior in ways that lead to an increase in SME lending in Tanzania. Also built the capacity of local banks to introduce

				sophisticated products and grow their trade finance business, with a focus on SMEs.
	3	██████████	32	Built the capacity of Tanzania financial institution staff to be able to identify, assess and manage risks associated with lending to SMEs. The assignment addressed identified gaps at credit granting processes and presented international best practices for identifying, measuring, controlling, and monitoring credit risk. Also addressed internal controls and operations related to credit, market and operational risk, and how to coordinate credit risk management practices between central management and field/branch staff.
	4	██████████	18	Built the capacity of financial institution staff so that they could change their behavior in ways that lead to an increase in access to capital among youth business owners.
	5	██████████	25	Supported BDSPs trained by ENGINE and selected by the NAFKA Program as they conducted credit and institutional assessments of NAFKA-supported producer organizations. The expert volunteer worked closely with the selected ENGINE BDSPs –at first as a group, then later individually – and provided mentoring, quality assurance, guidance, and ad-hoc training throughout their work to ensure that they were able to successfully accomplish the objectives of their assignment with NAFKA.
	6	██████████	19	Conducted the IAA in Zanzibar.
	7	██████████	19.5	Reviewed and supported the development of the Waste Management Policy Report in Iringa and Mbeya.
	8	██████████	8.8	Provided organizational development support to the Zanzibar National Chamber of Commerce, Industry and Agriculture (ZNCCIA).
	9	██████████	40	Peace Corps Volunteer who assisted Component 3 by developing communication materials that rose awareness and built capacity on financial services and ENGINE activities among key stakeholders.
	10	██████████	40	Peace Corps Volunteer who assisted the communications and grants units.

FY19 Q3	11	██████████	2.38	Navigated and interacted with ENGINE's newly-developed digital platform—both online interface and mobile application—and test its usability and accessibility, leading to a series of functionality and design improvement recommendations for a smoother and more consistent user interface.
	12	██████████	47	Worked closely with PCT's executive team to design and deliver an organizational and operational training course for primarily semi-commercial farmers, emerging commercial farmers, and organized groups of smallholder farmers for the ENGINE program in Tanzania. It also entailed the development of training materials, Pilot Testing the materials, and Conducting a ToT to a group of 10 local BDSPs.
	13	██████████	20	Built the capacity of financial institutions' staff on the practical skills, tools and techniques of project management to achieve organizational objectives and improve performance, first through an assessment of the existing state of the financial institution and then through a formal training session
	14	██████████	20	Built the capacity of Tanzanian financial institution leadership to motivate and develop employees, incentivize and guide teams, manage change, and effectively influence stakeholders across an organization.
	15	██████████	41.63	Supported Tanzania Institute of Bankers (TIOB) draft a comprehensive 3-year strategic plan in order to deliver its mandate and the focused areas mentioned above.
	16	██████████	2	Navigated and interacted with ENGINE's newly-developed digital platform—both online interface and mobile application—and test its usability and accessibility, leading to a series of functionality and design improvement recommendations for a smoother and more consistent user interface.
	17	██████████	2.75	Navigated and interacted with ENGINE's newly-developed digital platform—both online interface and mobile application—and test its usability and accessibility, leading to a series of functionality and design improvement recommendations for a smoother and more consistent user interface.

	18	██████████	33	Assisted BDSPs in Morogoro, Iringa, Mbeya and Zanzibar to improve their training skills and update their training materials in order to attract more MSMEs to purchase BDS on a regular basis. By enhancing BDSPs training methods and training material quality, MSMEs were made of aware of the benefits of the training and were more willing to pay for BDS.
	19	██████████	17.4	Worked with the city of Mbeya to develop a 5-Year Revenue Enhancement Development Plan.
FY19 Q4	20	██████████	24	Built the capacity of BDSPs in Iringa and Mbeya by providing them with tools, processes and methodologies that enabled them to develop or improve their strategic plans. The increased BDSPs knowledge in strategic plan development and review improved internal capacities of BDSPs and enabled BDSPs to offer similar services to MSMEs by using modern strategic planning processes and tools.
	21	██████████	24.33	Built the capacity of BDSPs in Morogoro and Zanzibar by providing them with tools, processes and methodologies that enabled them to develop or improve their strategic plans. The increased BDSPs knowledge in strategic plan development and review will improve internal capacities of BDSPs and enable BDSPs to offer similar services to MSMEs by using modern strategic planning processes and tools.
	22	██████████	9	Provided bank leaders and managers with cost-effective tools to successfully measure their risks and thereby benefit from better pricing and better risk-to-capital management. Through the master class sessions, bank examiners and internal auditors were provided an up-to-date framework which they were able to test the effectiveness of a risk management program and to review the risk management oversight at the banks in their jurisdictions.
	23	██████████	12	Built the capacity of Tanzania financial institutions' employees to learn effective methods and tools to provide high quality customer service.
	24	██████████	22	Built the capacity of BDSPs in Mbeya and Morogoro and provide them with tools and



				methodologies that enabled them to offer market linkages services to their MSME clients that are involved in agriculture and agribusiness activities. Through this assignment, BDSPs added to their menu of services that they offered to MSMEs and in turn enhanced MSMEs ability to pay for BDS through additional revenue generated from improved sales from diversified market opportunities.
	25	██████████	81	Assisted ENGINE to implement its communications strategy across multiple platforms, including print, electronic media, and social media. Other media included press releases, press conference support, media interviews, site visits, success story composition, beneficiary testimonials, professional photography, videos, webcasts and/or e-mail marketing.
	26	██████████	19	Offered critical assistance to two partners of ENGINE who wished to combine their efforts to increase the market opportunity for professional agribusiness services and increase the production of high-quality Pyrethrum flowers (Chrysanthemum Daisies).
	27	██████████	21.875	Supported and built the capacity of the Yetu Microfinance institution staff on core principles and models of Islamic finance. The VE established a framework for staff to understand how Islamic financial institutions operate and what the differences are between the Shariah compliant way of doing banking and the conventional financial system.
	28	██████████	26	Offered critical assistance to two villages associated with the poultry pull model validation in coordination with poultry and feed suppliers. This capacitated business services further to carry the process forward to full model implementation throughout the country.
FY20 Q1	1	██████████	33	Supported local consulting company to improve the quality of draft reports of Investment Promoting Strategies to an acceptable international quality and standard. The VE reviewed draft reports with the objective of upgrading & producing an international standard document that would attract (foreign) investments and incorporates

				necessary data/information that would improve the investment profiles.
2			24.53	Assisted BDSPs in Iringa, Mbeya, and Morogoro to form regional networks/alliances. The VE sensitized and advised BDSPs on the steps required to establish functional regional networks. The VE facilitated BDSPs to come up with necessary frameworks, structures, and processes for the regional networks/ alliances. These included leadership structure, constitution, and action plan to initiate the registration process.
3			43	Built the capacity of BDSPs in Morogoro, Iringa, Mbeya, and Zanzibar to assist MSMEs (especially agro-processors) in traceability and quality control aspects in order to access export markets. The assignment was a step towards having a cadre of BDSPs in Mbeya, Iringa, Morogoro and Zanzibar who are knowledgeable in these areas to assist MSMEs in diagnosing and finding the appropriate solutions to their particular needs in traceability and quality control (including HACCP and Global GAP) in order to supply international markets.
4			25	Built the capacity of BDSPs in Morogoro and Zanzibar and provide them with tools and methodologies that enabled them to offer market linkages services to their MSME clients that are involved in agriculture and agribusiness activities.
5			9.53	Assisted BDSPs in Zanzibar and Dar es Salaam to form regional networks/alliances. The VE continued his work from the previous assignment and further advised BDSPs on the steps to follow to establish functional regional networks. The Expert Volunteer facilitated BDSPs to come up with necessary frameworks, structures, and processes for the regional networks/ alliances. These included leadership structure, constitution, and action plan to initiate the registration process.
6			13	Built the capacity within one Tanzanian financial institution. Through training with the VE, employees learned effective methods and tools to provide high quality customer experience.

	7	██████████	12	Offered critical assistance to a Microfinance Institution (MFI), enabling them to establish proper internal controls and risk management frameworks to ensure that the institution mitigate risks properly and on time. The volunteer expert worked closely with each MFI staff to assess the institutions' performance and operations (branch operations such as loans, cash, and accounting, MIS, and risk management).
FY20 Q2	8	██████████	23.375	Facilitated an institutional/organizational needs assessment of the TCCIA district chapters performances through identifying strengths and gaps. Provided recommendations for improvement in order to enhance organization/operational capacity and sustainability.
	9	██████████	18	Built the capacity within one Tanzanian financial institution. Employees learned effective methods and tools to provide high quality customer experience. The volunteer worked with ENGINE's communications specialist and the marketing team of a Tanzanian MFI to define a customer communication strategy that caters to different customer segments through various phases of customer life cycle; define a cross-selling strategy that aligns with the communication strategy for the aim of retaining customers; and propose a better approach to standardize customer experience activities where a MFI can measure, monitor and improve.
FY20 Q3	10	██████████	9.875	Provided the Zanzibar Women's Chamber of Commerce (ZWCC) with necessary operational documents and manual. The VE worked closely with ZNCC to provide the required information needed to complete the documents.
	11	██████████	17.375	Trained TIOB staff on how to use common computer software to develop digital media content that can be incorporated into TIOB's future online training courses. This as a remote but hands-on practical training, with the expert covering aspects of graphic design, data visualization, video production, sound recording and editing, and basic animation. The expert also trained TIOB staff on aspects

				of arranging and using digital content effectively to transfer knowledge to adult learners.
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## ANNEX 8

### GRANTS OVERVIEW

Component 1 Grants						
NO.	AWARDEE	ACTIVITY NAME, DESCRIPTION & RESULTS	AWARDED AMOUNT	AWARD SPENT	START DATE	END DATE
1	<b>Local Government Training Institute (LGTI)</b>	<b>Development of a Local Government Competitiveness Index (LGACI):</b> With this grant, the LGTI developed a business environment assessment questionnaire for ENGINE-supported Local Government Authorities (LGAs). The questionnaire was put in digital format and was used as the basis of data collection for the LGACI. LGTI also designed and conducted four-day training workshops across ENGINE's Zone of Influence (ZOI) to 84 trainees who would use the tool. Participants included LGA officials, SME owners, entrepreneurs, and other stakeholders. These participants were trained on the importance of the LGACI tool and how to apply the system during Public-Private Dialogue (PPD) meetings, conduct the surveys and enter scores, access reports, and interpret the data to identify areas in need of improvement.	■■■ ■■■■■■■■	■■■ ■■■■■■■■	15-Jan-18	30-Jun-19
2	<b>Office of Chief Government Statistician (OCGS)</b>	<b>Conducting a Business Formalization Survey in Zanzibar:</b> With this grant, OCGS conducted a Business Formalization survey. This baseline survey helped to identify and estimate the number of formal and informal businesses. In addition, this survey helped to identify the specific problems and challenges in the business formalization process. It measured the number of business registered and number of licenses issued by the respective authorities. These numbers serve as a baseline against which to measure improvements in the process. The findings enabled authorities to estimate and forecast revenue and plan better fiscal policies. Finally, this baseline helped identify policy reforms that can increase business formalization and strengthen the business enabling environment.	■■■ ■■■■■■■■	■■■ ■■■■■■■■	9-Jul-18	30-Jun-19



## Component 2 Grants

NO.	AWARDEE	ACTIVITY NAME, DESCRIPTION & RESULTS	AWARDED AMOUNT	AWARD SPENT	START DATE	END DATE
3	<b>African Soil Hives Technology (ASHTECH)</b>	<b>Supporting Business Development Service Providers (BDSPs) to better respond to Micro, Small and Medium Enterprises (MSMEs):</b> Through this grant, ASHTECH managed to improve their products and services, as well as delivery mechanisms, in response to the needs of MSME clients. ASHTECH has established and improved its training materials to fit the needs of SMEs. Also, ASHTECH developed promotional materials (business cards, posters, brochures) and marketing campaign content (radio programming and social media) used to raise awareness of its services for MSMEs. Through ENGINE's support, ASHTECH had a chance to learn new knowledge, skills, and experience from several technical sessions conducted by local and international volunteers and consultants. The revenue collected by ASHTECH supported its expansion of operations to Mbeya and Iringa. The number of MSMEs served by ASHTECH increased by 60% in one year.	■■■■■ ■■■■■	■■■■■ ■■■■■	2-Jan-19	31-May-20
4	<b>Prosperous Mindset Tanzania Ltd (PROMISE)</b>	<b>Increasing Business Development Service (BDS) sales for MSMEs in Iringa:</b> As a BDSP operating in Iringa, PROMISE implemented an Expanding BDS to New Market and Clients sub activity. The sub activity was designed to increase BDS sales for MSME clients in Iringa. The objective of this grant was to train Iringa MSMEs on how to use social media tools and platforms to attract and retain new customers and how to create networks between MSMEs and customers and use social media for online promotion. The grant enabled MSMEs to see an increase in sales and profit and an increase in the number of MSMEs purchasing services from PROMISE. As a result, PROMISE's sales revenues increased.	■■■■■ ■■■■■	■■■■■ ■■■■■	2-Jan-19	3-Jan-20
5	<b>Microphas Investment (T) Limited</b>	<b>Improving services and products for MSMEs in Morogoro:</b> The objective of this grant was to identify the needs of MSMEs in Morogoro in order to more effectively address them and improve products and their delivery mechanisms. As a result	■■■■■ ■■■■■	■■■■■ ■■■■■	2-Jan-19	31-May-20

		of this grant activity Microphas Investment (T) Limited increased its linkages and networks with state and non-state actors at both national and sub-national levels. At the national level, Microphas managed to collaborate with the President's Office for Regional Administration, Local Government (PO-RALG) through the Morogoro Regional Secretariat, Tanzania Trade Development Authority (TanTrade), Tanzania Cooperate Development Commission (TCDC). Through this grant activity, Microphas visited and met with Morogoro LGAs in order to discuss the expansion of BDS provision to these entities. This grant activity improved record keeping practices at Microphas and fostered a sense of responsibility and accountability through monthly reporting. In terms of outreach, the media outreach activity increased the scope of potential customers in other regions after advertisement through Abood Radio.				
6	<b>Start and Improve Your Business (SIYB) Association of East Africa</b>	<b>Increasing the awareness of SIYB's BDS services and benefits to MSMEs:</b> The objective of this grant activity was to increase the awareness of BDSP services that SIYB offers and how such services can benefit MSMEs. In order to market its services to MSMEs, SIYB organized meetings, conferences, and trainings. SIYB also conducted training needs assessments aimed at identifying the gaps between what entrepreneurs know and what they are required to know, understanding MSMEs' expectations so that trainings are better designed to meet their needs. After identification of training needs and selection of entrepreneurs, SIYB planned and designed trainings as well as provided coaching and mentoring services to its clients. Trainings were conducted in different parts of the Mbeya region covering Mbeya, Rungwe and Kyela districts.	■■■ ■■■■■■■	■■■ ■■■■■■■	2-Jan-19	30-May-20
7	<b>Khebhanza Marketing Co. Ltd</b>	<b>Improving delivery of training services to MSMEs:</b> This grant aimed to improve Khebhandza Marketing's consulting and training services delivery to its MSME clients. Khebhandza worked with 28 MSMEs in the following subsectors: horticulture, aqua-culture, skin and hides, cocoa, rice, maize and beans. The first activity promoted the cluster business model in Mbeya and Songwe regions. This was accomplished by identifying potential businesses to form clusters,	■■■ ■■■■■■■	■■■ ■■■■■■■	2-Jan-19	31-May-20

		conducting awareness creation meetings with the businesses and facilitating the development of a Memorandum of Understanding (MoU) and work plans for collaboration between different actors. The second activity was aimed at improving MSMEs' management and operations systems by helping MSMEs develop business operations guidelines and facilitating trainings on business skills. Finally, the third activity focused on enhancing MSME access to finance by conducting trainings on credit readiness.				
8	HD Agribusiness	<b>Expanding BDS to new markets and clients particularly to MSMEs in the agriculture sector or in the value chain:</b> The goal of this grant was to increase access and proper utilization of funds/credits to grow and expand MSME enterprises in Mbeya. The objective was to reduce the knowledge gaps in finance to 10 MSMEs by capacity building through training, mentoring and coaching and to facilitate access to finance to 10 MSMEs by providing tailor made BDS.	■■■■■ ■■■■■	■■■■■ ■■■■■	2-Jan-19	3-Jan-20
<b>Component 3 Grants</b>						
NO.	AWARDEE	ACTIVITY NAME, DESCRIPTION & RESULTS	AWARDED AMOUNT	AWARD SPENT	START DATE	END DATE
9	Yetu Microfinance Bank Plc	<b>Providing access to credit to women and youth:</b> Ultimately the key objective of this grant activity was to provide access to credit to youth. Through the provision of credit to the beneficiaries, the credit facility enabled youth and women to purchase or hire land for agricultural activities, gain access to agricultural technologies and purchase motorcycles to facilitate their transport and use as a means to generate income. This grant activity also developed Islamic microfinance products in Zanzibar and enabled youth to engage in economic activities.	■■■■■ ■■■■■	■■■■■ ■■■■■	1-May-18	30-Apr-20
10	FINCA Microfinance Bank Limited	<b>Financing for Women and Youth Enterprises:</b> Through this grant, FINCA planned to address supply- and demand-side constraints affecting access to credit and other financial services among MSMEs, especially those owned and/or managed by women and/or youths. The objective was to	■■■■■ ■■■■■	■■■■■ ■■■■■	20-Jun-18	30-Apr-20

		design and build a business management application for SMEs to help them electronically manage their purchase and sales records and link them to their suppliers. In doing so, users could provide FINCA with the data needed to run a well-designed credit score and design financial products that meet the needs of this sector.				
11	<b>AMANA Bank Limited</b>	<p><b>Introduction of Sharia-compliant group lending product:</b></p> <p>The goal of this grant activity was to support Amana Bank's efforts to lend to women and youth-owned MSMEs under its Sharia compliant group lending product. Amana has been aiming at establishing itself as a preferred provider of Islamic banking products to MSMEs and plays a pivotal role in the poverty alleviation efforts in Unguja. Under this grant, Amana built internal capacity and conducted research in order to customize its products to meet MSME needs in Unguja. Knowledgeable staff members supported the disbursement of the products. About 287 MSMEs were reached during recruitment and product awareness creation in October 2019. Among them 115 were women, 74 youth, and 98 men of whom a higher percentage were local government leaders who helped sell the product to MSMEs in their localities.</p>	■■■■■■■■■■ ■■■■■■■■■■	■■■■■■■■■■ ■■■■■■■■■■	27-Jun-19	30-May-20