

**SMALL INDUSTRIES DEVELOPMENT ORGANIZATION
(SIDO)**



**CORPORATE STRATEGIC PLAN
(2005/2006 – 2007/2008)**

MAY 2005

FOREWORD

The Small Industries Development Organisation (SIDO) was established in 1973 to plan, coordinate, promote the development and offer every form of services to small and medium scale enterprises (SME) in the country. To date SIDO which works under the Ministry of Industry, Trade and Marketing remains the main Government arm for promoting the development of SMEs in Tanzania.

The importance of the SME sector as a primary means of developing and strengthening indigenous entrepreneurial base and therefore creating a foundation of increased contribution of the sub sector to the economy is clear and ever increasing. The fact is widely recognized and principal policies guiding the development of the sector i.e Sustainable Industrial Development Programme and SME Development Policy provides an overall policy framework to develop it. The sub sector is one of key actors in the national strategic initiatives to promote economic growth, sustainable development and poverty reduction.

What has been demonstrated and gained from the implementation during the previous period, is a good indication of the scope and extent of people's preparedness to actively participate in development activities, if appropriate interventions and guidance are advanced to support their development course. All well wishers are keen to see consistent service delivery aimed at promoting vibrancy in the sub sector development.

The current plan apart from strengthening further SIDO's operational capacity, efficiency, productivity and better services to clients, will spearhead active private sector involvement as a dependable partner in business growth and development.

The government through its policies has laid a good operational ground for SMEs' development and prosperity, but also gives full support to initiatives and strategies that are aimed at operationalising them.

I believe and hope the implementation of this plan will stimulate and support increased SME involvement, facilitate formalization of businesses, promote improvement of their production as well as operational capacities and increase their chances of survival and success. It will also promote increased economic activities, stimulate growth, increase income, create jobs and contribute to the improvement of general people's well being.



Hon. Nazir Karamagi (MP)

Minister for Industry, Trade and Marketing

March 2006

PREFACE


The Small Industries Development Organisation started effecting orderly addressing SME development issues from year 2002/03. This is the time when the first Corporate Strategic Plan was developed. Its implementation apart from working to tap opportunities, which surfaced, it made efforts to initiate establishment of the basic sustainable service delivery but also ensure sustainability of SMEs' development and operations.

The clear picture drawn by the experience gained from the implementation of the first plan was that, promotion of SME development requires joint efforts from sector stakeholders and supporters. There are quite a number of uncoordinated actors delivering similar services to the same sector leading to duplication of efforts, resources and at times conflicting ends. The current plan emphasizes the need for increased cooperation and complementarity in serving the intended beneficiaries.

The plan objectives and strategies are set in such a way that their implementation components address SMEs' constraints and hindrances to their development. They are aimed at strengthening SMEs' capacities to effectively engage themselves in production and service provision. They specifically address the problems of technology, entrepreneurship, marketing, business information and availability of financial support. All the services are geared towards disentangling SMEs from the vicious circle constraining their development and of course facilitating their sustainability and developing their competitive edge. The plan aims at ensuring business growth, promotion of quality services and products, increased efficiency, productivity, capacity building for employment creation and promotion of the general business vibrancy in both urban as well as rural areas.

The development of this plan was guided by strategic interest and commitment to develop the SME sector aimed at addressing problems of unemployment, rural urban migration, value addition, economic growth and promotion of increased public-private partnership. All these are key elements in the national poverty reduction initiatives, which I believe promotion of increased SME activities implies developing and strengthening capacities of more economic actors and spearheading the pace of poverty reduction all together.

I believe and hope all implementation components and actors will be in place to deliver the required services effectively and efficiently to achieve the intended objectives.

A handwritten signature in black ink, reading "Japhet S. Mlagala". The signature is written in a cursive style with a small mark under the 'S'.

Japhet S. Mlagala

Chairman, SIDO Board of Directors

CORPORATE STRATEGIC PLAN

(JULY 2005 – JUNE 2008)

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ACRONYMS

BDS: Business Development Services

CARMATEC: Center for Agriculture Mechanization and Rural Technology

CSP: Corporate Strategic Plan

COSTECH: Tanzania Commission for Science and Technology

CTI: Confederation of Tanzania Industries

DIT: Dar es Salaam Institute of Technology

GDP: Gross Domestic Product

GDS: German Development Service

GTZ: German Aid Agency

ICT; Information Communication Technology

ISOs: Industrial Support Organizations

IYES: Improve Your Exhibition Skills

NEDF: National Entrepreneurship Development Fund

NGO: Non Governmental Organization

NIGP: National Income Generation Programme

RRF: Regional Revolving Fund

SELF: Small Enterprises Loan Facility Fund

SHO: Self Help Organization

SIDP: Sustainable Industrial Development Policy

SIDO: Small Industries Development Organization

SME: Small and Medium Enterprises

STAMICO: State Mining Corporation

TBS: Tanzania Bureau of Standards

TCCIA: Tanzania Chamber of Commerce, Industries and Agriculture

TDCs: Technology Development Centers

TDTC: Technology Development and Transfer Center

TEMDO: Tanzania Engineering and Manufacturing Design Organization

TFSR: Tools For Self Reliance

TGT: Tanzania Gatsby Trust

TICU: Tanzania Industrial Cooperative Union

TIRDO: Tanzania Industrial Research and Development Organization

TNA: Training Needs Assessment

TOT: Training of Trainers

EXECUTIVE SUMMARY

1. Introduction

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

0.2 Self assessment

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

Opportunities:

1. Government policies recognize the importance and therefore support the development of SME sector.
2. SME sector is a growing sector.
3. Government, donors and development agents are interested and committed to support the SME sector through SIDO.
4. Environment creates a ready market especially in the rural areas, poverty, youth, and school leavers.
5. Rural population appreciates the role of SIDO.

Challenges:

1. Competition

There is an increase in number of organizations that are providing SME support services.

2. Globalization

Opening the economy to goods and services without any protection means more efficient service providers are free to come and operate in the country.

3. Technological advancement

Most of technologies being promoted by SIDO are those within the capacity of SMEs. SMEs have no capacity to cope with the rate of current technological advancement.

4. Political and economic changes

Decisions on types and extent of support SIDO has to get are influenced by economic and political policies.

5. Resource mobilization

SIDO's services sustainability is questionable without diversified reliable sources of finance.

6. The social/economic effect of HIV/AIDS

The pandemic is taking toll of existing and potential entrepreneurs, energetic work force and consumers of SMEs' goods and services.

2. **Mission, Vision and Objectives**

With these opportunities and challenges, SIDO's vision, mission and objectives are as follows:

Vision

A leading business support organization in Tanzania, providing efficiently and effectively in a business-like manner quality services that unlock potentials for growth and competitiveness of SMEs in rural as well as in urban areas.

Mission

The central purpose and role of SIDO is to create and sustain indigenous entrepreneurial base through the promotion and support to the development of SMEs by providing them with Business Development Services and specific Financial Services on demand. Priority is given to productive economic sectors that contribute to wealth creation.

Core values

The implementation of the plan will be guided by the following values:

- Provision of demand driven services
- Sustainability
- Professionalism
- Specialisation
- High outreach
- High impact

Strategic objectives

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

- i. To enhance technology development, transfer and provide technical services to SMEs
- ii. To improve training, consultancy and extension services
- iii. To develop and improve marketing and information technology programmes

iv. To improve and expand financial advisory and credit services

v. To enhance capacity building of the organization

3. Implementation process

SIDO will abide to the requirements of the established chain of command by preparing annual operational plans, submitting them to the Board for approval, implement them, prepare and submit periodic performance reports to the Board and the Government appropriately.

0.5 Monitoring and evaluation

Continuous monitoring and evaluation will be done to ensure the implementation is on track. Service delivery effectiveness will be tracked by observing the following performance indicators:

1. Measures of SMEs business growth
2. Measures of SMEs products quality
3. Measures of employment creation capacity
4. Measures of efficiency and productivity

6. Budget

Successful implementation of this three year Corporate Strategic Plan running from year 2005/06 to 2007/08 will cost Tshs. 30.344 billion.

1.0 INTRODUCTION

Development of the second Corporate Strategic Plan for Small Industries Development Organization (SIDO) follows the expiration of the preceding plan, the need and interest shown by the public and the government intent to continue supporting the organization in promoting development of Small and Medium Enterprises. It also follows the successful implementation of the first plan, and therefore builds on a stage reached so far.

The current plan aims at strengthening further the operational capacity, efficiency and productivity and better services to clients bearing in mind that the private sector is key and dependable partner in business growth and development. The service thrust will be hinged on the belief that small and medium enterprises sub sector has a potential to spearhead economic transformation from the grass root level cutting across all sectors of the economy and therefore improving the general welfare of the people.

2.0 SIDO'S OBJECTIVES

2.1 DEVELOPMENT OBJECTIVE

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

2.2 VISION

A leading business support organization in Tanzania, providing efficiently and effectively in a business-like manner quality services that unlock potentials for growth and competitiveness of SMEs in rural as well as in urban areas.

2.3 MISSION

The central purpose and role of SIDO is to create and sustain indigenous entrepreneurial base through the promotion and support to the development of SMEs by providing them with Business

Development Services and specific Financial Services on demand. Priority is given to productive economic sectors that contribute to wealth creation.

2.4 CORE VALUES

The final objective of the Corporate Strategic Plan (CSP) is to create an organisation that will realise its mission effectively and in a sustainable manner.

The following core values will guide SIDO in implementing the CSP.

2.4.1 Relevance:

SIDO will provide services for which there is a market. However, a market for the SME services especially for BDS are under-developed as demand for the services is weak and clients' willingness to pay is low. SIDO shall in its development role stimulate and create markets for the Business Development Services products.

2.4.2 Sustainability:

Despite the fact that it is difficult to make Business Development Services fully financially sustainable, SIDO will position itself to achieve the highest possible level of self-financing and attract sponsorship for the balance in line with best practices.

2.4.3 Professionalism:

SIDO will observe professionalism in developing and delivering services to its clients, which includes reacting adequately and timely to the changing requirements of its clients and it will be

non-bureaucratic.

2.4.4 Specialisation:

The services to be delivered will focus on a limited number of services that are proved to make high contribution to development of small and medium enterprises and bring high impact to the economy. SIDO will also continue to study various combinations and options including finding alternatives to service provision like services alliances, subcontracting and agencies.

2.4.5 High outreach:

SIDO's Corporate Strategic plan also aims at achieving high outreach. SIDO will therefore look for options that will ensure high outreach including use of intermediaries in delivering some of the services.

2.4.6 Impact creation:

Although services will be provided to all kinds of businesses, particular emphasis will be placed on services and service areas that are likely to bring high impact to the economy and peoples way of life.

3.0 BACKGROUND AND CONTEXT

3.1 Establishment of SIDO

SIDO was established by the Act of Parliament No. 28/1973. Its main objective is to assist potential clients in the establishment of the small industries in the country. The main activities include

training and advisory services, provision of work places, loans, marketing, procurement of machinery and raw materials.

3.2 Role of SIDO

SIDO's role to promote the development of small scale industrialization has over the time been redefined to respond to political and economic changes. The most important changes came about in 2003 with the launching of the SME Development Policy and the Empowerment Policy in 2004. The specific roles have been summarized below:

1. Promote and develop entrepreneurial skills and markets for sustainable business development services,
2. Enhance rural industrialization,
3. Develop physical infrastructure and workplaces,
4. Improve SME access to finance.

3.3 Corporate strategic plans

In order to fulfill the foregoing, the SIDO Board and Management launched the three year Corporate Strategic Plan in 2002 to sustain provision of services based on best practices.

After gaining experience from implementation of the first CSP, the second CSP is thus being prepared on the basis of the following policies and directives:

1. Government Policies

i. SME Development Policy (April 2003) identified the following activities:

- Workplace provision for entrepreneurs,
- Entrepreneurship Development,

- ICT training,
- Technology enhancement and transfer,
- Marketing and market linkages,
- SMEs access to finance,
- Enhanced rural industrialization.

ii. The Sustainable Industrial Development Policy (SIDP) identified the following activities:

- Promotion of small scale industries and informal sector activities,
- Optimization of quantitative and qualitative efficiency of manufacturing activities.

iii. The Empowerment Policy introduced other areas such as:

- Technology development and transfer for SMEs,
- Improvement of products quality,
- Identification and expansion of markets.

2. During the process of implementation of the first CSP new initiatives were established and incorporated as follows:

i. Youth Enterprise Development

ii. Incubator programme

iii. Rural Industrialization

iv. Institutional capacity building – staff training and development, revival of Training

4.0 DEVELOPMENT AND OPERATIONAL CHALLENGES

Development of small and medium enterprises in both urban and rural areas is key to economic development, growth and reduction of poverty in Tanzania.

According to the SME Development Policy, SMEs are defined as enterprises employing 1 – 99 workers and/or with capital up to Tshs. 800 million. The sector is estimated to account for around 30% of the country's GDP and employs around 3 million people. SMEs act as a cushion to more than 700,000 school leavers who become new entrants to the labour market every year, with only a small proportion absorbed in the public sector.

Also SMEs form the base for private sector led growth, which is key to attaining the poverty reduction goal of the year 2025. Despite these critical roles, SMEs are experiencing a number of challenges, which if not properly addressed will hamper not just their growth, but also the overall desired sustainable industrialization process in Tanzania.

4.1 General view

In general terms challenges are observed and can be tackled at the following levels:

a) Policy Level

At policy level, the Government has committed itself to profound process of restructuring, capacity building and policy reform geared towards increasing the contribution of SMEs to economic growth and poverty reduction.

Strategies for implementing the SME Development Policy focus on creation of enabling business environment, developing the financial and non-financial services and putting in place supportive institutional infrastructure.

The SME Development Policy takes into account special constraints and opportunities faced by this sector and aims at strengthening capacities of institutions, which address these constraints and maximize exploitation of opportunities that unfold.

b) Institutional level

At the institutional level there are a number of public and private institutions supporting development of SMEs, through provision of instructive and supportive services including research and development, finance, advisory services, information, training (technical, management and entrepreneurship) and technology development.

The challenge is how these institutions can be mobilized and coordinated so that not only they apply best practices in supporting SMEs development but also addressing their constraints.

c) Enterprise level

There are many challenges that face the transformation of SMEs to be competitive nationally and internationally. Serious problems include high cost of utilities, legal and regulatory requirements, poor infrastructure, lack of market and technological information, poor attitude on quality, low entrepreneurship development, and outdated technologies. The key challenge is to develop strategies to resolve issues that are inhibiting enterprise performance.

4.2 SPECIFIC SME CHALLENGES

4.2.1 Access to finance

Lack of investment and working capital for SMEs is a major challenge. Available financial facilities do not provide for the development of the sector. Most banks do operate micro financing window but access to it is very difficult, more so their geographical coverage is very limited. Other SME support programmes like the Guarantee Scheme have not been operationalised. Strategies have to be developed and pursued to ensure increased access to available financial resources for development as well as operational ambitions of the sub sector.

2. Entrepreneurship development

Lack of indigenous entrepreneurial culture is probably one of the greatest hindrances to SMEs growth and competitiveness. The supply of indigenous entrepreneurs and successful entrepreneurial activities is low. This can be proved by low number of micro-enterprises graduating to small businesses. Strategic programmes, which will address deficiencies and promote entrepreneurship development amongst existing and potential indigenous entrepreneurs, need to be developed and implemented.

2. Regulatory environment

Non conducive regulatory environment, particularly location related factors, registration, licensing and reporting requirements have contributed to high transaction cost in small enterprises. This has prevented some micro and small enterprises from formalizing and hence missing some opportunities, i.e. access to credit available in the formal sector. Initiatives to minimize or eliminate regulations which discourage business development need to be taken.

2. Information and cooperation

1. Information

Information is a prime mover of all economic undertakings. In this millennium of information and technology, information is becoming an important determinant of business success. SMEs have limited access to national and international information of various kinds, for example, where to get inputs competitively, possible market for products and technology availability and cost. The challenge is how to enable or facilitate SMEs to know the required basic knowledge and skills to use the information technology and thereafter use it to access the information available in the international superhighway.

2. Cluster Formation

A cluster is a concentration of enterprises, which produce and sell a range of related or complementary products, and are thus, faced with common challenges and opportunities. The low drive for cluster formation among SMEs denies them with a possibility of enjoying benefits of economies of scale.

Individual SMEs are often not able to capture market opportunities, which require large production quantities, homogeneous standards and regular supply. They also individually are unable to achieve economies of scale in the purchase of inputs like raw materials, finance and consulting skills. Smallness also hinders achievement of specialization and effective internal division of labour, which fosters cumulative improvement in productive capabilities and innovation. The challenge is how to make effective promotion and mobilization of SMEs to understand the benefits of the system and thereafter make them active participants.

4.2.4.3 Linkage and Sub-contracting

There are benefits for SMEs to engage in business linkages, partnerships and sub-contracting with large industries. Currently, such linkages are weak and consequently growth and development of SMEs is limited.

Linkages and sub-contracting are not well practised in Tanzania and barriers need to be

identified, for example the need for sub-contracted firms to upgrade their technologies and produce according to market requirements, legal and regulatory framework to support the system. The challenge in this respect is how to facilitate SMEs consistent growth through stages of enterprise development i.e from small to medium and then to large, but also how to make large enterprises to support development and growth of smaller enterprises.

4. Quality Control, Metrology and Accreditation

Tanzania lacks a comprehensive national quality control system to guide quality and metrology for SMEs products.

The problems range from policy, weak legal framework, lack of quality and standards among SMEs, limited technical skills, capacity for provision of quality control testing and lack of system of accreditation of national laboratories. These problems have negative impact on the competitiveness of SMEs products both in the domestic market and abroad. Local products are mostly sub-standard, of poor quality and are highly priced. SMEs need to be facilitated and supported to produce quality products and maintain required standards.

4. Technology Assessment and Acquisition

Technology advancement and transfer are important requirements for SMEs development. Poor technology leads to poor products. Low quality technology is one of the constraints to competitiveness. Technology transfer and acquisition is also important in the effort to promote rural industrialization.

SMEs have limited access to technology partly because they lack relevant experience and information, thus failing to select, acquire and apply appropriate technology. The challenge is identification and acquisition of technologies that are appropriate and suitable to local requirements.

4. Infrastructure

Poor infrastructure, that is rural roads, cold rooms, warehouses, power, water and communication affect adversely the development of SMEs. Business premises are often in short supply in many towns, municipalities and cities, while some premises remain unutilized.

The impact of poor infrastructure on SMEs is manifested through limited production and markets. The challenge is how to promote increased public-private partnership in developing basic infrastructures required for business development.

5.0 INTERNATIONAL EXPERIENCE

SMEs have made significant contributions in many developed and developing countries including the United States, Japan and India.

SMEs accounted for half of the innovations in the US, and created the majority of employment opportunities. Between 1987 and 1992, small businesses created 5.8 million new jobs in the United States while in 1995, small businesses employing between 1 – 4 persons, created 35 percent of new jobs. In the United Kingdom, small businesses are creating the bulk of new jobs vacancies, likewise in Japan (2005), 99.3 percent of the total number of enterprises are SMEs and 80.6 percent of the total number of employees are working in SMEs. In India, 50% of the auto spares are produced by SMEs in 2004.

Small businesses have had their own unique importance in Africa as well. According to ILO estimates, about 70 percent of people in Sub-Sahara Africa rely on small and informal establishments for their livelihoods. In Botswana, small businesses contributed around 35 percent to nation's GDP, and accounted for not less than 60 percent of wage employment.

In the postmass production age, it is SMEs that form the main stay of economies. Hence it is essential to the revitalization of the Tanzania economy as a whole that the on going economic policies should provide more opportunities for new SMEs to emerge and grow as provided in the SME policy.

6.0 PERFORMANCE REVIEW

In the year 2000, SIDO embarked on a self assessment study and defined key areas in which the organization was strong and potential areas that were likely to hamper development initiatives.

The assessment led to the preparation of the first three year Corporate Strategic Plan (CSP) that covered a period between July 2002 to June 2005. The plan formed a general base on which all SIDO functional plans were developed.

The general self re-assessment of SIDO and its services done in 2005 produced a set of strengths, weaknesses, opportunities and threats as outlined below:

STRENGTHS	WEAKNESSES
<ol style="list-style-type: none"> 1. It has a wide operating network, through well qualified and experienced staff and equipped extension offices in all 21 regions of Tanzania Mainland. 2. It has a long experience working with small and medium enterprises. 3. SIDO has already developed and operating SMEs development programs like technology search, development and transfer, industrial estates, agro-food processing, textile technologies, credit and business skills training. 4. SIDO is the largest and in most regions the only service provider offering a package of services i.e. Business Development Services and Financial Services. 	<ol style="list-style-type: none"> 1. Procedures of portfolio management are not streamlined. 2. Sources of funds for development as well as operational activities are not adequate. 3. Limited extension services in rural areas. 4. Inadequate internal capacities with respect to e. g Project planning & management, training, data and information collection.
OPPORTUNITIES	CHALLENGES (THREATS)

<p>6. Government policies recognize the importance and therefore support the development of SME sector.</p> <p>7. SME sector is a growing sector.</p> <p>8. Government, Donors and development agents are interested and committed to support the SME sector through SIDO.</p> <p>9. Environment creates a ready market especially in the rural areas, poverty, youth, and school leavers.</p> <p>10. Rural population appreciate the role of SIDO.</p>	<p>7. Competition</p> <p>There is an increase in number of organizations that are providing SME support services.</p> <p>8. Globalization</p> <p>Opening the economy to goods and services without any protection means more efficient service providers are free to come and operate in the country.</p> <p>9. Technological advancement</p> <p>Most of technologies being promoted by SIDO are those within the capacity of SMEs. SMEs have no capacity to cope with the rate of current technological advancement.</p> <p>10. Political and economic changes</p> <p>Decisions on types and extent of support SIDO has to get is influenced by economic and political policies.</p> <p>11. Resource mobilization</p> <p>SIDO's services sustainability is questionable without diversified reliable sources of finance.</p> <p>12. The social/economic effect of HIV/AIDS</p> <p>The pandemic is taking toll of existing and potential entrepreneurs, energetic work force and consumers of SMEs' goods and services.</p>
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7.0 CONSOLIDATION OF THE CORPORATE STRATEGIC PLAN

Small and Medium Enterprises is a dynamic sub sector confronted with many hindrances. Sector interested parties and stakeholders including services providers devise and implement strategies of eliminating SMEs development obstacles through a number of programmes and approaches. SIDO being one of service providers and an interested party came up with a three year Corporate Strategic Plan for the purpose in 2002.

The plan provided well defined objectives and strategies to support the development of SMEs by exposing physical, financial and human resources required, established operational networks with other service providers in areas of technology and technical support services, entrepreneurship and managerial skills, market development and promotion as a strategy to enhance growth and competitiveness of SMEs locally and internationally. Service provision in the following areas was considered key and vital to SME development initiatives.

7.1 Technology and Technical services

With respect to technology and product development, a good foundation has been laid. Basic technology data were collected and 52 proven technologies promoted in collaboration with other industrial support organizations, thereafter technology profiles were prepared and disseminated to prospective users. Efforts to locally develop and thereafter produce usable products out of the technologies were advanced; prototypes were developed into products by using the existing product development capacities.

Development of technological products was done bearing in mind increased machine use and value addition to primary products particularly in rural areas. During the period artisans especially blacksmiths, tinsmiths, carpenters, potters and weavers were identified and their capacity strengthened for provision of services to artisans about 117 artisans were trained while 4 TDCs were re-established. Technical advisory services were extended to 133 SMEs. A total of 2,314 jobs were created as a result of these interventions.

The demand and need of technology input in development of SME activities is quite enormous and therefore much has to be done to cope with the development temple. Still SMEs need to be facilitated to establish and strengthen their capacities to produce and create income.

7.2 Entrepreneurship and Business Skills Development

The thrust was in provision of (i) general business knowledge, (ii) business creation and (iii) management and skills upgrading of existing SMEs. A TNA was carried out, 7 training centres were provided with training facilities and equipment. 915 skills development and upgrading courses were conducted. A total of 10,269 persons were trained in business management. Approximately 700 jobs were maintained and improved in the SMEs sector and 981 new ones created.

Service provision in the coming planning period will concentrate on developing knowledgeable entrepreneurs and therefore SMEs.

7.3 Business and economic opportunities creation

85 development surveys in various districts were carried out. Basic business information was collected, analyzed and applied in providing advisory services to entrepreneurs. About 24,732 entrepreneurs got consultancy and advisory services.

Information collected will enable the organization to become a source of investment information on the ground. Entrepreneurs will be appropriately guided to access information and link their businesses to a wider market.

7.4 Marketing and Information

SIDO organized 20 zonal exhibitions countrywide for which 4,350 SME entrepreneurs participated and 77 business operators accessed export markets. Sales increased from 566 Million in 2003 to 1.3 Billion in 2005. About 2,136 new jobs were created. Information on business opportunities, provision of tendering, sub contracting, market linkage and export promotion programmes were provided during the events. Initiatives to promote extensive marketing services especially in areas that are not directly related to products exhibitions will be enhanced. Much of learning from those who have tried these services is required and whenever practically possible, mentoring services could chip in to provide practical experiences to SIDO and SMEs. Emphasis will also be put on export promotion, quality improvement, packaging and branding

7.5 Strengthening of Capacities of SME associations

SIDO provided specific services to facilitate SMEs associations in;

- Group formation,
- Leadership formation,
- Constitution making,
- Savings mobilization, credit provision and administration, and
- General business management.

About 128 SME associations were identified and 50 of them strengthened while a total of 800 members improved their operations.

Though achievement has been reached in this area, still there is room to improve and to guide SMEs associations into formal operational procedures.

7.6 Land, infrastructure development

SIDO played a facilitative role to establish the inventory of existing capacities, assess their physical state and use, establish idle capacities, and work out their probable future use. A total of 106 areas were identified for SMEs use. SIDO successfully liaised with local government authorities to set aside suitable public land for SMEs activities. Some of the identified areas were developed for SMEs use as a result like the Songea General market, Mchikichini (Ilala), Kawe (Kinondoni) and Rangitatu (Temeke) vendors markets. About 1700 jobs in Songea, 2500 jobs in Mchikichini, 900 jobs in Kawe and 1500 jobs in Rangitatu were created respectively.

During the coming planning period, emphasis will be put in public – private partnership collaboration in resource mobilization with which to develop the required infrastructure facilities, and therefore pave way for the establishment of business centers, industrial parks, clusters and estates will be emphasized.

7.7 Financial services delivery

SIDO improved its credit delivery system including policies, procedures, computerized loan-tracking system and adopted other new credit programmes. Continued improvement will then be necessary in order to cope with the pace of the ever growing business dynamism.

A total of 20,521 loan applications worth Tshs. 7.1 Billion were approved and disbursed while 177 SMEs were linked with various financial institutions. About 31,750 were created. SIDO will continue to liaise with various financial institutions that have interest and are willing to collaborate in supporting or work with SMEs and establish a link through which SMEs could access their financial facilities. The programme will strengthen SIDO's capacity to appropriately advise SMEs on the available financial sources, particular financial pre requisites required, assist them to understand and meet financial institutions normal lending terms and conditions.

Efforts will be made to expand the capital and therefore portfolio base, but also sealing working relationship with other institutions and therefore cooperate in the provision of financial services to clients. Such relationship might be that SIDO has to provide entrepreneurship, management skills development and extension services, while the other party may provide loans/credit to same clients.

7.8 Maintenance of human capital

SIDO has restructured its organization with occupations attached to specific skills operating on a streamlined operational programme. Jobs now are assigned to departments, sections and individuals according to what is at stake and the agreed efficient way of achieving the general organizational role. Staff with particular expertise are being recruited for specific functions and generally human-resources development initiatives were advanced in order to increase efficiency and productivity. Specific in-house human resources development programmes were initiated and carried out for members of functional staff at different levels. Efforts to expose members of staff to modern working techniques and styles, skills upgrading and subjecting them to learn from challenging working environments will continue.

7.9 Strengthening of operational facilities

The organization worked to ensure increased human resources productivity, through improvement of working environment. Provision of good working tools and equipment was given emphasis. All regional extension offices are mobile with dependable motor vehicles and the supply of computers reinforced their ability to collect, process and store useful information. The task of updating existing and in some areas developing new operational manuals that was started during the previous planning period will be concluded during the coming CSP period. Working systems upgrading and improvement is a continuous process, the urge to ensure the facilities and environment in which SIDO operates are modernized will continue along with maintenance and efficient utilization.

7.10 Advocacy and information

SIDO developed and encouraged local network between SMEs and local service providers by

enhancing the coordination of information dissemination and data networking. SME associations were facilitated to present their views and interests in different forums. SIDO established a web site as its first step towards creating an information center to be used by SMEs as information hub from which they can source and disseminate business information to different parties like suppliers, customers, collaborators and the general public. With the same tone, the pace at which SMEs information centers are to be established will increase. Regional extension offices will be facilitated to develop regional databases as the first step towards development of information centers. The facility will be made a component to wherever the programme of business and technology incubation is established. The service will go hand in hand with the process of mass sensitization on the use of electronic communication. Knowledge and capacity creation among SMEs in that respect is very crucial for improving their competitive abilities.

8.0 NEW PROGRAMMES

The following events have necessitated the introduction of new programmes:

1. The launching of SME Development and Empowerment policies
2. Environmental concerns
3. Experiences gained from the implementation of the first CSP

The new programmes introduced in the second CSP are:

1. Industrial and business incubator programme

A technology and /or business incubator is defined as a service center that provides entrepreneurs with expertise, business support networks and tools they need to make their venture successful and catalyses the process of starting and/or growing enterprises.

SIDO incubator programme promotes potential products/ business ideas into tangible products as a basis for new businesses. It cushions entrepreneurs from basic start up huddles, promotes product development and creates a base for business growth.

The objective of the programme is to improve the chance of growth and rate of survival of small and medium enterprises; to support and assist entrepreneurs to implement their innovative ideas, by turning them into productive business enterprises, provide modular work premises with common facilities, managerial support and backup services. Incubation period is between six months to maximum of three years.

The implementation of the programme considers tackling specific entrepreneurial and product development obstacles by:

- i. Mobilising potential product developers with innovative and new ideas who would like to develop them into products and businesses.

- ii. Support services available to programme participants,

1. Work premises

Provide structured work place with all the required utilities i.e water and electricity at subsidized rate.

2. Technical support services

The programme provides a technical advisor to assist in sorting out day to day technical requirements. Also the programme facilities are located where physical technical support could easily be obtained from operating workshops around.

3. Marketing services

The programme assists in the promotion of their products, advise them on how best to penetrate the market, involve the products in various marketing and promotional events like exhibitions, trade fairs and post the products in the quarterly newsletter. The programme assists incubatees to access information from the information super highway through the programmes information center.

4. Financial services

The programme assists incubatees to prepare concept document and project write ups to be used in sourcing of funds. The incubatees could access SIDO administered credit facility for their financial requirements, but also they could be linked to other non SIDO financing facilities.

- iii. Encouraging potential programme participants to start viable businesses thereafter.

2. Waste recycling programme

Waste recycling refers to the practice of adding value to used materials by re-styling, refurbishing and renewal to a position of saleable products.

The main objective of the programme is to promote economic growth and poverty reduction by generation of wealth and employment through enterprise creation in environment management and waste recycling industry.

The programme will require SIDO to provide her services in the following main areas:

1. Assist waste collectors to form operational alliances/associations to be used to liaise with different stakeholders with the aim of involving them in the process.
2. Collaborate with other stakeholders like the local government to provide specific training on waste identification, sorting and grading.
3. Identify possible technologies to be used and products to be developed out of waste materials.
4. Provide general business development services to sector

participants.

The successful implementation of the programme is expected to reduce the volume of useful solid waste materials from the streets and contribute to general cleanliness of streets and general environment of the towns and cities. It will increase the number of new products made out of recycled materials, increase employment opportunities and income to activity participants.

The programme is earmarked for Dar es salaam, Mwanza and Arusha regions in its initial stage.

3. Business mentorship programme

The SME Mentorship Programme aims at providing an opportunity for SME entrepreneurs to learn from and be guided by accomplished entrepreneurs, senior executives, and professionals through one to one counseling to improve the managerial capability and effectiveness of their enterprises.

The objectives of the programme are:

- i. To create awareness amongst SMEs about the need for productivity improvement and to promote the principles of effective management.
- ii. To identify areas for productivity improvement in SMEs.
- iii. To identify areas and develop ideas to enable sustainable growth.

The programme targets owners of small to medium enterprises in productive sectors. The intervention will possibly be made available to SMEs in all the regions depending on the availability of interested mentors.

The role of SIDO will be to identify mentors, entrepreneurs and link them. SIDO will also ensure there is a formal commitment of participating parties to actively take part in the mentorship process.

4. Industrial cooperatives

According to the SME policy statement, the government will facilitate the establishment of manufacturing enterprises in rural areas so as to add value to agro products. One of the strategies to implement the policy is to support the establishment of rural industrial cooperatives. An initiative has already been taken to communicate with Tanzania Industrial Cooperatives Union (TICU) and identify areas to be strengthened.

For the existing cooperatives SIDO will provide business and technical advisory services. Particular emphasis will be on assisting them to generate new and develop business ideas, provision of working premises, access to finances and strengthening of their capacities as entities. Implementation of the programme will focus on mobilization of SME associations, starting with rural growth centers.

Successful intervention will require close working cooperation with local government through the cooperative development department, Tanzania Industrial Cooperative Union (TICU) and development partners.

5. Agro food processing

This is a food processing skills development initiative in order to add value to agricultural produce and create employment. It is mainly geared towards utilization of locally available raw materials and extending shelf life of agro products.

The main objective of the programme is to enhance capacity of agro-processing training to enable transfer of adequate skills to entrepreneurs so as to increase the birth rate of formal SMEs in food processing, producing quality products and thereby increasing income, employment, food security, industry contribution to GDP and poverty alleviation.

The functions of the organization in that respect will be to:

- i. Provide technical training, food processing techniques and packaging training as well as business management skills development.
- ii. Provide business development services to food processors like some industrial inputs sourcing, products packaging, working premises, organize for products certification and marketing services.
- iii. Involve them in products promotional events.

Successful implementation of the programme will positively contribute to the improvement of welfare of the people to be involved. It will contribute to value addition to agricultural produce and increasing their shelf life. It will increase employment creation to rural areas and particularly to women. It will encourage the utilization of raw agricultural products and therefore reduce the problem of post harvest losses being experienced at the moment.

The programme aims at spreading the services to the district levels in all the regions.

6. Small scale mining

The implementation of the programme will involve a number of stakeholders of the sector such as STAMICO, The Ministry of Energy and Minerals, Small Scale Miners Associations, SIDO and Mining companies.

The programme will facilitate small scale miners to form their associations, assist in solving problems like mines prospecting, mining and processing, marketing arrangements, information sourcing and provision of financing.

Small scale mining is among the fastest growing sectors in Tanzania and attracts people of different types in local communities in limited areas. To address problems being experienced by small scale miners a comprehensive research to establish types and extent of services to be provided, which could range from organizational, welfare provision, mining and marketing services has started. Preliminary survey in collaboration with STAMICO identified areas, which need immediate attention. Basic support services that could be provided initially are:

- i. Capacity building initiatives to small scale miners associations
- ii. Development of mineral processing machines and equipment
- iii. Identification of sources of mining technologies and disseminating the same to miners
- iv. Facilitating project development process by providing assistance in Project proposal/write up/appraisals to be used in capital sourcing. Provide linkage services to the financial sector.

7. Training in packaging

The programme is earmarked to complement efforts of food processing activities, and its implementation will cover all regions. The training programme will consider communication role of packaging, basic element in graphic design, packaging functions, packaging standards and legislation, legal and environmental regulations.

8. Leather sector development

The main objective of the programme is to enable leather tanners and leather goods manufacturers to improve their existing businesses or establish viable new businesses.

Specific objectives for the programme are:

1. To provide technical and management training to small scale leather tanners.
2. To improve technical and management advisory services to Leather enterprises.
3. To facilitate establishment and development of leather and associated products manufacturing.
4. To facilitate access to markets and marketing information to SMEs in the leather industry.
5. To facilitate access to term finance for SMEs in the leather industry.

With respect to technical training, it is anticipated the leather training center will be established in Dodoma.

Currently SMEs in the leather sector are faced with a number of development and operational constraints like;lack of tools and equipment, poor access to credit, poor access to markets, lack of business skills, technical skills, raw materials and work spaces constraints.

The programme will seek to address some of these constraints by providing technical and management skills development training, credit facilities and provision of advisory services in the same areas. Technical training will be provided at Dodoma leather training center to be established.

These programmes have been introduced because of the expected big impact to be created in

terms of improved productivity, value addition, job creation, export potential, potential income generation and chances of improvement of general well being of the people.

9.0 2005/06 – 2007/2008 CORPORATE STRATEGIC PLAN

9.1 Objectives, Outputs and Activities

Implementation of activities will be concentrated on the following four areas; Technology Development; Training, Consultancy and Extension Services; Marketing and information services and Financial Advisory and Credit Services. Actual implementation in those key areas will be done along the following outlined outputs and activities:

Objective 1:

To enhance technology development, transfer and provide technical services to SMEs

Output 1

Enterprise productive capacity, productivity and products quality increased

S/N	Activity	Performance indicators	Target	Budget Tshs.'000'
i.	Undertake capacity building to upgrade staff skills	Number of technical officers trained	72	492,000
ii.	Commercialisation of proven technologies	Number of technologies commercialized	45	284,000
iii.	Promotion/development of agro processing industry technologies	Number of food processing units operating	375	300,000

Output 2

Land, workplace and infrastructures for SMEs provided

S/N	Activity	Performance indicators	Target	Budget Tshs.'000'
i.	Promote establishment of cluster	Number of clusters established	12	1,860,000
ii.	Change modalities for use of undeveloped land and empty shed in SIDO's industrial estates	Number of sheds constructed and occupied by tenants	30	300,000

Output 3

Technology development centers developed

S/N	Activity	Performance Indicators	Target	Budget Tshs.'000'
i.	Produce appropriate machinery and equipment demanded for rural development	Number of machines and equipment produced and sold	540	108,000
ii.		Number of new technologies developed and adopted	57	285,000
iii.	Acquire and demonstrate technologies and machinery suitable for SMEs	Number of technologies and machines acquired	30	75,000
iii.	To become subcontractors of industrial spares and maintenance to big industries	Number of contracts with big companies effected	45	

Output 4

Artisan support and other special programmes enhanced

S/N	Activity	Performance indicators	Target	Budget Tshs.'000'
i.	Promote rural artisan technologies	Number of artisans assisted to acquire technologies	1620	81,000
ii.	Train to upgrade technical and business management skills	Number of artisans trained	1620	203,000
iii.	Promote artisan networks	Number of networks promoted	18	20,000
iv.	Promote establishment of artisan tools refurbishment centers	Number of refurbishment centers established	5	125,000
v.	Revive training cum production centers	Number of Training Cum Production Centers operating	7	235,000

vi.	Promote technology/business incubator programme	Number of working spaces created	110	638,000
vii.	Promote coir and coconut products manufacturing	Number of coconuts products processing enterprises established	12	240,000
viii.	Establish rural industrial clusters	Number of rural clusters constructed	24	6,000,000
ix.	Promote waste recycling programme	Number of scavenger groups formed and enhanced	24	157,000
x.	Provide research and planning services	Number of researches accomplished	6	30,000
xii.	Provide support services to small scale miners	Number of mining projects established	14	105,000
xiii.	Promote leather industry development programme	Number of leather training courses conducted	42	44,000

Objective 2

To improve training, consultancy and extension services

Output 1

Entrepreneurship and business training programmes for SMEs implemented

S/N	Activity	Performance indicators	Target	Budget Tshs.'000'
i.	Conduct training needs assessment	TNA reports produced	1008	

ii.	Conduct training on entrepreneurship skills for entrepreneurs	Number of courses conducted	189	945,000
iii.	Conduct training on business management skills for entrepreneurs	Number of courses conducted	819	816,000

Output 2

Business management advisory/consultancy services programmes for SMEs implemented

S/N	Activity	Performance indicators	Target	Budget Tshs.'000'
i.	Conduct diagnostic studies	Number of studies conducted	252	
ii.	Conduct mentorship programme	Number of clients who have benefited	252	76,000
iii.	Undertake business opportunities identification	Number of survey reports prepared	252	

Output 3

Extension services delivery capacity strengthened

S/N	Activity	Performance indicators	Target	Budget Tshs.'000'
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i.	Human resources development programme for SIDO staff implemented	Number of staff who have undergone skills upgrading	450	225,000
ii.	Supervise implementation of regional office business plans	Number fo quarterly implementation reports presented	252	
iii.	Enhance networking between regional offices and SME stakeholders in their respective regions	Number of meeting minutes prepared	252	
iv.	Assist the strengthening of industrial cooperatives		105	

Objective 3

To develop and improve marketing and information technology programmes

Output 1

SMEs ability to access local and international markets increased

S/N	Activity	Performance indicators	Target	Budget Tshs.'000'
i.	Develop new marketing products	Number of promotional activities carried out for new products	20	100,000
ii.	Source market opportunities and avail them to SMEs	Number of market opportunities availed to SMEs	252	
iii.	Expand and strengthen export promotion activities for SMEs	Number of new export promotion activities carried out	9	
iv.	Train staff in export matters	Number of staff trained	25	13,000
v.	Conduct periodic market surveys	Number of market surveys prepared	270	135,000
vi.	Promote subcontracting, tendering and business cooperation between SMEs and large enterprises	Number of sub contracts signed	252	

vii.	Promote SMEs' products through exhibitions and trade fairs	Number of exhibitions conducted	27	270,000
viii.	Provide training in packaging	Number of packaging courses conducted	32	29,000

Output 2

Information and communication technology developed and improved

S/N	Activity	Performance indicators	Target	Budget Tshs.'000'
i.	Develop promotional programmes	Number of promotional programmes developed	3	150,000
ii.	Train staff on ICT	Number of staff trained n ICT	120	38,000
iii.	Train SMEs on ICT	Number of SMEs trained in ICT	210	135,000
iv.	Establish information centers cum show rooms	Number of ICT facilities installed and used in information centers	200	400,000

Objective 4

To improve and expand financial advisory and credit services

Main output

Availability of credit funds and delivery of credit and advisory services to clients increased.

S/N	Activity	Performance indicators	Target	Budget Tshs.'000'
i.	Train staff on operational manuals	Number of courses conducted	9	55
ii.	Mobilize and disburse credit funds	Number of loans disbursed		TShs. 12,855 mill.
iii.	Provide information on various credit schemes for SMEs operations	Number of promotional materials provided to clients	185,310	92,000

Objective 5

To enhance capacity building of the organization

Output 1

Specialized staff skills developed

S/N	Activity	Performance indicators	Target	Budget Tshs.'000'
i.	Identify the special skills required	Number of special skills areas identified	15	
ii.	Identify the staffs for the specialized training	Number of staff identified	150	
iii.	Identify training institutions/providers	Number of training institutions identified and engaged	30	
iv.	Conduct the courses	Number of courses conducted	15	375,000

Output 2

Operational capacity of the organization enhanced

S/N	Activity	Performance indicators	Target	Budget Tshs.'000'
i.	Procurement of transport facilities	Number of motor vehicles procured	9	280,000
ii.	Procurement of computer hardware and software	Number of computers hardware and softwares procured	125	50,000
iii.	Procurement of training equipment	Number of training equipment procured	41	30,000

iv.	Rehabilitation of infrastructures	Number of infrastructure rehabilitated	5	300,000
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9.2 FINANCIAL IMPLICATION

9.2.1 BUDGET

Implementation will be concentrated on four main areas. These include Financial Advisory and Credit Services; Consultancy, Training and Extension Services; Marketing and Technology Development. Programme budgets and the yearly budget allocation details are shown in table below:

TABLE – CSP BUDGET SUMMARY, 2005/2006 – 2007/2008

Tshs. '000,000'

S/N	AREAS OF CONCENTRATION	YEARS			GRAND TOTAL
		2005/06	2006/07	2007/08	
1	Technology Development and technical services.	2,475	4,500	5,939	12,914
2	Consultancy, Training and Extension Services.	479	687	896	2,062
3	Marketing and Information Services.	555	805	560	2119
4	Financial Advisory and Credit Services.	3,291	3,680	4,078	11,049

5	<i>Capacity building of the organization</i>	500	905	795	2,200
GRAND TOTAL		7,300	10,578	12,267	30,344

9.2.2 SOURCES OF FUNDS

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

Internally generated funds and other sources (45%)

Government subventions (55%)

9.2.2.1 Internally generated funds

It is expected that some of SIDO's activities will be financed by income from the day to day operations, particularly from consultancy services, training, technical services, interest from credit portfolio and use of assets especially industrial sheds.

9.2.2.2 Government subventions

The Government will continue to finance remuneration of SIDO's workforce as well as development programmes.

9.2.2.3 Donors

During the implementation, financial assistance in areas of capacity building especially of SMEs will have to be required. SIDO will prepare proposals in that respect and use them to entice and involve development partners and agencies in funding the implementation of the same.

9.2.2.4 Financial institutions

Financial services will be one of key services to be provided by SIDO to SMEs during the coming planning period. Most of the services will be provided to clients by using capital funds to be borrowed from different financial institutions, and specifically from institutions that have interest in SMEs development.

Proposals shall be prepared to solicit funds for respective program components in line with specific Corporate Strategic Plan requirements.

10.0 IMPLEMENTATION PROCESS

Implementation of the plan will be monitored in order to ensure efficiency and effectiveness. The organization has already established a line of command that will ultimately be followed to ensure the existing human and material resources capacities are used to fulfill the requirements of the Corporate Strategic Plan.

1. SIDO will prepare annual work plans for all the activities comprised in the programme. The work plans will be submitted to and discussed by the Board.
2. Activities carried out by SIDO staff will be detailed in quantified form and presented to the Quarterly meetings of the Board.
3. SIDO will liaise with the Government (Ministry of Industry and Trade, Ministry of Finance, Ministry of Regional Administration and Local Government) on a regular basis regarding the Corporate Strategic Plan, including on the subject of reporting and financial and

accountability requirements, and on mechanisms to disburse funds on timely basis.

4. SIDO will establish networking arrangements of existing data banks to facilitate information sharing among all actors.
5. SIDO will monitor activities to ensure that planned objectives are completed appropriately and in a timely fashion, co-ordinate plan assessments and evaluations to ensure that all concerned partners are actively involved in these exercises.
6. SIDO will organise and facilitate yearly financial and management audits of planned activities and submit in a timely fashion to the Board.
7. SIDO will liaise with the Government to facilitate effective co-ordination of their activities, complete transparency and accountability of all planned operations, whether in respect to conceptual and strategic considerations, substantive progress of implementation, administration, accounting, or auditing.

11.0 REVIEW PROCESS: REPORTING, MONITORING AND EVALUATION

11.1 Benchmarks:

Realization of the corporate objectives contained in the plan would not be well comprehended if there wouldn't be a mechanism to measure the key result areas. In this regard, implementation, monitoring and evaluation of the plan have been streamlined such that for every planned activity there would be a yardstick to gauge the extent of its execution within a defined timeframe.

Key performance indicators have been developed to track step by step realization of the identified objectives. The indicators are perceived as success factors in that they will provide the required incentive to every responsibility center to implement the plan.

The main areas of interest that have been targeted and hence the performance indicators established along the same lines are among others the following:

1. Measures of SMEs business growth

2. Measures of SMEs products quality
3. Measures of employment creation capacity
4. Measures of efficiency and productivity

2. Monitoring:

Implementation of the various planned activities will be monitored on a continuous basis to identify possible problems and provide for remedial actions to improve performance. Designing and setting up a manageable monitoring system, satisfactory to all involved institutions will accomplish regular monitoring to track progress. Monitoring activities will include regular field visits by concerned parties and meeting with SMEs, with sub-contracted agencies - NGOs.

11.3 Reporting:

The reports will give an account of the progress of each component's activities, issues that have arisen and recommendations for improvements and adjustments, and include financial reports on quarterly basis.

12.0 BRIDGES TO SUCCESSFUL IMPLEMENTATION OF THE CORPORATE STRATEGIC PLAN.

The Government, the private sector and development partners provide concrete material and financial support in terms of long-term investment capital to SIDO and the sub sector it serves. The support will strengthen SIDO's capacity to effectively deliver the required extension services to small and medium enterprises.

Contribution to the development objective requires that the political and economic framework conditions produce sufficient economic opportunities for the SMEs development.

13.0 CONCLUSION

SIDO Board and management are convinced that when the Corporate Strategic Plan has been implemented, the organisation's operations will have been brought in line with international best practice in the field of small and medium enterprises promotion and it will be ready to once again make a key contribution to economic transformation and development of Tanzania in terms of employment creation, income generation and poverty reduction as outlined in the National Vision 2005.