



**MZUMBE UNIVERSITY
(CHUO KIKUU MZUMBE)**

MZUMBE UNIVERSITY INVESTMENT POLICY

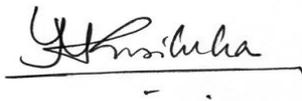
Approved by the University Council on 26th June, 2020

FOREWORD

Mzumbe University prepared the Fourth Corporate Strategic Plan (4CSP) (2017/18-2021/22) in 2016 and the Master plan for the Main Campus in 2017. These plans were mainly prepared to guide the activities conducted at Mzumbe University including the land utilization. With regard to that, there was a need to review a number of policies and guidelines including the Investment policy so as to facilitate the smooth implementation of the Master plan and 4CSP.

In reviewing process of the Investment policy, consultations were carried with various key stakeholders from within and outside the University. Their contributions, in various forms, enriched the policy reviewing process. We envisage that a successful implementation of this policy will help achieve University desired goals and meet the needs and expectations of our diverse groups of clients and stakeholders.

As Mzumbe University continues to expand, it is my sincere hope that this Investment policy will be an important tool in steering and guiding the investment activities at Mzumbe University. May I appeal to all members of the Mzumbe University Community and stakeholders to demonstrate utmost commitment in application of this policy for the benefit of the Mzumbe University and Nation at large.



Prof. Lughano J.M. Kusiluka.
Vice Chancellor
MZUMBE UNIVERSITY

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LIST OF ABBREVIATIONS

AO	Accounting Officer
BOOT	Build, Own, Operate and Transfer
BOT	Build, Operate and Transfer
EIA	Environmental Impact Assessment
GIS	Geographical Information System
LGA	Local Government Authority
MU	Mzumbe University
MUSO	Mzumbe University Students' Organization
OPP	Operational Policy and Procedures
FDPC	Finance and Development Planning Committee
TEA	Tanzania Education Authority

DEFINITION OF TERMS

- i. **Approving Authority:** means an accounting officer or tender board of a public body
- ii. **Accounting Officer:** means a Government officer appointed in accordance with the provisions of the Public Finance Act or a public officer statutorily appointed to hold a vote or subvention and accounts for all monies expended from that vote or subvention.
- iii. **Competitive selection:** means the method of procuring service whereby a limited number of investors are invited to compete in submitting their detailed proposals and where such proposals are evaluated based on quality and cost.
- iv. **Contract:** means the agreement made between MU and the investor as a result of the procurement procedure for the provision of services and/or execution of some works.
- v. **Corrupt practice:** means the offering, giving, receiving or soliciting anything of value in order to influence the action of MU officer in the procurement process or contract execution.
- vi. **Investment:** means the act of committing money (a capital outlay) for the purpose of earning future income or getting some profit on that outlay.
- vii. **Investment Commitment Bond:** refers to a commitment by a guarantor that in case the investor defaults, the guarantor shall pay the amount of money specified in the Bond.
- viii. **Landed investment:** means real property on land developed for a specific purpose of realizing a profitable return at some future date.
- ix. **MU officer:** means an employee of MU holding a specific position with power and authority to act in that capacity.

- x. **Procurement:** means acquiring a service by MU from the investor and shall include all functions pertaining to the obtaining of investor's services including the description of requirements, selection and invitation to tender preparation and award of the contract.

- xi. **Short-listing of investors:** means a formal procedure whereby potential investors are invited to submit details of their resources and capabilities and screened before the invitation to tender based on meeting minimum criteria on experience, resource capacity and financial standing.

- xii. **Tenderer:** means any natural or legal person or group of persons submitting a tender, with a view of concluding a contract.

CHAPTER ONE

INTRODUCTION

1.1 Preamble

Mzumbe University (MU) is a public University, owned by the Government of the United Republic of Tanzania and it operates under the Ministry of Education, Science and Technology (MoEST). The core functions of MU are teaching, research, consultancy and outreach services. As a training institution, Mzumbe University started in 1953 as a Local Government School for training chiefs, native authority staff and councillors. In 1972, it was transformed into the Institute of Development Management (IDM) - Mzumbe and later in 2001 into a fully-fledged University after the enactment of Mzumbe University Act No. 21 of 2001. The Act was repealed by the Universities Act No. 7 of 2005, which is an Umbrella Act, providing for and regulating University education in Tanzania. In line with the provisions of the Universities Act, the University was granted its Charter in 2007, which provides for its continued existence as a successor of the University established by the Mzumbe University Act.

The University Vision is to be a centre of excellence in training, research, consultancy and outreach services in management and allied sciences for socioeconomic development of the people by 2025. To achieve this vision, the University embarks on its mission, which is to provide opportunities for acquisition, development, preservation and dissemination of knowledge and skills through training, research, technical and professional services. The University's core values are accountability, creativity and innovativeness, diligence, integrity, professionalism, respect for others, responsiveness to society needs, transparency, and teamwork.

1.2 Mzumbe University Investment Policy

The desire for growth and expansion of services offered by Mzumbe University can be traced back to its first, second and third strategic plans, which on their time frames, they have earmarked and implemented a number of development projects. The fourth strategic plan that is currently being implemented is centred on the same theme of expanding the services offered by the University.

The sought expansion plans require investment in infrastructure as well as attracting and retaining service providers to support the core functions of the University. This is partly achieved by having a clear policy and procedures that investors and investee abide to when engaging in

business dealings. Furthermore, the same will enable to attract quality and sustainable investments.

The University had an investment policy which was just a draft. The policy however, has lost touch given the current needs highlighted in the 4CSP. This has necessitated its review. To carry out the review, a team of four University staff were appointed and tasked to update the outdated Investment Policy to an updated version that addresses the investment needs highlighted in the 4th CSP and those that might develop in the near future. The review process was initiated by a desk research that aimed to identify prominent policy issues that need to be addressed, followed by sharing session with stakeholders on the same. Furthermore, a bench marking exercise was conducted to get the feel of other public Universities investment policies. Thereafter, the first policy document was produced and circulated to members of University community and external stakeholders to seek for comments which were addressed and the policy was submitted to relevant University committees of the Council to seek for approval. The process was climaxed by approval of the policy by the University Council on its 111 of 26th June 2020.

The Mzumbe University Investment Policy has five chapters; Chapter One introduces the University and discusses its review process; Chapter Two presents the University situation with regard to investment needs and rationale of having an investment policy; Chapter Three presents policy objectives, scope of the policy, policy statements and their strategies; Chapter Four presents policy implementation guidelines and aspects of monitoring, evaluation and learning; finally, Chapter Five presents the concluding remarks.

CHAPTER TWO

SITUATIONAL ANALYSIS

2.1 Overview

Mzumbe University has three campuses, namely: the Main Campus located at Mzumbe area in Morogoro Region; Dar es Salaam Campus College, located in Upanga area in the Dar es Salaam City and Mbeya Campus College, located in the Forest area of Mbeya City off the Dar es Salaam – Lusaka Highway. Furthermore, the University owns a total of 1482.16 acres of land in several parts of the country. The acquisition of lands was an effort to implement the University's Corporate Strategic Plans (1st, 2nd and 3rd Strategic Plans), including expanding the core activities of the University; and hence, achieving its mission and vision.

2.2 Investment Initiatives

The Universities initiative to increase access to higher education is mainly impeded by lack of adequate infrastructure. The existing infrastructure is not only deplorable but also inadequate. Most of the buildings were constructed between 1953 and 1972. And lack of adequate financial resources has made it difficult to conduct major rehabilitation works and construction of new infrastructure. This has resulted to congestion on the existing infrastructure as number of users increases by the years.

The apparent situation of the infrastructure failing to match with increased number of users propelled the University to set strategic plans to curb the problem through rehabilitation of existing infrastructure and construction of new ones. But the University does not have adequate resources to implement all construction projects as such invite investors both public and private to develop the vast idle land which the University owns. By doing this, the University will increase land utilisation which is largely idle, curb the shortage of infrastructure and increase student enrolment.

2.3 Key Issues Addressed by the Policy

To attract investment on the University land, the following key issues need to be addressed increase effort to mobilisation resources for infrastructure development, zoning of land for investment purposes, advertising existing investment opportunities available, offer incentives to investors, strategies to retain investors for long term investments, create mechanism to assure investor commitment on commercial venture on University properties, assure transparency and

accountability in an investment process, and ensure compliance with Health, Safety and Environment standard during investment implementation.

Also, attention should be given to proper and timely maintenance of landed infrastructure, promote research commercialisation, establish an investment endowment fund for proper management of investment revenue and expenses, and establish clear dispute settlement mechanism that will not disrupt beneficial relationship with investors.

CHAPTER THREE

POLICY RATIONALE, OBJECTIVES, AND STATEMENTS

3.1 Policy Rationale

Mzumbe University is a public institution and, in that regard, receives subvention from the government to support the activities of the University. However, over the years, such subventions have been dwindling, creating difficulties in the implementation of development projects. Furthermore, the meager internal revenue sources of the University are not enough to cater for all development projects required. This has resulted in slowing implementation of development projects posing a challenge in the implementation of MU core functions. Therefore, this calls for the University's efforts to strengthen its strategies that would assist in generating income for sustaining its mandates. Among the strategies is to attract investments on the under-developed and under-utilised University's resources, including land and landed properties by preparing a policy framework for the efficient management of the investments at the University.

The Investment Policy and Operational Procedures provide a reliable framework for the smooth functioning of fund-raising activities and attracting private investments and commercial ventures to contribute towards the core mission of the University. It specifically seeks to:

- i. Establish a clear understanding of the University investment goals and objectives;
- ii. Define and assign responsibilities for investing activities;
- iii. Offer guidance and define the scope of parties involved in investment undertakings;
- iv. Ensure prudent management of University assets according to the agreed standards and consistent with the laws of the United Republic of Tanzania.

3.2 Policy Objectives

The policy consists of general objective/statement and specific objectives as further clarified in the following sections.

3.2.1 General Policy Statements

This document sets forth the Investment Policy and specific guidelines for investing on Mzumbe University resources (endowments), including land. The overall objective is to attain a sustainable financial, social and infrastructural development to support University's core functions: teaching, research and consultancy.

3.2.2 Specific Objectives

The policy has the following specific objectives:

- i. To mobilise financial resources from both internal and external sources for infrastructure development and maintenance of existing ones;
- ii. To zone land and identify parcel of lands for different investment purposes;
- iii. To advertise existing investment opportunities available in order to attract potential investors;
- iv. To spell out attractive investment incentives in order to attract potential investors on University resources
- v. To develop mechanism for retaining investors;
- vi. To develop mechanism to assure investors commitment on commercial ventures implemented on University resources;
- vii. To develop mechanism for monitoring and evaluation of transparency and accountability when landing investment project on University resources;
- viii. To ensure compliance with Health, Safety and Environment standard during implementation of investment ventures;
- ix. To ensure timely maintenance and rehabilitation of developed infrastructure;
- x. To ensure proper management of investment revenue;
- xi. To establish a clear dispute settlement mechanism;
- xii. To promote commercialization of innovations done by students and staff.

3.3 Scope of the Policy

Mzumbe University Investment Policy shall apply to such investments which provide supporting services to the core function of the university, infrastructure development, and commercialization of research projects.

3.4 Policy Statements and Accompanied Strategies

This policy has a total of twelve (12) key issues that need to be addressed in order to promote investment on University resources and from each policy issue, policy statement (s) and strategies have been presented. The policy statements and strategies have been benchmarked on experiences from other similar public institutions.

The key policy issues together with policy statements and strategies are outlined here-below:

3.5 Mobilisation of Financial Resources for Infrastructure Development

Investment opportunities are yet to be identified, planned and appraised to systematically guide efficient and effective utilization of MU resources. Suitable modes and clear operational policy and procedures on the processes for investment have been inadequate.

3.5.1 Policy Statement

MU shall endeavour to optimize utilisation of its resources through investments to contribute towards addressing the University core functions.

3.5.2 Strategies

- i. The following strategies will be pursued :To apprise resources for efficient and effective use.
- ii. Depending on the nature of investment opportunity, the University will appraise suitable modes of investment to ensure equitable benefits to both the University and the Investors.
- iii. Timely publicity of investment opportunities to capture potential investors.
- iv. To put in place a clear Investment Policy and Operational Procedures to guide both investors and the University on matters pertaining to the processes on investing in MU resources.
- v. Developing a pipeline of bankable Investment Projects to attract more Investors

3.6 Zoning of Land for Investment Purposes

Land earmarked for investment need to be sub-divided into parcels to cater for the different investment opportunities and thereby formulating a subdivision plan. At the Main Campus, the land use master plan has been developed and different parcels of land have already identified for investment purposes. However, at Mbeya Campus, Dar es Salaam Campus, Mwanza area and Arusha area; there is a need to develop land use master plan in order to identify clearly areas that would be used for different investment opportunities.

3.6.1 Policy Statement

MU shall prepare a general zoning plan for its land and indicate built-up areas and activities. For the areas identified as potential for investment, suitable activities shall consider the need to minimise land use conflicts and as much as possible optimise compatibility.

3.6.2 Strategies

The University will pursue two strategies as follows.

- i. To prepare a master plan for the acquired lands.
- ii. To prepare the development conditions for the respective investment zones.

3.7 Advertising Investment Opportunities

Investment opportunities around MU have not been adequately advertised to potential investors; as a result, MU has not been able to sufficiently attract investors. There is an ample room to attract investors to set up businesses on Mzumbe University land as well as around the University.

3.7.1 Policy Statement

MU shall spell out and make public the allocated areas for investments, including land. The allocated areas for investments should support the mission of the University.

3.7.2 Strategies

To implement the stated policy statement the following strategies will be pursued:

- i. To identify suitable investment opportunities which are relevant in supporting the MU mission.
- ii. To prepare a Strategic Business Plan to market the opportunities.
- iii. To advertise investment opportunities through various means, including conducting an investors' forum.
- iv. Developing a pipeline Investment Projects to attract more Investors

3.8 Investment Incentives to Attract Investors

Comprehensive incentive packages are a pre-requisite for “puling-in” investors. In this regard, Mzumbe University should develop a mechanism and incentive packages to attract investments on its resources, including land.

3.8.1 Policy Statement

MU shall put in place comprehensive incentive packages that will attract investors.

3.8.2 Strategies

To facilitate the implementation of the policy statement the following strategies will be pursued:

- i. To consider the possibility of using tax exemptions as allowed by relevant laws.
- ii. To spell out some exemptions linked to educational services in Tanzania.
- iii. To use in-house expertise to minimise cost for investors.
- iv. To consider concessionary rates for renting the University properties and land.

3.9 Retention of Investments

The University recognizes investors' commitments through their investments and contribution they make in fostering University's core functions. As such investment retention is viewed as important as attracting new investors. Therefore, it is of importance to create confidence to investors in order to technically retain them and support the expansion of their business operations.

3.9.1 Policy Statement

MU shall put in place a pro-investment environment that will create confidence to investors.

3.9.2 Strategies

In order to achieve the articulated policy statement, the following strategies must be put in place:

- i. To create an environment for a fair and non-discriminatory treatment of investors;
- ii. To develop an investment protection mechanism that is transparent and rules-based;
- iii. To align with National Public Private Partnership (PPP) Policy and Public Private Partnership (Amendment) Act, Cap.103.

3.10 Investment Commitment Bond

In order to secure an investors' commitment in a given project, there is a need to introduce Investment Guarantee Such a bond shall include the name of the investor, project, guarantor, and the amount committed.

3.10.1 Policy Statement

Under Investment Commitment Bond, there two main policy statements:

- i. Mzumbe University shall demand an investment commitment bond be issued for specified investments on Mzumbe University resources including land.
- ii. The Council, through the Finance and Development Planning Committee, shall work out the value of the investment bond, in consultation with the Investor and considering the type of investment.

3.10.2 Strategies

To achieve the articulated statements, MU should strategise in the following ways:

- i. To avail the investment bond forms to potential investors during the tendering process.
- ii. To accept guarantors with an office and a bank account in Tanzania.

3.11 Transparency and Accountability

Access to information is a fundamental right in activities that may positively benefit or negatively impact investment activities. Dissemination of information makes all stakeholders aware of the investment initiatives of the University. The University and stakeholders have important roles to play in order to achieve transparency and accountability to the public as well as eliminating possible elements of corruption when engaging with investors. Related to this, the University needs to improve transparency and accountability as well as accessing information in relation to investment activities at the University.

3.11.1 Policy Statement

MU shall promote transparency and accountability in its procurement processes, and relationships with all stakeholders, while ensuring protection of confidential information.

3.11.2 Strategies

Transparency and accountability can be promoted through the following strategies:

- i. To develop transparency and accountability guidelines;
- ii. To enforce transparency and accountability to all stakeholders involved in the investment process;

- iii. To ensure strict adherence to the public procurement law and regulation at the time of the procurement transaction;
- iv. To ensure procurement professionals do adhere to code of ethics and declare conflict of interest as soon as they become apparent and disqualify themselves if there is any conflict.

3.12 Health, Safety and Environmental Management

Health, safety, and environmental management are paramount for sustainable growth of the University. The University and stakeholders have important roles to play in order to ensure there is a proper guideline for health, safety, and proper management of environment when implementing investment activities.

3.12.1 Policy Statement

Mzumbe University shall ensure that health, safety and environmental management is observed during the entire investment period.

3.12.2 Strategies

The following strategies will be pursued to implement the policy statement:

- i. All matters regarding to environmental management are to be adhered to as directed in the Mzumbe University Policy on Environment Management.
- ii. All matters regarding health are to be adhered to as directed in the Mzumbe University Health Policy.
- iii. All matters regarding safety are to be adhered to as directed in the Mzumbe University Estate Management Policy.

3.13 Maintenance and Rehabilitation of Developed Infrastructure

Once developed infrastructure is in place, in order to enhance their longevity, they are invariably required to be maintained or rehabilitated from time to time. Buildings and infrastructure are susceptible to vagaries of nature as well as wear and tear resulting from natural causes, their use or vandalism. Their depreciation rate is greatly reduced if maintained and rehabilitated timely. Therefore, to ensure longevity of buildings and infrastructure developed the University has to ensure that maintenance and rehabilitation are done timely.

3.13.1 Policy Statement

MU Shall ensure that maintenance and rehabilitation of landed infrastructure is implemented as such need arise.

3.13.2 Strategy

All maintenance and rehabilitation works shall be done as per directives in the Estate Management Policy.

3.14 Management of Investment Revenue

Income from investment projects is an important source of revenue to the University. However, if not properly managed would not contribute to the future growth of the University. Therefore, revenue from investment projects must be invested strategically in order to generate sustainable returns. To achieve this, Mzumbe University should put in place a mechanism to govern spending pressure on the endowment fund.

3.14.1 Policy Statement

MU shall ensure that investment revenue is managed properly and used strategically to expand investment activities.

3.14.2 Strategies

The following strategies will be pursued to implement the articulated policy statement on investment revenue:

- i. To establish investment endowment fund
- ii. To establish proper guidelines to manage the investment endowment funds.
- iii. To use investment revenue strategically to support investment expansions.

3.15 Disputes Settlement

During the implementation stages of an investment project, there might rise a dispute which might not be prevented. In such cases, an approach adopted to resolve the dispute will have a significant impact on the success or failure of the investment project. Therefore, there is a need for Mzumbe University to ensure disputes are resolved in arbitative manner, to lessen the need of court proceedings which are costly, bureaucratic and could tarnish the public outlook of the University.

3.15.1 Policy Statement

MU shall ensure that arbitration procedures are quick, observe privacy, less costly, and ensure no disruption in service provision to end user.

3.15.2 Strategies

The following strategies will be pursued:

- i. To strengthen MU Legal Unit.
- ii. To ensure contractual agreements provide clause for arbitration settlement in event of disputes.
- iii. To ensure arbitration procedures open a channel of communication for peaceful negotiations and reduce chances of further disputes in the life of the project.

3.16 Research Commercialization

Mzumbe University provides support to its staff to undertake research projects with the aim of developing a clear understanding of problems facing societies and provide a solution for them. In doing this, the University is able to demonstrate it is making an active attempt to take the results of research and apply them for the benefit of the society. However, less has been done in developing the research output into marketable product or services. In this regard, there is a need to promote uptake of research projects amongst Mzumbe University staff that would result to development of industry solutions to be patented for commercial use.

3.16.1 Policy Statement

Mzumbe University shall put in place mechanism to support research projects that would develop marketable products or services for public consumption.

3.16.2 Strategies

The following strategies will be pursued:

- i. To establish framework to guide research and innovation activities;
- ii. To establish guidelines for Intellectual Property (IP) management;
- iii. To establish mechanisms to share data and disseminate new knowledge quickly in order to foster scientific progress;
- iv. To strengthen collaboration between the University and industry sectors;
- iv. To strengthen entrepreneurship programs through incubation centres.

CHAPTER FOUR

INVESTMENT GUIDELINES

4.1 Areas of Investment

There are three major areas of investment that Mzumbe University seeks to promote:

i. Land based investment

This involves commercial development of Mzumbe University lands according to the approved Investment Policy, Land Use Policy, and Master Plan.

ii. Landed property management/leasing service provision

This involves the leasing of existing properties (buildings) for development, management and provision of services.

iii. Research commercialisation

This is a type of investment that involves MU staff engage in research project which later transformed into a marketable product. Such a product is the practical manifestations of and associated applications of the research.

4.2 Investments Promotion

The list below presents the potential investments that are allowed by MU:

- i. Research and Innovation
- ii. A complex comprising of classrooms, lecture halls, theatres, and conference halls.
- iii. Creation of training centres/incubation centres.
- iv. Student hostels/ privatisation of the management of student hostels.
- v. Residential houses.
- vi. Medical facilities; hospital, pharmacy, and medical laboratory and any other related businesses/services.
- vii. Office accommodation.
- viii. Library and bookshop services/ Publication house and Printing press.
- ix. Information communication technology services/Mobile phone service towers.
- x. Hotels, restaurant and catering facilities.
- xi. Recreational facilities, e.g., amusement parks, sports complex, playgrounds, pools, and cinema halls.
- xii. Banking services, shopping complex, secretarial centres, and day care centres.
- xiii. Deep/ shallow wells for permanent water sources.
- xiv. Any other business that will be deemed right by the University.

4.3 Investment Modes

Investment allowable by MU can be implemented in various contractual modes, depending on the area of investment. The main modes are outlined in the following subsections.

4.3.1 Operation and Maintenance

This investment mode involves outsourcing of private companies to operate and maintain the existing infrastructures of the University. In this arrangement, the private company is provided with a contract to provide services for fee to the University community and meet the lease payments to the University as well. In addition, the private company will be responsible to keep the facility to an agreed technical standard. On the other hand, the University role will be to control and supervise delivery of service; thereby, ensuring quality is observed.

4.3.2 Build and Transfer

Under this investment mode, the University identifies an investment project, prepare a construction project proposal and market the proposal to the prospective investors. Such investors may include, pension funds, health insurance funds for health-related projects, unit trusts, and government agencies. In this arrangement, the Investors entire into a contract with the University to provide affordable finances to fund the construction of the project and upon completion the infrastructure is transferred to the University. Then the University pays back the amount loaned on an agreed schedule, the total cost plus agreed mark-up. Similarly, the mode is applicable in cases where a philanthropist wishes to finance construction of an infrastructure at University. Unlike previous financiers, in this case, the philanthropist does not require payback of the finances provided; however, the contract shall stipulate clearly the requirements of both parties.

4.3.3 Build, Own, Operate and Transfer

This is an investment approach that involves University to identify an investment project and market to the potential investors. In turn, interested investors sign contract to finance and operate the project. In this arrangement, the University shall determine where the project is to be allocated as per land use master plan. During operations, the Investor shall charge a fee for the services rendered and will be required to remit commission to the University as specified in the contract. At the end of contract period, the infrastructure shall be transferred to the University,

and the Investor will remain as a tenant if wishing to do so upon agreeing to new contractual terms.

4.3.4 Rehabilitate, Own, Operate and Transfer the Property

This approach involves attracting investors to invest on landed properties. In this arrangement, Investor is provided with a contract to finance the rehabilitate rehabilitation of the property for better service delivery and operate the investment on a concession for a given period. During the operation, the Investor will provide services for fee to customers and remit the commission to the University as it will be indicated in a contract. After the concession period ends the concession property is transferred to the University. In turn, an investor remains as a tenant if wishing to do so upon agreeing to new contractual terms.

4.3.5 Through Investment Company

This approach involves establishment of Mzumbe University Investment company. The company will represent the interest of the University in all business ventures. In this arrangement, the University will form subsidiary companies – Special Purpose Company (SPC) –in a joint venture with investors and implement a commercial venture. The SPC thus has the responsibility of ensuring delivery of product or service for the benefit of the public. The distribution of proceeds obtained shall base on share distribution in a SPC as stipulated in a contract agreement.

Table 1: Investment method matched with applicable type of investment

SN	Investment Method	Applicable area of investment
1	Operation and Maintenance (O&M)	Leasing of landed properties for service provision
2	Build and Transfer (B&T)	Key infrastructures supporting core functions of the University(lecture theatres, seminar rooms, student hostels, and staff offices, staff housing)
3	Build Own, Operate and Transfer (BOOT)	All other infrastructures except those regarded as key in supporting core functions of the University, with exceptions to student hostels and staff housing.
4	Rehabilitation, Own, Operate and Transfer (ROOT)	Leasing of landed properties for service provision
5	Investment Company	Service provision & research commercialisation

4.4 Investment Incentives

In addition to the national level investment incentives such as Fiscal Incentives which include tax exemption and a stable political environment, MU has some added Non fiscal investment incentives such as Investors on MU land will enjoy the location advantages, availability of professional services, availability of security services and the presence of the Investment Policy and Operational Procedures, which simplifies the investment process.

4.4.1 Fiscal Incentives

Mzumbe University will strive to make use of all tax incentives as provided by the laws and regulations of the Government of United Republic of Tanzania in facilitating investment. Therefore, the applicable incentives will include those spelt in but not limited to the following documents:

- i. Tanzania Investment Act No.26 of 1997.
- ii. The Income Tax Act, of 2004.
- iii. The Financial Laws (Miscellaneous amendments) Act No. 27 of 1997.

4.4.2 Availability of Professional Services

The Finance Development and Planning Committee (FPDC), during the investment process can facilitate investors in accessing professional services that are available at MU.

4.4.3 Development of Basic Service Infrastructure

The basic service infrastructure considered here includes water supply, wastewater disposal system, road network, power supply lines and the telephone system. Therefore, the University will assist and facilitate the development of the main sewer system, water supply, telephone and power lines. The prospective investors, on the other hand, will construct the essential utility services to the project land with the guidance of the University.

4.4.4 Security Services

The University has a well-defined and established a security system that makes the overall University environment secure and conducive for business. While the direct security of investors' properties, it shall be clarified in the contract for investment, investors on MU land would indirectly benefit greatly from these services.

4.4.5 Attractive Investment Policy

The University has an attractive Investment Policy and clear and transparent operational procedures to guide the investment process on MU land or with MU.

4.4.6 Fast Growing Market

The Mzumbe University Fourth Strategic Corporate Plan seeks to design and launch new academic programmes and increase students' enrolment by 19% by the year 2022. That is, from 11,870 in 2018 to around 14125 by the year 2022. This implies a fast-growing market for various properties and businesses at Mzumbe University campuses.

4.5 Investment Implementation guideline

The proper execution of planned investment project highly depends on the implementation arrangement that need to be observed when doing so. At Mzumbe University, there are three main areas of investment, leasing of service provision to private company, investment projects involving land development and carrying out business activity in joint venture with other investors. It is important to note that interested investors will be investing on public resources, as such; all investment shall abide to the public procurement laws and regulations at such a time of transaction. Therefore, implementation under each area of investment is as clarified in the following sections.

4.5.1 Implementation of Lease of Service Provision Investments

A lease of service provision is an investment approach that entails Mzumbe University outsource provision of a particular service to a private company. In this arrangement, Mzumbe University shall identify the type of service to be outsourced, advertise the opportunity to potential investors, and select the suitable Investor who shall be contracted to provide such a service. And the contractual arrangements preferred for such investments are O&M and ROOT.

4.5.2 Implementation of Land Development Investments

Land development investment entails expansion of infrastructure facilities to increase the capacity of the University to implement its core functions. Such investments are categorised into solicited and unsolicited infrastructure projects. Solicited infrastructure projects entail Mzumbe University identifying the infrastructure need (s) and schedule implementation of the project(s) in the annual procurement plan. Such infrastructure includes student hostels, lecture halls, lecture theatres, seminar rooms, staff offices, conference facilities and health facilities. And, since these

infrastructures are key to support service delivery at University, they will be implemented based on B &T contractual arrangements.

On the other hand, unsolicited infrastructure projects entail Private Investors to identify an infrastructure project (not in the category identified above), prepares a business proposal for the project and present to the University Management explaining the benefits of such a project in supporting implementation of University's core activities. Given the project has merit, its implementation can preferably be based on B&T and BOOT contractual arrangements.

4.5.3 Implementation of Joint Venture Investments

Joint venture arrangements involves Mzumbe University through its holding company form a subsidiary company with prospective Investors to implement a commercial venture. The share contribution to the venture shall be discussed before signing of Memorandum of Understanding (MoU) with the prospective investors. This will also be a yard stick in determining the distribution of risk and rewards when the project is operational.

This arrangement provides an avenue for Mzumbe University staff to engage in commercialization of their research projects. Through a subsidiary company or a joint venture with industry investors, staff research projects will be developed to a marketable product/solution and seek an appropriate intellectual property right. Also, this approach provides an opportunity for employees to form a share scheme and form a joint venture with an employer (MU) to implement a commercial venture.

4.6 Procurement Conducts

4.6.1 Operational Transparency

The investment process will be conducted with the utmost transparency and integrity. To ensure this, the following will be observed:

- i. Procuring and approving entities as well as the tenderers shall proceed in a transparent and accountable manner, and in accordance with public procurement law and regulation, during the procurement and execution of such contracts.
- ii. If after appropriate investigations and determination in accordance with the procedures, it is evident that an investor has engaged in corruption or fraudulent practices in completing

a contract in question, MU shall either reject a future consideration for a period as will be specified.

- iii. MU officers, in relation to procurement shall not, under cover of their office of employment, accept any fee or reward whatsoever from a tenderer or agent of the tenderer other than his/her proper remuneration.
- iv. MU, in any tender forms initiated for investment purposes, shall include an undertaking of the tenderer to observe the country's laws against fraud, corruption and bribery in competing and executing a contract.

4.6.2 Improper Inducement

- i. Procurement shall not be made from the MU officer acting in a private capacity, either alone or as a partner in a partnership or as an officer of a company.
- ii. MU and the tenderers shall take measures reasonably within their powers to ensure that no part of any payment made in connection with the procurement contract is received directly or indirectly by or for the benefit of MU officer with decision-making responsibility or influence.
- iii. MU shall not include any conditions or specification in the tender documents, such as to favour anyone tenderer .
- iv. Procurement process shall be executed in strict compliance to the public procurement law and regulation at the time of the procurement transaction.

4.7 Use of Investment Proceeds

The proceeds from the University's investment activities shall be used for:

- i. Funding research activities;
- ii. Improving general service provision;
- iii. Re-investment in infrastructure and introducing modern facilities;
- iv. Other areas as determined by the Council under the advisement of the Finance and Development Planning Committee (FDPC).

The Council under the advisement of the FDPC shall determine the proportions of the proceeds to be spent on each of the above areas.

4.8 General Terms and Conditions for Investment

The terms and conditions for investing in any University resources, among others include:

- i. The prospective investor must pay expenses for preparing the business plan (feasibility study), environmental impact assessment (according to national guidelines) and engineering design and drawings. These expenses are not refundable.
- ii. The prospective Investor shall provide an investment commitment bond at the signing of the contract or MoU. The bond shall spell out its value, the name of the investment project, the name of the investor, and that of the guarantor.
- iii. The prospective Investor shall meet all costs related to the proposed investment, including but not limited to the physical infrastructure development unless otherwise agreed with Mzumbe University and spelt-out in the MoU.
- iv. The engineering design and construction of the buildings must meet the Mzumbe University requirements and statutory requirements imposed by the relevant legislation.
- v. The prospective Investor must justify to the Mzumbe University his/her credibility and financial soundness to undertake a project of the envisaged magnitude. In this regard, the prospective Investor must present to the University the relevant documents to certify the various modes of financing the proposed project.
- vi. The Investor shall propose the type of business to be undertaken, and provide the design and structures to be erected in the University land. Thereafter, negotiations may take place between the two parties (Investor and Mzumbe University) subject to the established standards and conditions by the University and relevant laws of Tanzania.
- vii. The registered professionals, e.g. Engineers, Architects and Quantity Surveyors, shall undertake the proposed project designs and construction supervision in accordance with the laws of Tanzania.
- viii. After the construction of the buildings, including fittings and fixtures, the prospective Investor shall submit to the University one copy of the final detailed engineering design drawings.

4.9 General Conditions of Terminating Negotiations or Agreements

The University may terminate its negotiations/agreements with the prospective Investor if any of the following occurs:

- i. In the event of a breach of contract by the investor on MU property;
- ii. If the investor fails to appear for ratification of the land lease agreement within three (3) months of formal notification;
- iii. Failure to observe the agreed schedule of project implementation and the duration of the construction without any reasonable cause. In this case, Mzumbe University shall be indemnified against any cost;
- iv. In the event, the Investor fails to make progress in construction without any reasonable cause within six months. In such circumstances, national laws and policies that guide investment on public land shall be consulted and guide all the investment process.

CHAPTER FIVE

INSTITUTIONAL FRAMEWORK

5.1 Introduction

The successful implementation of this investment policy depends on the institutional framework that is in place to develop tools for operationalizing, enforcing, monitoring, evaluation and learning to ensure desired outcome. The institutional framework articulates major roles of key players towards improved investment activities that support core functions of the University. The policy shall be under custodian of Directorate of Planning at University. Other key players include, Finance Development and Planning Committee (FDPC), Mzumbe University Management Committee, University's Tender Board, potential investors and Mzumbe University Community. Responsibilities of each player have been presented in the following sections.

5.2 Directorate of Planning

The roles of the directorate will be:

- i. To oversee all investment activities including those undertaken by Mzumbe University Investment Company.
- ii. To solicit funds from various sources and facilitate the investment funding through provision of funds, forming joint ventures and fostering partnerships with potential investors;
- iii. To undertake investment promotional activities and identifying markets or opportunities for the expansion of businesses and land for investment use;
- iv. To advise University Management on all matters related to investments;
- v. To work closely with the Finance Planning and Development Committee.

5.3 Finance Development and Planning Committee

The FDPC shall be responsible for overseeing and ensuring that this Investment Policy established by the University Council is implemented and adhered to. The committee shall operate in an evaluative and advisory role providing advice to the University Council with respect to all aspects of the investment program, including but not limited to, investment strategies, policies and procedures; investment performance and external investment advisors.

5.4 The University Management Committee

The University Management Committee shall be responsible for the following:

- i. Evaluation of the submissions of investment proposals.

- ii. Endorse or make recommendations for review by the University Tender Board.
- iii. Approving the detailed sketch designs and working drawings for tendering and construction.
- iv. Monitor the investment process, implementation, the running of the investment, including periodical evaluations of the project until the expiry of the investment period.

5.5 The University Tender Board

The University Tender Board shall play the following roles:

- i. Approving advertisements of investments on MU land;
- ii. Receiving and announcing detailed investment proposals;
- iii. Deliberate on the submission by the PMU on the proposals for investment;
- iv. Considering resubmission of the rejected submissions previously made.

5.6 Vice Chancellor

As the Accounting Officer, the Vice Chancellor shall play the following roles:

- i. To oversee the functioning of the PMU with respect to the promotion of investment opportunities;
- ii. To sign contracts for investments.

5.7 Potential Investors

Potential Investors include prospective applicants willing to invest in MU land or with MU. They will play the role of mobilising funds and other resources required for investment. Depending on the mode of investment, investors will also participate in the actual implementation and running of the investment projects.

5.8 MU Community

The MU community shall include all members of MU, namely academic and administrative staff members and students. The role of the MU community is to facilitate the investment process and provide a supportive environment for investment projects. MU community shall participate in the scrutiny of proposed projects by providing comments for improvement, and being submitted to MOEST and Treasury Registrar for the same.

5.9 Monitoring, Evaluation and Learning

Attracting, retaining and expanding investment projects at Mzumbe University presents a number of opportunities and challenges. This policy addresses some of the multifaceted issues arising from this endeavour, and recognises that adjustment will be needed to accommodate the

demand and impacts as the University grows. It is from this understanding that the Monitoring, Evaluation and Learning (MEL) framework is required to go in a conjunction with implementation of this policy. The framework will seek to answer the question: “has the implementation of Investment Policy met the objectives as outlined in the policy document?”.

The activity of monitoring, evaluation and learning will be carried out from time to time and the responsibility of conducting such an activity is vested to the Planning Directorate. The directorate thus shall prepare the MEL framework, with a list of indicators that captures information needs of different stakeholder. The list will be updated from time to time to meet additional information requirements necessitated by the new developments. The MEL activity shall commence with a baseline survey as a benchmark to track implementation of the policy.

5.9.1 Monitoring

The monitoring process will generate and supply data and information on the progress made on the implementation in the implementation process. In this regard, Directorate of Planning shall prepare progress reports for discussion and endorsement by the Finance Development and Planning Committee.

5.9.2 Evaluation

This involves determination of the relevance, effectiveness, efficiency, sustainability, and impact of the policy. Therefore, the prepared evaluation report will present whether the resources used have attained the intended outputs or not.

5.9.3 Learning

This involves gathering of experience from implementing the Investment Policy. Such experiences provide knowledge which will be used to improve the policy document and implementation plan. Therefore, continuous learning is deemed crucial to provide timely and accurate mitigation measures which will ensure increased performance of investment projects.

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