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# Case studies

Below are examples of cases where advocacy supported by BEST-AC (now known as BEST- Dialogue) has led to a response.

**Reduction of regulation**Numerous regulations in the dairy sector make the cost of doing business high. BEST-AC helped the Tanzania Milk Processors Association (TAMPA) lobby for a reduction in regulations, a challenge that involved 15 regulating agencies across a range of ministries.

TAMPA presented in 2012 a policy brief to the Parliamentary Committee for Livestock, Agriculture and Water in Dodoma. The brief put forward solid recommendations for policy reforms. Committee members agreed that there are far too many regulations and a lack of inter-ministerial coordination. They discussed how they could intervene to give the dairy sector a chance to truly grow.

Due to the complexity of working with agencies across various ministries, at times progress may seem slow. However, in 2014 the Ministry of Livestock, the Tanzania Dairy Board and TAMPA are making good progress in finally resolving the problems of over-regulation and taxation in this sector. Meanwhile, the Ministry of Finance has granted the sector VAT exemption, making it more attractive for young farmers to seek a future in the dairy sector.

**Amendment of tax laws**The Association of Kilimanjaro Specialty Coffee Growers (KiliCafe) advocated for the removal of levies on farmer coffee produce, and the deregulation of the coffee auction market. Research findings KiliCafe presented to government in 2006 and again in 2008 indicated how to make coffee farming in Tanzania more competitive at the international markets, thus attracting more investment in the sector. The coffee sector is traditionally one of the better organised economic sectors and this action was one of the first private sector initiatives that managed to bring about important change towards a more market driven economic governance. As a result of KiliCafe’s efforts, the government removed three percent of taxes and levies from coffee auction prices, thus increasing farmer revenues and allowing for more investment. In the longer term, such initial lowering of levies allows for growth that actually increases government revenue, while creating more employment and profit.

**Enforcement of Weights and Measures law**Lack of transparency and clarity about standard measures to be used in (notably rural) markets causes a wide-spread lack of compliance with weights and measures law. Research supported by BEST-AC estimates that non-compliance with such standards by traders, e.g. the so-called *lumbesa* practices, creates an immediate loss of 10-15% for the producer while seriously reducing revenues for government. And that is just one of the issues for farmers, who are estimated to lose 40-50% of their revenue to market inefficiencies and for perishables up to 60%. It may be that in terms of loss in revenues, government itself is the biggest loser.

The Iringa Chamber of Commerce Industry and Agriculture persistently advocates for fair business practices by better enforcing the weights and measures laws. The campaign started in the Iringa region, back in 2007, receiving growing support from the other Chambers along the southern agricultural corridor. The reports and findings received good media coverage, thus exposing this often hidden cause of rural poverty and raising awareness across the entire Southern Highlands zone.

As a result of sustained pressure by the private sector in 2006 and 2008, and a stock take on progress in 2013, the Weights and Measures Agency is gradually improving enforcement procedures, addressing loopholes in the Weights and Measures law. More pressure from the side of Government, Parliament and civil society will be needed to curb such widespread corrupt practices and to promote improvements and enforcement that will have an immediate impact on rural poverty.

**Reduction in Skills Development Levy**In 2013, [the Association of Tanzania Employers(ATE)](http://ate.or.tz/" \t "_blank) was backed by the Tanzania Private Sector Foundation and the Confederation of Tanzania Industries in the lobby to reduce the Skills Development Levy (SDL). Research presented in 2011 exposed a non-traceable usage of more than 50% of this additional tax on employers. Surprisingly, in 2012 the SDL percentage was increased from 4% to 6% while investment in relevant skills development measures by government remained shady.

The SDL is applicable to any business that employs four or more employees; finding skilled labour is a common challenge for almost all employers in Tanzania. In 2013, a policy proposal based on statistics developed by a tax expert was presented to the government’s annual task force on tax reform. As a result the SDL has been reduced to 5%, easing at least a little bit of this extra burden for employers. This kind of success motivates employers to insist that if government wants to use their tax money to invest in skills development, then these employers should actually feel the benefits of such an investment.

**Increasing Tourism in Tanzania**In December 2013, [the Tourism Confederation of Tanzania (TCT)](http://www.tct.co.tz/" \t "_blank) met with the Tanzanian National Business Council, a forum for public-private dialogue chaired by the President. The Council brings together top leadership in government with leaders of the private sector to address national business issues. Tourism was on the agenda, and the TCT was challenged to come up with recommendations on how to improve the ease of doing business for the sector. The objective is to make it easier to run a tourism business, attract more investors and thus increase the numbers of tourism arrivals in Tanzania. Currently, annual arrivals stand at one million, a figure that does not reflect the country’s vast resources and the sector’s economic potential. With the support of BEST-AC, TCT has cooperated intensively with the Ministry of Natural Resources and Tourism and the Tanzania Tourism Board in developing and implementing a longer term strategy to increase tourism numbers to 10 million annual arrivals by 2025.

**Enforcement of music copyright laws**The music industry in Tanzania suffers from a lack of artist awareness about their legal rights, high levels of piracy, and inconsistent payment for artists’ work. RULU Arts Promoters for years has advocated for a change in music copyright laws to stimulate growth in the Tanzanian music industry. As a result, the government began legislative adjustment in 2011. More artists have officially registered their work, and royalties collected and distributed have increased.

**Implementation of The Business Activities Registration Act (BARA)**VIBINDO advocated against the implementation of BARA, an Act introduced in 2007 to actually simplify the process of registering a business. In its initial design, the Act was likely to increase problems for running a small business, problems such as harsh enforcement measures and recurrent annual fees for registration. As a result, government has halted the full implementation of BARA, taking more time to study the full impacts of the proposed law.

**The Power Project**[The Confederation of Tanzania Industries (CTI)](http://cti.co.tz/" \t "_blank) advocated on the issue of an unreliable power supply at a time when the country was experiencing a bad power crisis in 2011. Research was done and a report was developed providing evidence on the magnitude of the problem. Energy stakeholders used the report to raise awareness on the problem in the country and advocate for a more reliable power supply for manufacturers. Other stakeholders such as the [Hotel Association of Tanzania (HAT)](http://hat-tz.org/" \t "_blank), also disclosed how much their members were losing due to the power crisis.

As a result, during the 2011/2012 Bunge session, Parliament demanded from the Government an emergency power sector rescue programme to salvage the manufacturing sector.

**Supporting businesses in Zanzibar**[The Zanzibar National Chamber of Commerce, Industry and Agriculture Chamber (ZNCCIA)](http://www.znccia.or.tz/" \t "_blank) is the voice of the business community in Zanzibar, leading through advocacy, locally, regionally and internationally on issues that affect business and the Zanzibar economy.

* Thanks to BEST-AC support, the membership profile has expanded rapidly and now includes a significant number of businesses ranging from micro to large enterprises, in all sectors of business including agriculture, fisheries, livestock, tourism, trading and manufacturing. Membership has now reached 519 members, up from 160 in 2008.
* ZNCCIA’s capacity for partnering was supported by BEST-AC. As a result, ZNCCIA was able to partner with [Tanzania Private Sector Foundation (TPSF)](http://tpsftz.org/" \t "_blank) to run the Business Development Gateway (BDG) project in Zanzibar, thereby enabling promising entrepreneurs and enterprises to receive seed grants. BDG is a part of a major private sector competitiveness project financed by the International Development Association aiming to strengthen the entrepreneurial culture of Tanzania. Over four years an average of 500 awards per year were awarded, with award sizes ranging from matching grants of $1,000 to grants of $15,000 in all regions of Tanzania.