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# Emerging Opportunities For Income Growth At The University Of Dar-Es-Salaam: Private Public Partnership Development Projects

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## **Chungu, A.S. The University of Dar-Es-Salaam, Botswana. Emerging Opportunities For Income Growth At The University Of Dar-Es-Salaam: Private Public Partnership Development Projects**

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### **ABSTRACT**

Tanzania in 1986 went through a reform programme of shifting from central planned to a market-economy in that, trade, exchange and interest rates were liberalized and more than half of the 400 parastatals were closed down and/or privatised. In the second round of reforms that took in 1996 included institutional and structural reforms, at this time further transformation to a market economy, public administration and investment in key development sectors (education, health, agriculture, water, roads) took place. Such transformations resulted in increased macroeconomic stability and growth levels averaging 6 percent last year. In line with national reform programme, the University of Dar es Salaam developed a Corporate Strategic Plan 1993-2008 (UDSM, 1994) and revised it in 2004 for the period 2004 to 2013 (UDSM, 2004). The Corporate Strategic Plan categorically states its intention to exploit all areas of strength and opportunities offered by the current institutional and national policies of liberalization. One such an area that both the national and UDSM Corporate Strategic Plan emphasis is the public private partnership (PPP) or public to public collaboration in investment ventures. The University identified five potential group areas of UDSM resources that are worthy of the investors' consideration (UDSM, 2001). Chungu (2002) found that land based investments and knowledge/professional skills investments have higher income returns to the UDSM. This paper therefore focuses on land based investments and attempts to demonstrate a successful PPP collaborative venture initiated in May 2002 and charts out its associated factors to such a success. The Mlimani City project is the case on hand while the project on Information Communication Technology Special Economic Zone (ICT-SEZ) is the second forceful coming project initiated in year 2005. These two projects have taken 116 acres of University out of 268 envisaged for investment. The impacts of these two projects to the University and its surrounding communities as well as the nation at large are discussed. The paper concludes with possible challenges that the University have learnt from the Mlimani City project and how those milestones could be useful lessons for ICT-SEZ, a project which is on its infant, and also, to other incoming PPP collaborative investments.

### **INTRODUCTION**

Tanzania has, in the past 15 years been undergoing social economic and political reforms, which have re-oriented the economy from a government-led to a private-sector-led one. Tanzania has made significant progressive in the formulation, implementation and performances of social economic policies intending to empower Tanzanian in managing own social economic activities. The reforms and changes in policies have resulted in the shrinking of a formal public sector, which used to be the main employer in the formal sector. Having been guided by socialist policies since the late 1960s, re-orienting the economy has meant making deliberate effort to promote private sector development, although barriers still remain.

Tanzania through its first generation reforms introduced a series of policy reforms intended to restore macroeconomic balance, stimulate economic growth and facilitate social and political development. Experience with the first generation reforms in 1986 - 1996 suggests that individual initiative and market-oriented economic systems propel higher growth rates than centrally planned economic systems. These broad based measures included the fiscal, liberalization of internal and

external trade, the removal of restrictive tendencies, the liberalization of the foreign exchange market and the institution of a general policy environment, which is more favourable to private sector investment activities. The country shifted from its previous reliance on control mechanisms to a predominantly market-oriented environment and private enterprise development. Significant progress has been made with the development of a more market-oriented financial system with the liberalization of interest rates. A substantial number of both local and foreign banks and non-banking institutions have been established to provide short, medium and long-term investment loans to the private sector.

The second generation reforms occurred between 1996/7 and 2004/5, when many of these Sub-Saharan African economies were facing huge debt problems making poverty an important policy issue. These second-generation reforms continued to focus on macro-micro linkages subject to intensification of first generation reforms in terms of continuation of fiscal, monetary, legal, regulatory and institutional reforms.

The formulation and implementation of the series of sector specific, macro-economic and other broad based national development policies marked the second-generation reforms. The broad-based policies include; National Development Vision 2025 developed in 1999, National Poverty Eradication Strategy in 1998, Tanzania Assistance Strategy in 1999 and Poverty Reduction Strategy Paper in 2000 (URT, 2006). The most relevant sector specific national development policies for the projects to be undertaken at the University of Dar-es-Salaam (UDSM) is the National Investment Policy legislated in 1997 and Sustainable Industry Development Policy in 1996.

According to the extract from the improvement index, published by the Centre for International Development at Harvard University in a report titled “The Africa Competitiveness Report 2000/2001”, Tanzania ranks first followed by Morocco, Mozambique, Nigeria and Uganda. The Tanzanian economy is growing at a satisfactory pace with appreciable amounts of investment in various sectors, particularly mining and tourism. The latter is the one applicable to the University of Dar-es-salaam. Tanzania is also exercising no exchange controls; this enables the repatriation of profits from investments without restriction. Coupled with increased volumes of business transactions inward and outward in Tanzania, the University of Dar-es-Salaam (UDSM) related investment developments offers a unique opportunity for more growth in socio-economic development in the country.

## POTENTIAL INVESTMENT GROUP CATEGORIES AT UDSM

The socio-economic reforms have resulted into improved competitiveness, lower tariffs, increased levels of foreign investment and trade, improved key economic indicators and rapid integration into world markets. To this end, the government of Tanzania is currently embarking on a vigorous exercise to upgrade its institutions and bring them at par with international standards. The expectation is to enhance the country’s competitive position for investment flows destined for the region and meet the challenges of globalization.

Following the above reforms, the government is committed to improve public services delivery and infrastructure development by encouraging the Public-Private Partnership (PPP). The aim of PPP in these reforms is to enable the public sectors to benefit from the commercial dynamism, innovations and efficiencies from the private sector and helping the government to deliver quality services to the public – normally, its people.

In line with government of Tanzania national reform programme, the University of Dar es Salaam developed a Corporate Strategic Plan 1993-2008 (UDSM, 1994) and revised it in 2004 for the period 2004 to 2019 (UDSM, 2004) to symmetrically work within the government vision and policies. The Corporate Strategic Plan categorically states its intention to exploit all areas of strength and opportunities offered by the current institutional and national policies of liberalization. The importance of Public Private Partnership (PPP) to UDSM need not be overemphasized. UDSM

believe that Private Sector Participation is a cornerstone to the success towards achieving its University mission and national vision of 2025 within the Tanzanian context.

The University had identified five potential groups of UDSM resources that are worthy of the investors' consideration (UDSM, 2001). These include:

- Land based investments;
- Knowledge and professional skills based investments;
- Existing UDSM companies that are available for enhancement of their production potential through capital injection and strategic knowledge-based partnerships;
- Existing UDSM facilities that are available for upgrading and expansion through capital investment and capacity building; and
- Conference Centre and Services.

Chungu (2002) found that of the five potential investment groups, only two were strategically positioned to increase more revenue streams to the University coffers. The two categories were land based investments and knowledge and professional skills based investments. A subject to this paper is the land based investments, and the projects that fall under this category at UDSM include Mlimani City and Information Communication Technology Special Economic Zone (ICT-SEZ) and these will be the focal of discussion in this paper.

## MLIMANI CITY PROJECT

In August 2002, the University Council approved a developmental concept of the now called Mlimani City project as a result of the Investment forum held in May 2001. The approval of Mlimani City project consisted of:

- a modern retail shopping centre with different shop varieties,
- a conference facility that would host up to 1,000 participants at once,
- a 100 room-hotel,
- office parks;
- housing apartments, and
- animal game park (Zoo).

At the time of approval in August 2002, the upgrading of the Sam Nujoma road into dual carriageway where the development site was located was found as a necessary condition for realization of the project. At that time, the Sam Nujoma road was single carriageway. The developed/upgraded road was anticipated to facilitate easy of entry and exit at the project site. Subsequently, the government of Tanzania through the university parent ministry in May 2003 was requested to upgrade the 4km Sam Nujoma road into dual carriageway.

The University Council in January 2004, approved the Mlimani City detailed architectural drawings, engineering drawings, environmental impact assessment document and business plan ready to embark on construction subject to the adherence of the City Council rules and regulations with regard to the project. Based on the University Council approval of the Mlimani City project, a contract was signed on 5th June 2004 for a ground lease of 50 years with total project costing about USD 80 million. It should be noted that the land along Sam Nujoma road has remained fallow for about 45 years under UDSM. It should furthermore be noted that, after the elapse of the 50 years of ground lease, all the said properties will revert to UDSM ownership.

### **Resolute Conditions for Development of Mlimani City Project**

There were two resolute conditions for the project to take-off. These were:

- attainment of at least 65% tenancy occupancy for retail shopping centre; and
- development of the basic infrastructure to and from the project site such as access to and exit roads, electricity, telecommunications, water and sewerage.

The two resolute conditions were determinants of the project viability in real terms with respect to the investment contract.

It came to the notice of the University in Mid-June 2004 that the Sam Nujoma road was not budgeted for in the 2004/05 financial year. The government financial budget runs from July to June of the following year. Alternative strategy had to be sought if the retail shopping centre had to trade in October 2005.

### **First Strategic Solution to the Development of Mlimani City Project**

The Ministry of Finance advised the University to prepare a Cabinet paper so as it can be given a special attention given its benefits to the country.

The government of Tanzania through a Cabinet decision made on 4th August 2004 agreed and committed to develop the Sam Nujoma road through a developer pre-financing loan arrangement to be paid in two financial years by government budgetary locations at loan interest rate free. The Cabinet decision came as result of the government inability to provide budget allocation for the upgrading of the Sam Nujoma road in the financial year 2004/05 while the project was to start trading in October 2005 and the road was to be in place by then. After the government commitment, the construction works of the Mlimani City project commenced in October 2004 in anticipation that road works also will commence simultaneously.

In February 2005, no sign of any progress was noticeable towards the design and construction of the Sam Nujoma road. The investor in March 2005 suspended the project until when government commitment towards construction of the Sam Nujoma road would be realised. The investor on the other hand had also contractual obligations with its anchor tenants who had by then, occupied about 65% of the retail shopping centre. By then, the anchor tenants had threatened to pull out if the road infrastructure was not in place at the time of trading date. The investor did not want to have a white giant elephant and thus had no option except to suspend the project until the government complies with its own commitment.

The road project did not take place as envisaged because of the following reasons:

- The government wanted the loan amount promised by the investor for the development of the road be paid to the government in cash, and thereafter, the government through its Public Procurement Act of 2001 (which was so cumbersome to implement for an urgent project like this) procure a consultant and contractor who will report to them;
- The government through its road construction agency namely Tanzania National Roads Agency (TANROADS) claimed the sum of USD 4.5 million approved by the Cabinet was not adequate to carry out the road works as envisaged. The amount estimated by TANROADS was USD 15.6 million which is 3.5 times higher. The estimate of USD 4.5 million was obtained from TANROADS in 2003 when a feasibility study of the Mlimani City was conducted. At that time, no one in the country thought the project could be realised and thus such institutions like TANROADS could not seriously provide realistic data.
- The investor wanted the road to be in place and not providing cash monies to the government. He requested the government to appoint a consultant and contractor and will disburse funds in accordance to the certificates issued by the contractor and consultant. Alternatively, requested that the investor appoints the designer and contractor and TANROADS oversees the quality based on the approved drawings by themselves. Both alternatives were not acceptable to the government to reasons known to them.

The two parties had no in common and thus the road was not constructed as planned using the pre-financing loan arrangement.

### **Second Strategic Solution to the Development of Mlimani City Project**

In the financial year 2005/06, the government allocated USD 4.9 million for upgrading of the Sam Nujoma road. As a result of suspension of the Mlimani City project in March 2005, the National Investment Steering Committee (NISC) chaired by the Prime Minister called a meeting on 21st July 2005 in Dodoma (located in the centre of the country) about 470km away from Dar-es-Salaam (which is located along the Indian Ocean) to deliberate on the issue of putting in place Sam Nujoma road and provision of strategic investor's status as the project is above the minimum USD 50 million required by Tanzania Investment Centre (TIC) regulations. The Prime Minister was

attending the Parliament session scheduled usually from June to August of every year to deliberate on budgets of every ministry. At NISC meeting, a new programme of works was issued for Sam Nujoma road works to be completed in January 2007; however, by July 2006 part of the road about 1.5km from Mwenge to the retail centre to be completed and at the trading date (October 2006), more kilometres of road will be covered.

The government wrote to the investor in August 2005 providing government commitment to deliver the road up to the retail centre from Mwenge side by July 2006. Reciprocating to the government plea and commitment, the investor reactivated the site in October 2005. A new trading date had to be set to be on 15th November 2006. The road works were tendered in September 2005; however, tender award was made in May 2006 with mobilization period of three months from July 2005 for a contract period of one year, meaning that the contractor will start construction in November 2006 at the trading date and attain practical completion in October 2007. The actual cost of the road as per tender figure came to USD 12.5 million instead of USD 4.5 initially planned.

### **Third Strategic Solution to the Realization of the Mlimani City Project**

As from April to June 2006, the investor was not satisfied with the road programme of works as that did not assist him at the opening date of the retail centre in November 2006. The investor requested an intervention by the President, otherwise would again be forced to suspend the project which was about 60% completion. The intention to suspend the project was first flashed to UDSM on 25th April 2006 and UDSM gave wishful hopes which were partly realized by end of May 2006 by appointment of the contractor by TANROADS. The investor wanted to see construction works commenced. The second intention to suspend the project was flashed to the TIC in Mid-June 2006 on behalf of the government. The investor was advised first to meet the Prime Minister who is the chairperson of the NISC. A meeting was scheduled on the 18th July 2006 in Dodoma about 470km away from Dar-es-Salaam. The Minister responsible for the Infrastructure Development was directed to see that the initial portion of the road from Mwenge to the retail centre is completed by November 2006. The construction works started in September 2006 instead of November 2006 as per initial contract. The opening or trading date was still scheduled on 15th November 2006.

Provisions of electricity and sewer disposal are some of other challenges that the project has encountered in the course of project implementation. The intervention of the chairperson of the Tanzania Electricity Supply Company (TANESCO) rescued another possibility of frustrating the project, as TANESCO wanted the 33kVA pulling from their main station to the Mlimani City substation costing about USD 600,000 be paid by the project. That was not right because still the project had to pay monthly utilization cost, unfortunately for its own infrastructure. Through this intervention, TANESCO installed the required infrastructure ready for use by 15th October 2006. Negotiations are underway with Dar-es-Salaam Water and Sewerage Authority (DAWASA) on same principles. All of these institutions are still working as if they are in the central planned economy and still having that hangover of socialism. They need heavy reforms in themselves.

### **INFORMATION COMMUNICATION TECHNOLOGY SPECIAL ECONOMIC ZONE**

The information communication technology special economic zone (ICT-SEZ) is one among strategic projects planned within Tanzania Mini-Tiger Plan 2020. The other projects under Mini-tiger Plan 2020 include:

- Garment and Shoes based SEZ,
- Tanzanite Jewellery Based SEZ,
- Tourism Based SEZ, Agro-processing Based SEZ,
- Commercial Forestry Based SEZ,
- Import-substitution industry based SEZ, and
- Second-hand machinery sales based SEZ

The Tanzania Mini-Tiger Plan 2020 is an implementation tool of the National Development Vision 2025. The Mini-Tiger Plan 2020 gives Tanzania a golden opportunity to accelerate her economic growth to 8-10% from the current 5-6% by adopting the Asian Economic Development Model by 2020. The Model is focusing on employment creation by attracting Foreign Direct Investment (FDI)

and promoting exports by developing Special Economic Zone (SEZ). The economic miracle is that of creating “Ponds” (SEZ) and attracting “Migrating Birds” (Investment especially FDI) – It is the “Ponds and Birds” theory.

Tanzania is still faced with many bottlenecks and problems for attracting FDI due to shortcomings such as underdeveloped infrastructure, weak banking system, weak entrepreneurs/venture spirit and weak manpower skills for developing modern industry. In order to overcome these problems and bottlenecks, “Ponds and Birds” theory offers a solution which has been successfully applied in the Asian countries including but not limited to China, South Korea, Philippines, Taiwan, India and more recently Vietnam.

The “Ponds and Birds” theory is expected to work for Tanzania as long as if the country works diligently and quickly with the utmost efforts and enthusiasm and not the path it took to implement the Sam Nujoma road at Mlimani City project. Taking more than two years to implement the Cabinet decision for Mlimani City project is not health for investment projects. It is expected that the government will be sensitive with the implementation of the Tanzania Mini-Tiger Plan 2020 if it has to follow the success path of Asian Economic Miracle in the most promising areas and promising sectors.

There are three basic stage strategies for the Mini Tiger 2020 aimed at accelerating to 8-10% annual growth by the year 2020. In specific, the strategies entail the need to;

- Build SEZs and Aggressively Promoting Most promising Industries (Primary, Light Industry and Tourism) by use of well proven SEZ Concept (Ponds and Birds Theory);
- Quickly improve the National Balance Sheet by expanding exports from \$1.0 billion to \$2-3 billion within 3-4 years by the using “Ponds and Birds” theory and then, expand badly needed public projects in power/energy/water/transport sector by long-term borrowing from Multilateral and Bilateral development banks;
- Solving as many bottlenecks by additional borrowing and foreign currency earning plus FDI, Expand Investment activities further into more high value-added sectors and moving into larger investment projects not only in the export-oriented industries but also moving into import-substitution industries and processing industries as more domestic and foreign capital become available (URT, 2006).

### **Rationale for establishment of SEZs**

In order to promote the key promising sectors aggressively, establishment of several types of Special Economic Zones (SEZs) for attracting private investments aggressively both in foreign direct investment (FDI) and direct domestic investment (DDI) has been encouraged, in particular:

- For developing countries, improving the investment environments in a short time for the entire country is nearly impossible due to limited knowledge/skills and financial resources;
- However, by focusing on limited Special Economic Zones (SEZs), it is possible to improve the investment environment for just the SEZ sites sufficiently to attract investors;
- Investing own funds in several pilot SEZs and improving infrastructure, legal frameworks, and supporting business services should be given a high priority;
- SEZs will attract export-oriented and/or import-substitution industries in order to earn badly needed hard currency or save hard currency respectively.

The SEZ approach has been used in Asian countries very successfully in the past three decades. It should be used properly in Tanzania as a tool to attract investors in a shortest time under the limited resources.

It is envisaged that for the first few SEZs, Tanzania Government shall use its own funding (including borrowing outside by government) instead of waiting for help because waiting for help will be wasting time and there are no many wishful around for the help. Asian countries started with a pilot SEZ through Government funding in the beginning. Once the investment environment is improved and several SEZs are successfully implemented, development of SEZs is usually done by private investment as experienced by Asian countries.

## Feasibility Study of ICT-SEZ

In April 2005 as part of the Tanzania Mini-Tiger Plan 2020, the government of Tanzania through the President's Office Planning and Privatization (POPP) [now as of December 2005 after elections of current President is called Ministry of Planning, Economy and Empowerment (MPEE)] requested the Vice Chancellor to carry out a feasibility study of establishing the first ICT-SEZ in Tanzania. The Vice Chancellor appointed an ICT-SEZ Committee to carry out the study consisting of the following members:

- UDSM having 4 members whereby one of them was the chairperson and another one was the secretary to the committee. The Directorate of Investments and Resource Mobilization (DIRM) was appointed as the secretariat of the committee;
- Tanzania Communication Regulatory Authority (TCRA);
- University Computing Centre (UCC) Limited (private sector);
- Tanzania Commission for Science and Technology (COSTECH);
- Ministry of Infrastructure Development (MoID);
- POPP now Ministry of Planning, Economy and Empowerment (MPEE);
- President's Office Public Service Management; and
- Softech Company Limited (private sector).

The feasibility study concluded that the first site of the ICT-SEZ be located at the UDSM along the Sam Nujoma road on a land of 14 hectares costing about USD 26.8 to implement in three phases within three years starting 2006/07 financial year. The first phase starting the year 2006/07 will need about USD 3.5 million. The site was selected because of the following reasons:

- UDSM was willing to provide the land for that purpose as it falls within its investment portfolio;
- Existence of enhanced local ICT network in the campus;
- Endowed with various human resource requirement;
- Developed infrastructure with regard to the road, water supply, telecommunication, dedicated electricity supply to the Mlimani City project and other developments in that corridor;
- Existence of UCC Ltd for expertise support;
- Locating along Sam Nujoma, which is a commercial corridor, will provide varieties of business complimentary.

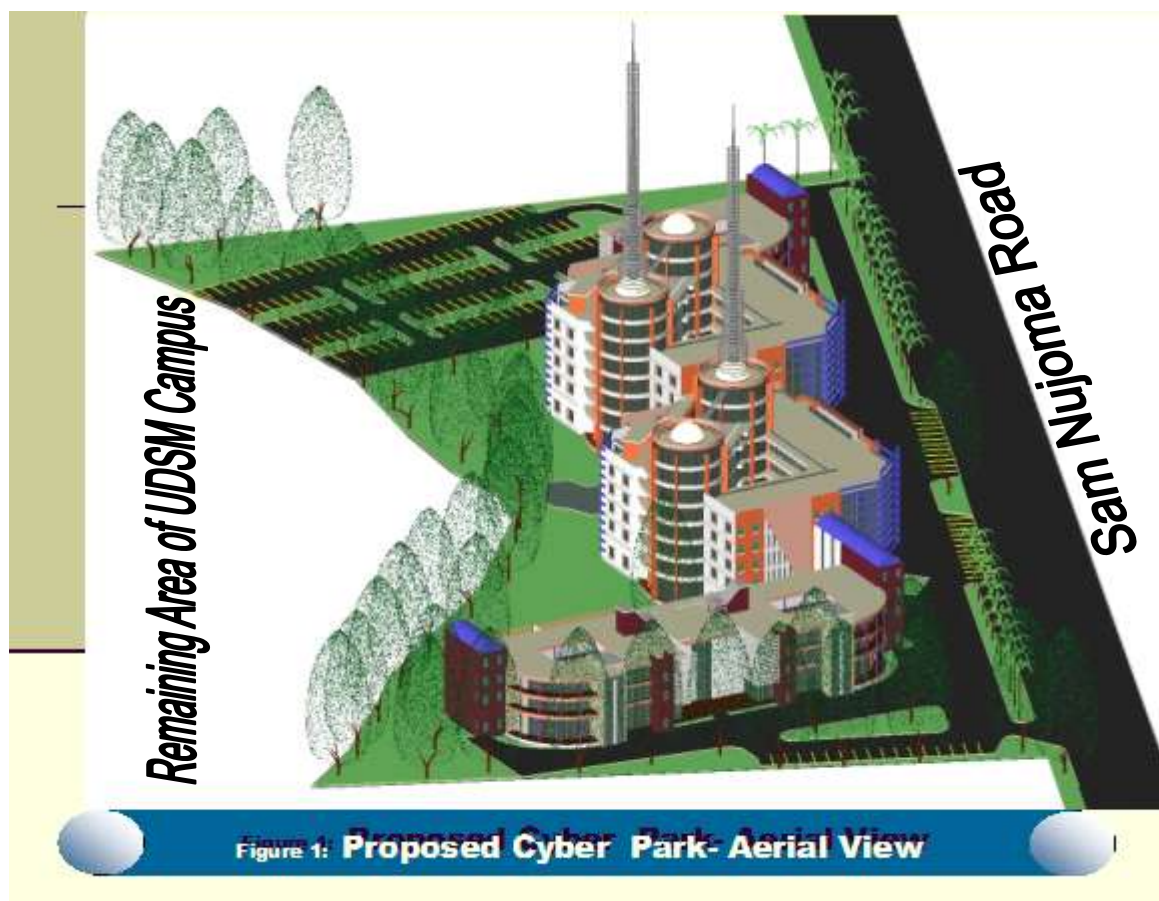
Furthermore, the feasibility study proposed for establishment of a private company under DIRM with autonomous status as the case of UCC Ltd and thus ultimately be owned by the UDSM. The government for this financial year (2006/07) has set about USD 3.5 million for the ICT-SEZ. The proposed Cyber Park is intended to house the following main facilities:

- Office Space with basic facilities (like provision of electricity, water, with option of networking etc.) but no ICT equipment or furniture. The intention here is to provide discretion to the intended lessee/renter to have office layout according to their business plan;
- Server room for housing hardware, networking, application and all other associated software, internal security systems, and other functions that may be added from time to time;
- Gateway to provide broad band connectivity to all tenants of the SEZ;
- Back-up power supply system (generator sets and a number of battery banks);
- Administrative offices, stores and other administrative accommodation;
- Interview rooms/meeting rooms;
- Training/Coaching rooms;
- Luncheon and kitchen facilities;
- Staff Break rooms (recreation rooms) ;
- Lockers and stationary/storage areas;
- Auxiliary facilities.

The design inspiration for the Cyber Park was derived from the general schema of ease of usage of various ICT facilities also taking into account adequate security arrangements. The anticipated



Cyber Park will look like as shown in Figure 1 located along Sam Nujoma road. The project concept is on business outsourcing with experiences gathered from India and Mauritius and first FDI or in partnership with Tanzanian companies are expected to come from India in the cities of New Delhi, Hyderabad and Bangalore. Initial survey made in those cities by the Tanzanian government in November 2005 indicated high willingness to relocate to have offshore centres in the African continent and in particular, Tanzania.



All investment developments are within the UDSM land use master plan approved by University Council in March 2001 advocating only 17.5% of land at main campus to be used for investment leaving 82.5% of land dedicated to academic activities. Of the investment land, about 65% is occupied by the Mlimani City and ICT-SEZ projects at the main campus whereas 35% is for students' hostel, filling station and sports stadium. When Silversands hotel land along the coastal beach is accounted for, the Mlimani City and ICT-SEZ projects occupy about 43% of investment land, which makes the two projects at the moment to be strategic to UDSM.

#### PROJECT BENEFITS

The Mlimani City and ICT-SEZ Projects will offer a number of benefits to the University, the City of Dar es Salaam and the country at large. Some of the benefits that are specific to UDSM include:

- Enhancing UDSM academic activities in terms of teaching and learning, for instance:
  1. the departments of botany and zoology would benefit academically on activities and stocks at the game park or zoo that was originally flower and tree nursery while the Faculty of Informatics and Virtual Education (FIVE) will benefit most at ICT-SEZ Cyber Park;
  2. disciplines in sociology, engineering and business studies would benefit on infrastructure and business dynamics in the shopping mall, office park, hotel and conference/exhibition facilities and at ICT-SEZ Cyber Park;
  3. practical training/life studies for engineering and humanities disciplines; and

#### 4. consultancy services in the course of development and operations of the project;

- Providing a variety of services to the University community;
- Providing income to the University to supplement the inadequate government subvention given to UDSM.
- Provision of connectivity of the sewer system from parts of houses adjacent to the project to the Main sewer line at Mwenge.
- Improved security especially to those staff houses adjacent to the project areas.
- Provision of dedicated electricity that will enhance teaching and learning.
- Ownership of the properties of the Mlimani City project after 50 years of ground lease and also immediately for the ICT-SEZ.

The Mlimani City and ICT-SEZ Projects will also have the following benefits to the Tanzanian community and the Government of Tanzania as follows:-

- Employment generation during the construction and operation of the project estimated at about 3,000 people for Mlimani City and 10,000 people for the ICT-SEZ in five years time;
- The forward and backward linkages of these projects through various sectors of economy such as agriculture, industry, transportation, communication, fishing, commerce, for Mlimani City whereas health, insurance, commerce, education, banking, transportation, communication, etc. for ICT-SEZ project;
- Provide income to government through taxes of the project itself and the forward and backward activities linked to the project.

#### **Influence of the Mlimani City Project on Student Behaviour**

It has been urged that provision of casinos in any investment within the university will accelerate bad behaviours to students. The UDSM Investment Policy emphasizes on Private Sector Partnership for provision of municipal services. However, as mentioned above and in accordance with the policy all investments must have direct or indirect relevance to the University's core mission. Hence it should be noted that provision of Casinos (which has no relevance to the mission) is not part of any of the projects mentioned above. It should therefore be emphasised that the Student Affairs Policy that recognises students as adults and responsible persons would guide student behaviour. The students' by-laws would oversee the implementation of the policy. However, students have own freedom where to eat, drink, and take leisure activities such as sports, dance, cinemas, etc. while at the UDSM. The mushrooming of groceries, bars and even casinos within the city of Dar es Salaam, not to mention within the periphery of the University, do not have detrimental effect only to UDSM students but to all Tanzanian.

#### **CONCLUSION**

The contribution of investor-entrepreneur and UDSM leaders to the economy can be attributed to their special qualities. Over the centuries such personalities have been responsible for growth and development, and they are key role-players in the economy of every country. Their role in the successful economies of the world has become even more important in recent years, as the growth of meso-economies has become important and innovative businesses have created additional needs and new markets. Countries in which an entrepreneurial culture is prominent benefit more and are doing better on the economic front. It therefore becomes crucial to identify what factors made the Mlimani City project is at the trading date on 15th November 2005. In that therefore, could teach and expose more people to that, and to assist more people in developing their own entrepreneurial ventures to a successful end.

Though various policies are in place to facilitate investments in various institutions, it could be learnt from the UDSM experience that the two projects, and more in particular the Mlimani City project, was made it possible to the trading date because of: Creativity and innovations for alternative strategic solution to the problem prevailed at the time; Perseverance was heavily exercised by all parties (UDSM, TIC and Investor) by taking repeated or different actions to solve a problem or overcome obstacles. The determination and energy (self-confidence) of the parties was unlimited; Good human relations, persuasions and networking with the right people; Good

leadership for a decision at the right time. Leadership in an organization can be compared with a conductor's task. The conductor must select the right music to play for the audience. His/her hearing must be well developed to identify the best musicians for each instrument and then it is his/her job to get all the players to play together so that the music sounds as if it comes from one single entity. The aim is to determine how willing the audience is to stand in a queue in order to pay to listen to their music. The University leadership played the right music whenever listeners were about to be derailed; Risk orientation exercised by the investor thrice during the project life period made it possible the Sam Nujoma road to be developed/upgraded into dual carriageway; Positive attitude even at times of difficulties. Frustrations were experienced during the project period but had to remain focussed and energetic for good course, that the mission was possible to be accomplished; Commitment by both the University, Investor and Government that the projects are viable and can be realised at any cost;

The seven qualities exhibited above, I do find to be the most important successful factors that facilitated the undertaking of PPP at Mlimani City project. It is expected that such experiences will be useful for the ICT-SEZ which is in the infant stage.

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