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**TANZANIA INVESTMENT CENTRE**

**DIRECTORATE OF INVESTMENT FACILITATION**



**REPORT ON PROJECT VERIFICATION VISIT TO ACTION MEDEOR  
INTERNATIONAL HEALTHCARE FACILITY CONDUCTED ON 20<sup>TH</sup> MAY 2021**

**May, 2021**

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## 1.0 PROJECT PROFILE

Company Information				
S/N	Item	Description		
1.	Company Name	Action Medeor International Healthcare gGmbH St Toniser Str. 21, 47918 Tonisvorst, Germany  Industrial Premises Tanzania: CCT-WAMA Compoand, Uhuru Street, Buguruni Malapa, Dar es Salaam, Tanzania		
2.	Project Location	Plot No.654, Block A, Pangani Mjini, Kibaha Town Council, Coast Region		
3.	Projects' Core Activities	To establish a project for construction of a pharmaceutical warehouse, hospital laboratory workshop and training centre		
4.	Address & Mobile Number	P. O. Box 72305, Dar es salaam. +255 784 275 955 Email address: <a href="mailto:medeortz@medeortz.co.tz">medeortz@medeortz.co.tz</a>		
5.	Contact Person	Gerald Masuki-Country Director/Project Pharmacist +255784275955 Email address: <a href="mailto:medeortz@medeortz.co.tz">medeortz@medeortz.co.tz</a>		
6.	Shareholder's Information	Name	Nationality	% Ownership
		Deutsches Medikamenten Hilfswerk Action Medeor e.v (German Medical Aid Orgnaization)	German	100%

## **2.0 INTRODUCTION**

### **2.1 History of the Company**

Action Medeor International Healthcare gGmbH (AMIH) established on 23<sup>th</sup> December, 2004 as a limited liability company aiming at establishing branches in different parts of the developing world as a decentralized medical supplies procurement and distribution units in accordance with action medeor's policy to promote structural capacity building in partner countries.

In 2005 AMIH (hereinafter referred as an investor) established a branch office in Dar es Salaam, Tanzania where procurements and local distribution of human medicines and medical supplies are taking place, apart from Dar es Salaam branch, two (2) more distribution outlets have been established in Masasi (2011) and Makambako (2017).

Prior to its establishment, the company was issued with Certificate of Compliance No.51690 dated 2<sup>nd</sup> March 2005. It is registered with TIC and granted Certificate of Incentive No.017113 dated 9<sup>th</sup> April 2018 valid up to March 2021.

### **2.2 Geographical location**

The project site is located on plot No.654; Block A in Pangani Mjini area, Kibaha Town Council, Coast region covering total area of 1.048Ha. (Refer the attached Certificate of Occupancy). It can be accessed via Dar es Salaam–Morogoro highway where the project is about 3km from the highway off to Vikawe road. The land form at the site is gently sloppy declining from Eastern South to Northern West. The plot is bordered by residential houses to the North and West while on East and South is undeveloped land.

## **3.0 PROJECT VERIFICATION VISIT (PVV)**

### **3.1 PVV initiation**

According to the granted Certificate of Incentive, the company aimed at establishing a project for construction of pharmaceutical warehouse and hospital laboratory. However the aim has changed due to the former financier of the project Action Medeor German Medical Aid Organization decided not to finance the project owing to effects of unforeseen COVID-19 Pandemic (refer letter in folio 4) and the new secured financier i.e DEG (German Development Finance Institution) (refer letter in folio 5) has decided to focus first on the project to

establish and operate a Health Technology Training Centre and Skill Laboratory while local production of laboratory reagents and pharmaceutical warehouse will be implemented later.

The objective of project is to improve availability of medical consumables (laboratory reagents) through local production as well as offering cost-effective trainings to local personnel's in health sector.

According to submitted progress report, the investor has managed to accomplish only two activities that are securing finance and construction of a wall fence for the entire compound. Other planned activities could not be implemented due to the afore-mentioned reason hence the company decided to apply for extension of Certificate of Incentives from TIC.

In view of that, on 1<sup>st</sup> April 2021 Action Medeor International Healthcare (AMIH) launched an application for extension of Certificate of Incentive for 24 months mentioning the reason behind to be presence of COVID-19 Pandemic that impacted financially the former AMIH international investors who decided not to inject money for the project henceforth delays to project completion within the period specified as per the issued Certificate of Incentive.

### **3.2 The Visit**

On 20<sup>th</sup> May, 2021 a team of three officers from Tanzania Investment Centre visited Action Medeor International Healthcare at Pangani Mjini area, Kibaha Town Council. The team comprised the followings officers:

- |                  |                   |
|------------------|-------------------|
| 1. Dotto Deteba  | TIC (Team Leader) |
| 2. Paul Sonda    | TIC (TMDA)        |
| 3. Navone Kisaka | TIC (NEMC)        |

#### **3.2.1 Objective of the visit**

The main objective of the project verification visit (PVV) was to verify the project development status which would justify the reasons for Certificate of Incentive extension application.

#### **3.2.2 Specific Objectives**

Specifically, the team aimed to:-

- i. Interview and gather information from the applicant regarding the for Certificate of Incentive extension application

- ii. Take copies of relevant document /photos as evidence for Certificate of Incentive extension application
- iii. Physically visit the proposed project site and verify progress of construction activities

Findings of the team will assist TIC management to make informed decision whether the company qualifies for extension of Certificate of Incentives or not.

### 3.3 Findings

The team observed the following during PVV;

- i. The whole area for the intended investment is fenced with blocks wall
- ii. No any structure has been developed inside the fenced area
- iii. It was explained by representative of the investor that the company are importers and suppliers of medicines, medical devices and equipment for years, this is justified by TMDA
- iv. The proposed project will enable local manufacturing of medical laboratory reagents while in future the company plans to establish assembling plant where medical devices and equipment parts/accessories will be imported and assembled
- v. Explained by Mr. Masuki that in the first phase one building will be constructed to include lab reagents production unit (biochemistry & hematology reagents) at the ground floor and training Centre in the upper floor
- vi. Informed by investor's representative that the company has applied for building permit and is at final stages (refer the attached receipt for payment of Building Permit)
- vii. Document for land for ownership of the plot no. 654 Block 'A' is in place since 2016.
- viii. F6 in the project file proves that action medeor Medical Aid Organization has signed a project agreement with action medeor International Healthcare to provide financial support establishment and operation of Health Technology Training Centre in Kibaha Tanzania

The plates below illustrate some the current situation at the site



**Plate 1: project site been fenced with blocks**





**Plate 2: Project site and status**

### **3.4 Major Challenges towards timely completion of the project**

Discussion with Mr. Masuki revealed that apart from Covid-19 effects, the company is encountering the challenge of access road from Vikawe road to the project site. The project is surrounded with farms and un-surveyed areas. To access the project site, there are people's farms and plots that have shown signs of resistance to provide access road. The investor is working with Town Planning Unit in the Town Council to settle the matter.

The building permit was not yet granted to the project site, though early May, 2021 was requested by Kibaha District Council to pay for building permit and the investor has already paid for it since 06/5/2021, the investor is promised to collect building permit before end of May 2021 (*See attached Receipt from Kibaha District Council*)

### **4.0 RECOMMENDATIONS**

In view of the findings observed during the project visit, the team recommends the followings;

- i. COVID-19 Pandemic has impacted socio-economic situations of majority business cycles in the world to the extent that some of the projects were put hold due to the unforeseen pandemic. Currently the financier (action medeor International Healthcare) has signed a financial commitment to

fund the project thus the request of the investor to be approved and granted.

- ii. The investor had never requested for extension before, therefore her request can be considered to pave the way to accomplish the implementation the project.
- iii. Investor has to initiate EIA process and issued with EIA Certificate before implementation of the project. Likewise, drawings of the project should be submitted to TMDA for approval before construction starts. Thus all submission will be done through TIC

## **5.0 CONCLUSION**

Based on the facility visited, discussion with company representative, the reference documents presented and considering the findings of the visit including recommendations described above hence reasons and challenges provided by the investor for not completing the project timely can be considered logically. Therefore the project can be considered for extension of Certificate of Incentives for one year.