

# **TANZANIA INVESTMENT CENTRE**

**DIRECTORATE OF INVESTMENT FACILITATION**



**REPORT ON THE PROJECT PHYSICAL VERIFICATION VISIT  
CONDUCTED FOR JORDAN PEPENE COMPANY LIMITED**

**IN**

**MBEYA REGION**

**Dated: 11<sup>th</sup> June 2024**

PROJECT'S PROFILE				
S/N	ITEM	DESCRIPTION		
1.	Company Name	<b>JORDAN PEPENE COMPANY LIMITED</b>		
2.	Project Location	Plot No. 3270, Block X, ISYESYE STREET, MBEYA REGION		
3.	Project Core Activities	Manufacturing of bottled water		
4.	Address & Mobile Number	P.O.BOX 1617 MBEYA, 0782494999		
5.	Investor Contact			
6.	Shareholders	<b>Name</b>	<b>Nationality</b>	<b>% Share</b>
		YOAB MICHAEL MHAVILE	AMERICAN	99
		ABIGAEL MICHAEL NGOGO	TANZANIAN	1
7	<b>Business Plan details</b>	Total investment planned	0.75M	
		Jobs projected	10	
		Investment duration	2020-23	
8	<b>Validation period</b>	June 2020– May 2023		

## **1.0. INTRODUCTION/BACKGROUND**

Jordan Pepene Company Ltd is a registered limited liability company in the United Republic of Tanzania under Certificate of Incorporation number 141701932, dated 15th May, 2020. The company was granted Certificate of Incentive number 2020657 from the Tanzania Investment Centre on 01st June 2020 for the establishment and operation of a bottled water project.

The incentive certificate expired in 2023, prompting the company to seek an extension of the project implementation period from TIC to proceed with the project's implementation.

On 11<sup>th</sup> June 2024, TIC conducted a Project Physical Verification Visit (PVV) to verify the eligibility of the investor's request.

## **2.0. PROJECT LOCATION**

The project is located on Plot No. 3270, Block X, Isyesye, Mbeya Region

## **3.0 OBJECTIVE OF THE VISIT**

The main objective of the site visit was to conduct a physical verification of the development of the project to verify the eligibility of the investor's request for extension of the project implementation period and to advise TIC on approval decision based on the site findings.

## **4.0 PVV METHODOLOGY**

The following methodology were used to conduct the PVV

- (i) To review the submitted documents and the company file to get the historical background of the project and strong reasons for the extension of the Certificate of Incentive.
- (ii) Interview with Ms. Hyasinta Tarimo (General Manager) to get the progress report of the project and the challenges hindering effective implementation of the project.
- (iii) Physical site visitation to verify the progress of the project

## 5.0 ON-FIELD OBSERVATIONS AND FINDINGS

On 11<sup>th</sup> June, 2024, the PVV team visited the company and had a consultative conversation with Ms. Hyasinta Tarimo (General Manager) to acquire important information on the progress of the project development and challenges hindering the effective implementation of the project. The following are the key issues observed.

### 5.1 Interview with Ms. Hyasinta Tarimo (General Manager)

- (i) Delayed in obtaining funds from Financial institutions to finance the project hindered the implementation of the project on time.
- (ii) The company focused on expanding its operation by installing a new production line to increase the production of pure water, the machinery is in transit and expected to arrive in Tanzania on 22<sup>nd</sup> June 2024.

### 5.2 Physical Findings

- (i) There is a building where the machinery is installed and the production takes place. (See Annex No. 1)
- (ii) There is a warehouse for the installation of a new production line (See Annex no.2)
- (iii) The company already paid for the new production line and other equipment expected to arrive on 22 June 2024.
- (iv) Production line and final products (See Annex no.3)

## 6.0. LEVEL OF INVESTMENT

- Analytical assessment against business plan ]

Item as per business plan projection	Investment amount indicated in business plan	Estimated actual investment ( <i>based on your observation</i> )	Estimation justification	Percentage allocation
<i>Equipment</i>				
<i>Land</i>				
<i>Buildings</i>				
<i>Installations</i>				
<i>Project management</i>				
<i>Start-up expenses</i>				
<b>Total/Average</b>	<b>754,000</b>	<b>348,895.06</b>		<b>46.2%</b>

## 7.0 CHALLENGES AND KEY RISKS

### Challenges:

- (i) The project encountered a financial obstacle due to the financiers' inability to meet the required terms and conditions, consequently impeding the efficient execution of the project.
- (ii) The project encountered significant challenges due to power fluctuations, resulting in decreased production and higher production costs.

### Key risks and rating:

<b>Risk Category</b>	<b>Rating (examples)</b>
<b>Investor-related Risk</b>	Moderate
<b>Implementing environment Risk</b>	
- <b>Capacity</b>	Moderate
- <b>Governance/Policy</b>	Moderate
<b>Project Risk</b>	
- <b>Design</b>	Moderate
- <b>Social and Environmental</b>	Moderate
- <b>Financial</b>	Moderate
- <b>Delivery Monitoring and Sustainability</b>	moderate
<b>Overall Implementation Risk</b>	Moderate

### Explain risk rating (*examples on how to fill*):

- The investor has encountered challenges in securing funds from Tanzanian banks, which could potentially impact the speed of implementation. As a result, the investor has been compelled to seek external financing.
- The investor is fully funded and making significant progress with the construction project. As a result, the risk associated with this investment is considered to be low.

## 8.0 INVESTORS FUTURE PLAN & ASSUMPTIONS

### Implementation Support Plan


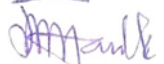
Time	Focus	Needs
20days	<ul style="list-style-type: none"> <li>○ Import of equipment and machinery</li> <li>○ Construction of factory</li> </ul>	<ul style="list-style-type: none"> <li>○ TIC's and TRA's approval of the deemed capital list</li> </ul>
Year 1-2	<ul style="list-style-type: none"> <li>○ Market testing</li> </ul>	<ul style="list-style-type: none"> <li>○ Media to be used to attract customers</li> </ul>
Years 2-3	<ul style="list-style-type: none"> <li>○ Implementing phase 2</li> </ul>	<ul style="list-style-type: none"> <li>○ Installation of Machinery and equipment</li> </ul>

## 9.0 RECOMMENDATIONS

Based on the findings, we wish to recommend as follows:

- (i) Based on the company's dedicated efforts to push through with the project despite financial obstacles, we strongly propose that TIC consider granting a one-year extension for project implementation following TIC regulations.
- (ii) We strongly advise TIC to grant a one-year extension certificate of Incentive per TIC regulations. This will ensure that the promoter can benefit from exemptions for deemed capital goods from TRA so that be able to implement project as planned.

## 10.0 SIGNATURE

S/n	Name	Position	Date	Signature
1.	Deusdedit Hokororo	Ag. ZM- SHZ	11 <sup>th</sup> June 2024	
2.	Josephat Haule	SIO	11 <sup>th</sup> June 2024	

## 11. ANNEXES

Annex No. 1



Warehouse where machinery is installed and production takes place

Annex No. 2



## Warehouse for the new production Line

### Annex No. 3



Production line and final products