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# AGRA Tanzania Operational Plan



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# List of Acronyms

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ADD	Agricultural Development Division
AfDB	African Development Bank
AEZ	Agro-economic zones
AFAP	African Fertilizer and Agribusiness Partnership
AGRA	Alliance for a Green Revolution in Africa
ANSAF	Agricultural Non-State Actor Forum
ASDP	Agriculture Sector Development Program
ASWG	Agriculture Sector Working Group
BMGF	Bill and Melinda Gates Foundation
CAADP	Comprehensive African Agriculture Development Plan
COWABAMA	Collective Warehouse Based Marketing Initiative
DADP	District Agriculture Development Plan
EAGC	East Africa Grain Council
EGS	Early Generation Seed
EU	European Union
FAO	Food and Agriculture Organization of UN
GDP	Gross Domestic Product
GHI	Global Hunger Index
IFAD	International Fund for Agricultural Development
IFPRI	International Food Policy Research Institute
JICA	Japanese International Cooperation Agency
JSR	Joint Sector Review
MALF	Ministry of Agriculture Livestock and Fisheries
MKUKUTA (NSGPR)	Mkakati wa Kukuza Uchumi na Kupunguza Umaskini Tanzania (National Strategy for Growth and Reduction of Poverty)
M&E	Monitoring and Evaluation
MNC	Multi National Corporations
MVIWATA	Mtandao wa Vikundi Vya Wakulima (Farmers' Group Apex Network)
NACOTE	National Coordination Team
NEPAD	New Partnership for African Agricultural Development
PORALG	President's Offices Regional Administration and Local Government
PS	Permanent Secretary
SAGCOT	Southern Agricultural Growth Corridor of Tanzania
SHF	Small Holder Farmers
TCCIA	Tanzania Chamber of Commerce, Industry and Agriculture
USAID	United States Agency for International Development

# Executive Summary



With a GDP growth of >7% p.a. and a vast and vibrant agricultural sector that contributes 23% to the GDP and employs more than 65% of the country's population, Tanzania has developed its new agricultural strategy (ASDP II) and is **well-positioned to transform its agricultural systems** and increase the productivity and income of smallholder farmers. The country has high agricultural potential and increasing private sector interest to invest in agriculture.

However, the Tanzanian agricultural sector still needs **improvement to become more competitive and foster inclusive economic growth**. Areas of improvement include (1) sector coordination and evidence-based planning, (2) access to major grain markets and reduction of post harvest losses, (3) coordinated supply chains to match demand and supply of grains and legumes, and (4) development of input systems in some agro-ecological zones.

AGRA's strategy responds to the country's needs and prioritizes initiatives that complement the work of other actors to significantly increase smallholder farmers' income and food security by enhancing productivity, strengthening linkages between market and production systems, supporting government to deliver on its priorities and supporting development of an improved enabling environment. The strategy draws heavily from lessons learned from AGRA's past investments totaling ~\$50 million in Tanzania's agriculture in input systems development, market development and policy. Planned investment will focus on the following strategic choices:

- **Supporting the Government of Tanzania in planning, coordination, implementation and creating enabling environment.** This initiative will include partnering with the Government in the roll-out of ASDP II and strengthening the agricultural sector coordination and delivery; as well as creating an enabling policy environment that attracts increased private sector investments.
- **Scaling up system and farmer level initiatives in three selected priority agro-economic zones (AEZs)**
  - ✓ Enhancing supply chain efficiency through effective agribusiness deal-making platforms
  - ✓ Expanded market access through value addition, structured trade, quality enhancement and aggregation
  - ✓ Strengthened input supply systems and linkages to output markets to facilitate the uptake of yield-enhancing agricultural technologies

Targeted interventions will address critical resource gaps to catalyze private and public sector investments in each of the 3 AEZs with the overall goal of directly impacting 1.5 million smallholder farmers over the next 5 years with the potential to indirectly impact another 2 million smallholder farmers. The cost of this five-year plan is estimated to be USD 28.3M.

# Tanzania's Agricultural Context

# Tanzania's Agricultural Agenda is shaped by a few macroeconomic trends and contextual factors



1

- **Tz. GDP growth rate averaged 7% over the past 5 years making it one of the 20 fastest growing economies in SSA**
- Main contributors to the economy are agriculture, tourism and mining, 23.5% of GDP derived from agriculture
- Annual growth of the agri. sector has averaged at about 4% for the past 6 years
- Sector provides 30% towards exports, 65% of inputs to the industrial sector and employs 67% of the population
- Exports from the country are primarily to Kenya and other East African countries via Dar es Salaam port
- Despite growth, the ag. sector is largely subsistence and dependent on rainfall – limiting yields and resilience
- 48.5% of population live on less than \$1.9 a day (90% in rural areas)
- High cost of finance (18% - 24%) with <10% of commercial lending to Agriculture impedes growth

2

- **Industrialization is the main agenda for the current Government**
- Vision 2025 seeks to transform the economy from a low productivity agricultural economy to a semi-industrialized one led by modernized and highly productive agricultural activities which are effectively integrated and buttressed by supportive industrial and service activities in the rural and urban areas
- This points to deepening private-sector led industrial growth as a way of transforming the economy.
- It is heavily dependent on agricultural production which is very varied and needs to sustainably increase.
- Increasing value addition through enhanced processing of agricultural products is a starting point for Tanzania's structural transformation.
- Government is actively pursuing a drive toward self sufficiency via increasing taxes and excise duty

3

- **Major source of food supply is in local food production though food imports average 838.98mil between 2006 and 2016**
- Currently, there's 44mil ha arable land available of which, only 22.9% is under cultivation of which, 90% is cultivated by SHFs
- Women form 75% of the agriculture labor force
- 64% of smallholder farmers cultivate using the hand hoe, 24% draught animal power and 12% tractors
- Rain-fed agriculture is the dominant type across all agro-ecological zones
- Only 5% of potential irrigation land has been put into use
- The adoption rate of improved seeds is at 20% and fertilizer usage is at 9kg/ha
- Low yields of cereals and legumes - maize 1.5MT/Ha, beans 1MT/Ha; Post harvest losses up to 40%
- Food security GHI score 28.4 (2016) with 32.1% of population undernourished

4

- **Government prioritization of agriculture has not been fully matched with increased investment**
- Public sector financing has averaged between 3-5%, below the 10% CAADP target
- The Ministry's absorptive capacity is low, out of funds allocated to agricultural development, only 15.9% was delivered by April 2016 to the Ministry of Agriculture
- **A large number of donors invest in the sector though few provide general budget support**
- Specifically, donor support for the ag. sector plan (ASDP I) was very low, primarily financed by the World Bank
- Overall, general budget support for ASDP I 2015/16 was at 17%; basket funding in support 14%, and project fund support highest at 69%.
- Key donors for ASDP I (direct and indirect): USAID, BMGF, World Bank, Japan, IFAD, FAO, EU, AfDB, Ireland

# Tanzania seeks to achieve middle income economy status through inclusive agriculture growth linked to industrialization



If implemented successfully, The Agriculture Sector Development Programme II (ASDP II) 2017/18 – 2022/23 will enable Tanzania to achieve inclusive agricultural transformation **as part of the broader National Strategy for Growth and Poverty Reduction (NSGPR/ MKUKUTA II)** and the country's **vision 2025**. By investing \$6.2B into the Sector, ASDP II aims to transform agriculture into a larger contributor of growth and progress toward a middle income economy.

## Description

### Core objectives

- ASDP II targets 9 million smallholder households
- Increase sector growth from 4% to 6% annually
- \*More specific targets/objectives to be included once final ASDP II document is officially released

### Priority investment areas & crops

- Southern Highlands: maize and rice (Mbeya regional processing hub); Lake Zone: rice, maize, cassava (Mwanza regional processing hub); Northern Region: maize, beans, horticulture (Arusha regional processing hub)
- Central Zone: maize, sorghum/millet, nuts, edible oils (Dodoma regional processing hub); Coastal Zone: maize, rice, cassava nuts, (Dar es Salaam regional processing hub); South Zone: cassava, rice and nuts (Mtwara regional processing hub)
- ASDP pillars: 1) Sustainable Water and Land Use Management-mainly under Ministry of Water and Irrigation+ Ministry of Natural Resources and Tourism; 2) Enhanced agricultural productivity and Profitability-mainly under MALF; 3) Commercialization and Value addition-Mainly under Ministry of Industry and Trade; 4) Sector Enablers-Mainly under Industry and Trade, Transport, MALF

### Major investments

- Strengthening and development of agro-processing industries for value addition for all priority commodities **(\$34M, priority for year 1)**
- Improving and development of market infrastructure for accessing domestic and export markets **(\$1B – year 1 priority)**
- Strengthening agricultural extension & promotion **(\$2B year 2 priority)**
- Rehabilitation and development of irrigation infrastructure **(\$330M priority year 2)**
- Kilimo Kwanza (private sector initiative), Tanzania Agricultural Development Bank, SAGCOT, Private Agricultural Sector Support-Trust (agriculture risk facility)**

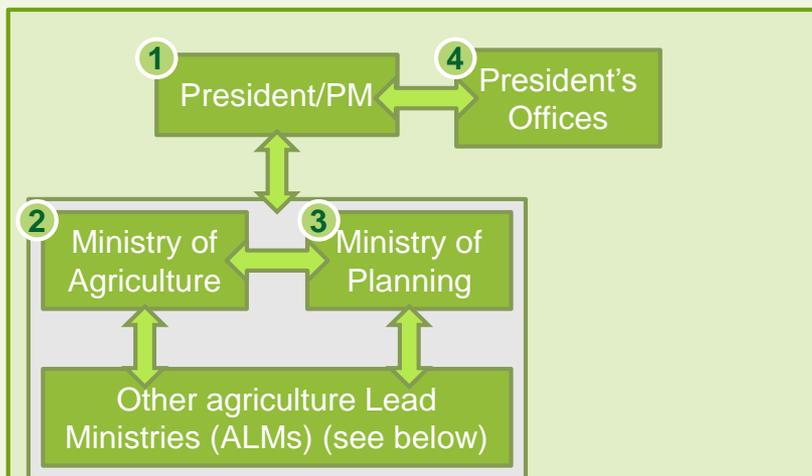
### Government Resourcing

- Total budget for ASDP II USD 6.2 billion for 5-years: disbursement: 20% to central government 80% to regions. GoT commits to fund \$94mil for the 5 years.
- USD 1.6 billion required for funding priority/year 1 projects
- USD 3.4 billion required for funding priority/year 2 projects
- Historically, disbursements to ASDP I averaged USD 49mil p.a. with govt. contributing between \$3-9mil; for the 2016/17 budget, for government to meet CAADP 10%, it should fund \$100mil

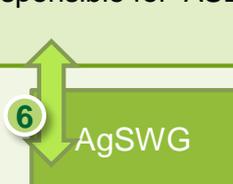
# Sector governance is within the purview of the Ministry of Agriculture with implementation run under the PORALG



## National agriculture agenda



- **Ministry of Water and Irrigation** responsible for ASDP II component 1
- **Ministry of Land and Settlement** responsible for ASDP II component 1
- **Ministry of Local government** is vital link as districts are the key delivery points for public agricultural investment. DADPs operationalize ASDP II at the district level.
- **Ministry of Natural Resources** responsible for ASDP II component 1
- **Ministry of Industry and Trade** responsible for ASDP II component 3 and 4
- **Ministry of Transport and Communications** responsible for ASDP II component 4



## Institutional arrangement

- 1 President**
  - Overall in charge of setting country strategic direction and priorities

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- 2 Ministry of Agriculture Livestock and Fisheries**
  - Overall in charge of agriculture related activities and policies
  - Ministry regards ASDP II as the master plan of agricultural transformation in the country

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- 3 Ministry of Finance and Planning**
  - Authority over agriculture budgets and spending
  - Checks/balances with the MALF

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- 4 Presidents' Offices- Regional Administration and Local Government (PORALG)**
  - Implementation of Agriculture strategy at sub-national level (Tanzania's system of government is de-centralized)
  - Department of Sector Coordination

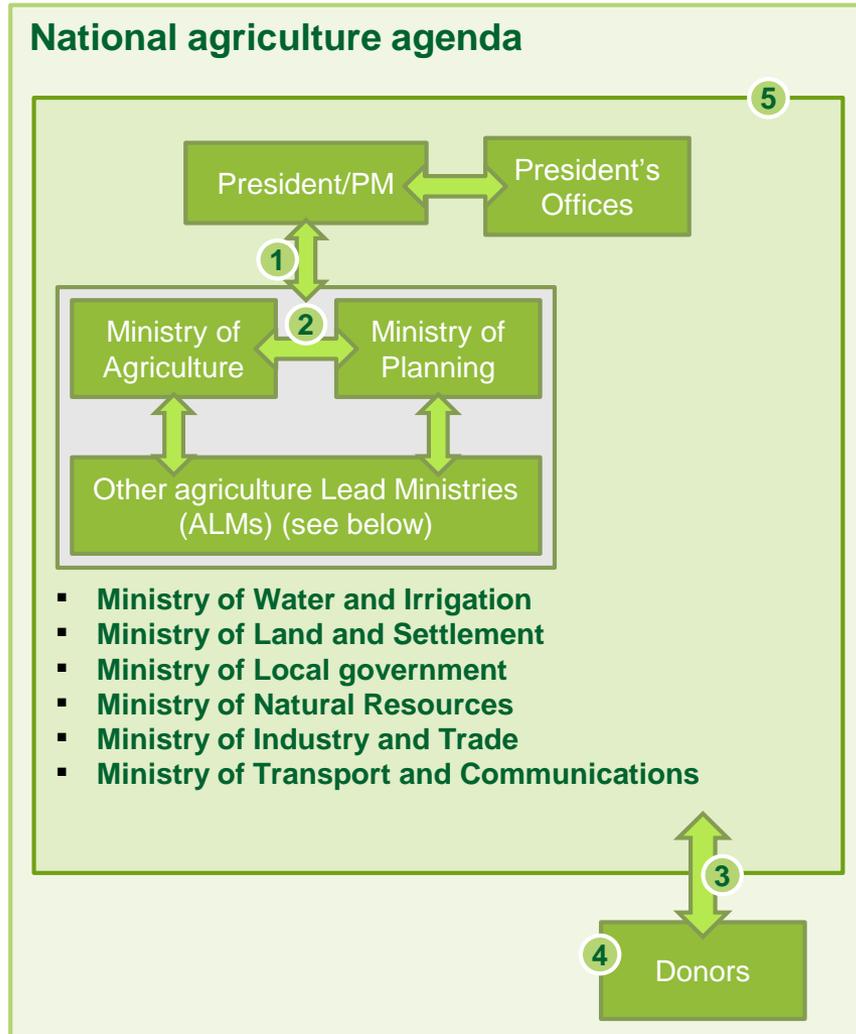
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- 5 Special delivery units**
  - Three major unit have combined functions to coordinate and harmonize assessment mechanisms for ASDP II : 1)ADD-Agric Dev Division; 2)Ministerial Delivery Unit; 3) ASDP II NACOTE

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- 6 Sector coordination**
  - Co-chaired by MALF and IFAD
  - Other members include private sector, development partners, and other non-state actors

# A number of mechanisms exist to ensure inter-ministerial and sector coordination



## Coordination bodies and mutual accountability

- 1 **Coordination with, and buy-in from national leadership**
  - National Coordination and Management Team (NACOTE) for ASDP II
    - Reports to PS of MALF on management and administration
    - Reports to TCD on program implementation
    - Coordinates with PORALG, ASDP Regional Coordinator and District Facilitation Teams

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- 2 **Inter-ministerial coordination**
  - Department of Sector Coordination PO-RALG

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- 3 **Sector coordination**
  - Co-chaired by IFAD and PS of MALF.
  - Other members are DPP-MALF, USAID, EU, WB, AfDB, DFID, Norwegian Embassy, UNDP, FAO
  - Includes private sector and non-state actors as contributors
  - Meeting is scheduled every last Thursday of every month
  - Joint sector reviews coordinated by DPP, currently underway

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- 4 **Inter-donor coordination**
  - The Donor working group is Chaired by FAO. Other members include USAID, EU, WB, AfDB, DFID, Norwegian Embassy, UNDP, IFAD

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- 5 **Coordination with regional bodies on CAADP**
  - Country CAADP Focal Point person – usually donor funded position within Ministry of Agriculture

# With 4% agricultural growth, there exist opportunities to accelerate the transformation of the sector



## Macro-economic and agriculture context

### Strengths

- Agricultural growth from 2% in 2006 to 4% in 2015
- Increasing private sector investment
- Growing financial inclusion
- Region specific production surplus in maize and rice. Other staples, such as cassava, millet and sorghum, have experienced significant increase in production

AND

### Opportunities/challenges

- Limited execution of the sector budget [~15.9% of the budget utilized in 2015/2016 FY]
- Increased resources have not always translated into transformation i.e. funding level not translating effectively to transformation levels
- Lack of access to markets and high post-harvest losses in cereals (~30%)
- High yield gaps (>50%) in most staples
- Low use of inputs, e.g. 20% farmers use improved seeds, fertilizer use at 9kg/ha vs. the target of 50 kg/ha
- High price volatility of staple crops
- Limited lending to the agriculture sector (11%)
- Farm labor is dominated by women (75%), yet they benefit little from the downstream portion of value chain activities such as marketing, processing, and trade.

## Sector strategy, governance and coordination

### Strengths

- On-going implementation of well-planned and donor supported programs (e.g. ASDP II and SAGCOT)
- Linking industrialization to agriculture which will enhance production and also create a pull factor markets and job opportunities

AND

### Opportunities/challenges

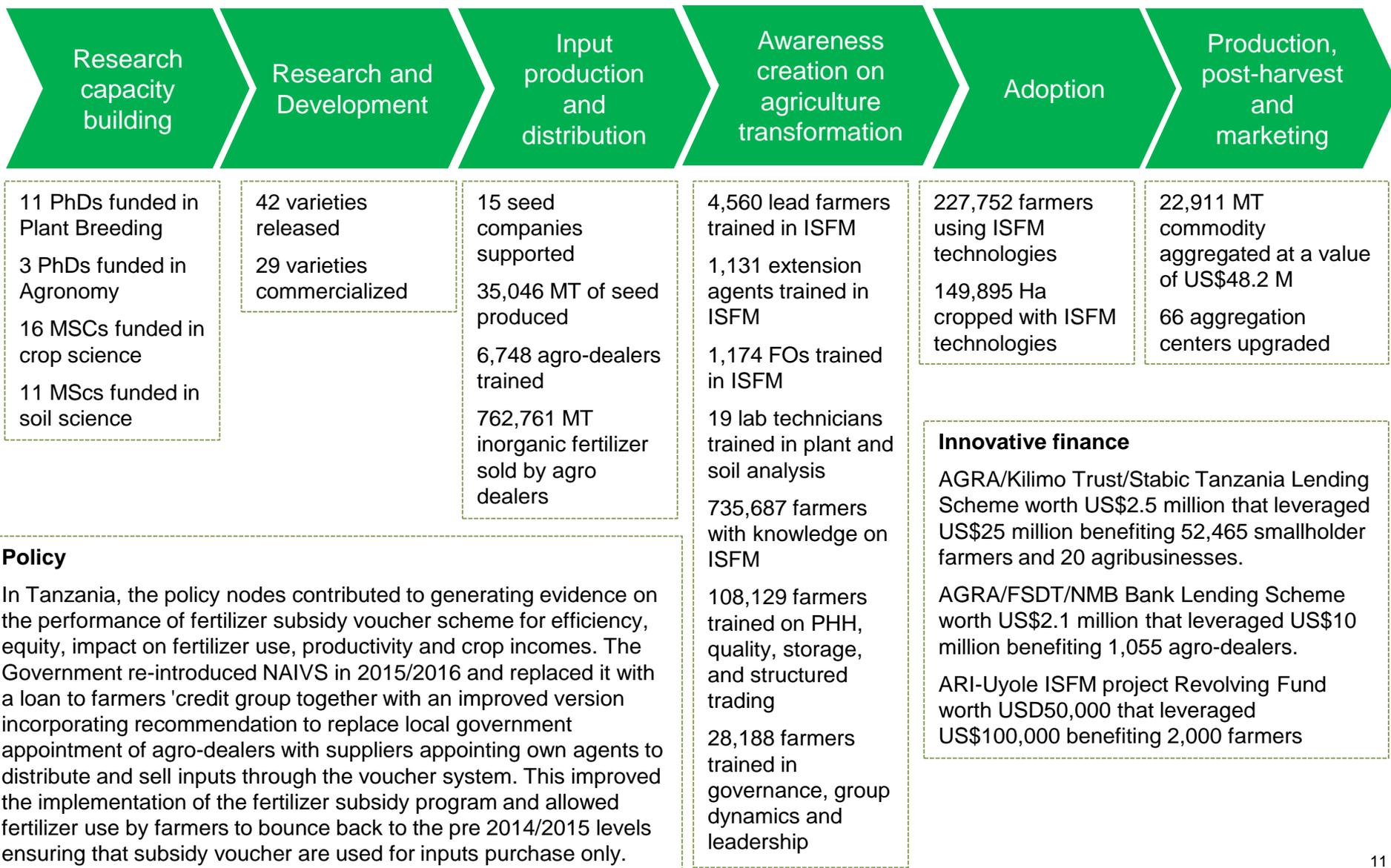
- Need to increase public and private investments
- District agricultural development plans have not been developed
- Need for robust results framework with linked indicators that measure input, output, output and impact, as well as a strong data management system

# Lessons AGRA has learned from its investments in Tanzania

# Over the last decade, AGRA has invested over \$51.29 million in Tanzania and contributed to sector development...



Value of grants: US\$ 51.29 M, Cumulative 2007 - 2015



# ....and learned a number of lessons on developing agriculture systems that are driving future programming and investments



## Enabling environment

- Working with government at only one level is ineffective, hence strong coordination at multiple government levels is necessary (especially PoRALG, MALF)
- Capacity development at MSc and PhD level while necessary, may not address the key capacity gaps preventing sector development at the government and ministry level
- A legal framework is needed to ensure the success of contract farming/out-grower schemes that facilitate farmers' access to inputs and provide assured market opportunities
- Agriculture has been growing at 4% p.a. on average and AGRA's investment represents less than 1% of the total agricultural investments; hence partnerships and leverage must be part of the approach to agricultural development in Tanzania

## Input system development

- Larger "hub" agro-dealers are an essential middle link between local dealers and input suppliers/manufacturers, many of whom are more comfortable dealing with hub agro-dealers than thousands of rural retailers.
- Development of technology is effective when accompanied by a robust commercialization plan. Out of 42 varieties created, between 25% - 35% have been taken up by Tanzanian farmers
- Access to finance for farmers and agribusinesses as well as expanded output market opportunities are the most effective way to scaling up the uptake of improved inputs

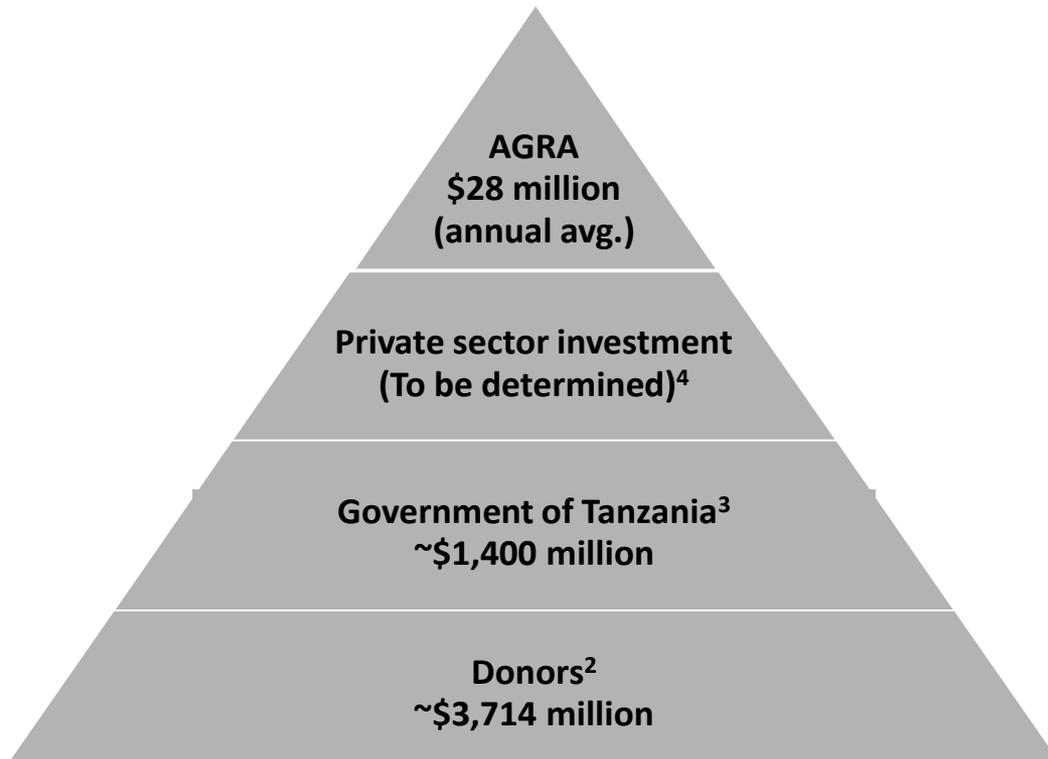
## Market system development

- Stand-alone interventions are not effective in reducing PHL and in improving market access for smallholder farmers; a more integrated approach that links producers to markets and sources of inputs and finance is more likely to strengthen market systems and reach the needed scale
- Surplus producers need pre-planting contracts to make informed decisions on crops to grow and correspondingly land allocation
- The growth of agribusiness SMEs is constrained by the high cost of formalization (383 days and USD 6,458)

# These lessons culminate in a critical recognition that AGRA's funds are insufficient to drive transformation in Tanzania



## Proposed expenditure and investments<sup>1</sup>



- AGRA estimates it will spend <1% of total public funds to agriculture
- AGRA's strategic vision in Tanzania can only be achieved through strong partnerships with other players in Tanzania
- AGRA will prioritize interventions that catalyze and complement funding committed by the Government and donors
- AGRA is committed to:
  - Alignment with Government priorities and programs
  - Boosting government capacity for strategic planning and implementation
  - Participating in and supporting government coordinating mechanisms
  - Catalytic system investments to scale known models and technologies

1: Figure not drawn to scale

2: Official Development Assistance (ODA) flows, Other Official Flows (OOFs) and Private Grant/Flows reported by donor countries, multinational organizations and private entities to OECD DAC Directorate for all purposes related to agriculture except forestry and general environment protection

3: FAOSTAT 2014 data flat-lined for 5 years

4: Exact estimates for private sector investment are unknown and therefore conceptual

SOURCE: FAOSTAT; ReSAKKS; AGRA analysis

# AGRA's Strategic Choices and Operational Plan

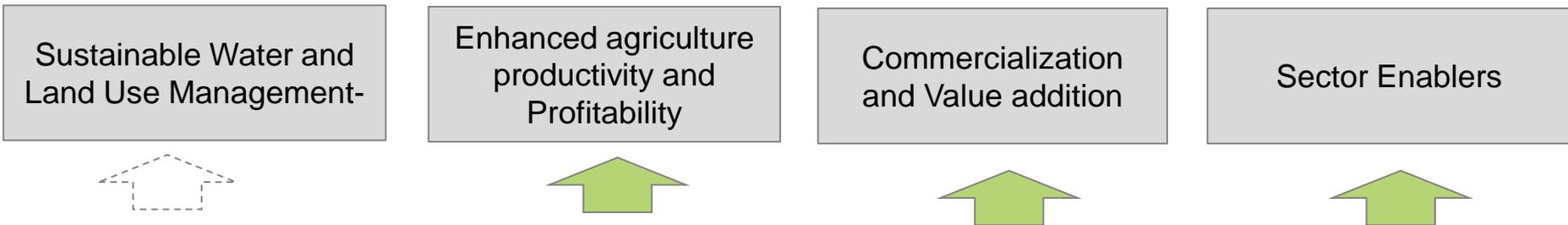
# Tanzania and AGRA's vision



Having worked in Tanzania over the last 10 years, AGRA and partners have built an assets base in **technologies, partnerships and models** that if scaled can lead to a competitive and inclusive agriculture in Tanzania. AGRA's new strategy seeks to bring all of these elements together to support the Tanzania's agricultural transformation agenda

## Tanzania's vision for agriculture development

By 2025, the Tanzania's economy will have been transformed from a low productivity agricultural economy to a **semi-industrialized** one led by **modernized and highly productive agricultural** activities which are effectively integrated and buttressed by supportive industrial and service activities in the rural and urban areas



## AGRA's goals in Tanzania

AGRA's overall goal in Tanzania is to **catalyze** and **sustain** an Inclusive Agricultural Transformation to increase **incomes** and **improve food security** of **1.5 million smallholder farming households** through strategic country support and government engagement coupled with a set of targeted **catalytic downstream** and **systemic investments** (made through its alliance of partners) in **high impact areas** such as **food processing** and **market-oriented agricultural production**

# Therefore, AGRA's intervention in Tanzania will focus on country support and policy engagement as well as support to value chains and market systems development



AGRA believes that in Tanzania there is an opportunity to drive scale through: a) a well planned and coordinated approach to resource mobilization and utilization including coordinated engagement at country level, b) working with private sector to build systems that improve agricultural competitiveness and drive sustainability

## 1) Country Support and Policy Engagement

- Strengthen national coordinating team's (NACOTE) capacity for driving evidence based planning, implementation alignment between national, regional and local sector government.
- Enhance planning and coordination between Ministry and external stakeholders (donors, private sector, civil society etc.)
- Enhance policy environment for increased private sector investments

## 2) Input and market systems development

- Enhance supply chain efficiency through effective agribusiness deal-making platforms in the northern highlands
- Expand market access through value addition, structured trade, quality enhancement and aggregation in the southern highlands
- Strengthen input supply systems and linkages to output markets to facilitate the uptake of yield-enhancing agricultural technologies in the western highlands
- Promote women empowerment in agriculture and active participation in decision making and benefit more from the downstream portion of value chain activities such as marketing, processing and trade.

# AGRA's has been engaging with the government Tanzania in defining appropriate country and policy support package.



- November 2016 AGRA President was invited by MALF Minister Dr. Charles Tiizeba to discuss possible alignment between AGRA's new strategy and ASDP II
- March 2017, AGRA approved a grant (US\$113K) to MALF to support ASDP II Socialization meeting among Regional and District government officials
- March 2017; AGRA participated in two major meetings i.e. JSR and later ASDP II budget alignment; both co-chaired and organized by MALF Minister and ASWG
- May 2017 AGRA was called upon to accompany BMGF officials from Seattle to discuss possible funding from BMGF to ASDP II.

- On-going
- AGRA together with BMGF have been engaging with the Government to assess challenges and design appropriate support on ASDP II and wider sector support

- Immediate term**
- Supporting the BMGF-led process to harness the expertise of MCAF and IFPRI to assess the cost effectiveness of ASDP II and provide options for effective costs structure and resultant outcomes.
  - Continue to support the strengthening of policy and enabling environment framework especially in seeds, fertilizer and agriculture markets
- Not completed / Next steps
- The long term package for Tanzania will emerge from the BMGF-AGRA graduation plan for the country support
  - Most support areas remain in creating enabling environment for inputs and fixing some of the market failures

- Not completed**
- The final agreement on a support package will be reached during the next AGRA President's visit to Tanzania; in the meantime continue to strengthen relationships with government and partners through participation in the SWG

**Not done**

# In Tanzania, initial support will focus on a high quality roll-out of the ASDP II, sector coordination and enabling the policy environment



Leveraging the comparative advantage of AGRA and its alliance partners in supporting governments to building institutional capacity and creating a favorable environment for the private sector, AGRA will support evidence based planning, implementation alignment between government bodies, increased coordination between MALF and external stakeholders, and an enhanced policy environment for private sector investments

## Strategic engagement area indicative interventions

### Potential partners

### Link to results framework

#### Evidence based planning and analytics

- Support the rollout and coordination of ASDP II
- Support the development of district agricultural development plans in select regions based on ASDP II and mobilize local government and private sector support and investments for ASDP II priorities
- Provide technical assistance to support NACOTE and its Technical Working Groups (analytics and expert advice in the area of agricultural systems development) for effective coordination and delivery

BMGF, FAO, USAID, Danida, World Bank, IFAD, AfDB

BMGF, USAID, FAO, JICA

IO 8.1 & 8.3

#### Sector coordination and accountability

- Support sector accountability mechanisms i.e., Ministry's monitoring and evaluation systems, sector working groups, institutionalization of the Joint Sector Review process e.g., Provide technical assistance to support NACOTE and its Technical Working Groups
- Support MALF to convene regional agro-ecological zonal bi-annual labs to discuss sector delivery systems and the progress of ASDP II implementation

IFPRI AUC/NEPAD, MVIWATA, Action Aid

BMGF, USAID, DFID, AfDB, SIDA, GIZ, TZ Local gov. authorities

IO 8.1 & 8.3

#### Enabling environment

- Support reforms on access to breeder seed of registered public varieties by private seed companies;
- Support the reform of fertilizer regulations to ease registration of new fertilizer products
- Support the reform of fertilizer delivery mechanism by digitizing input vouchers
- Support the reform of the management of export permits and regulation of export bans
- Support the harmonization and domestication of regional standards and policies

USAID, MVIWATA, ANSAF, AUDAX

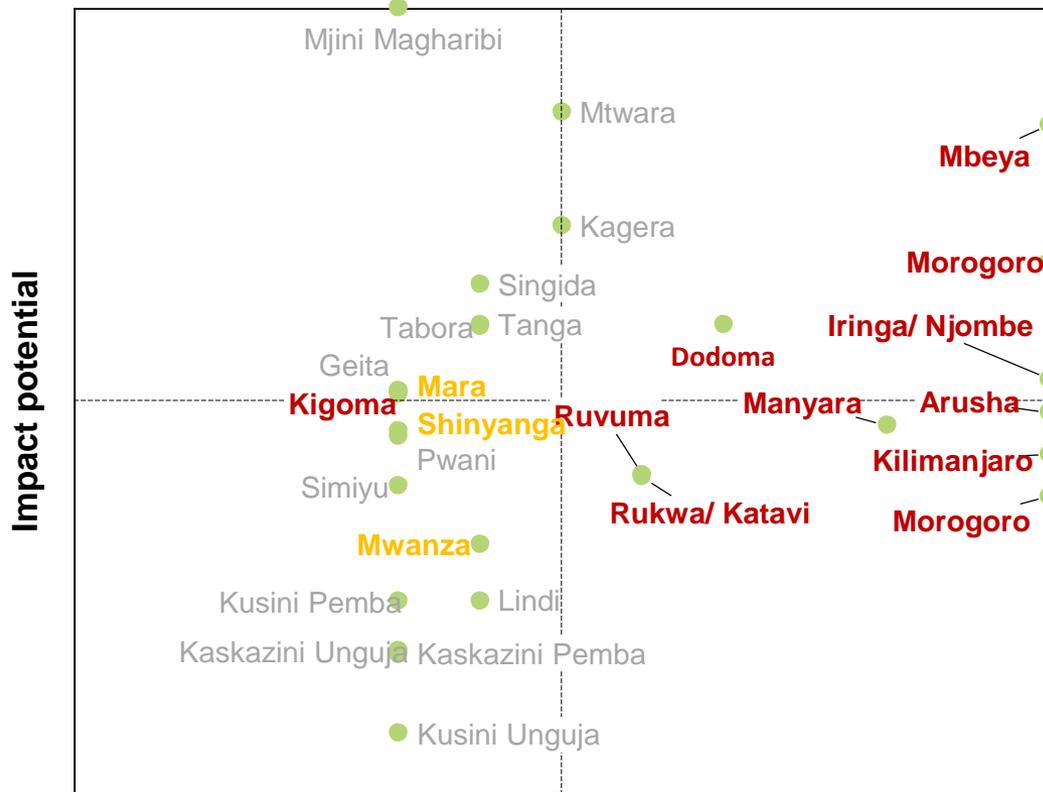
USAID, EAC, COMESA, EALA, SADC

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# To deliver system and farmer level interventions, AGRA will prioritize regions with high potential for impact



## Prioritization of regions



### Key

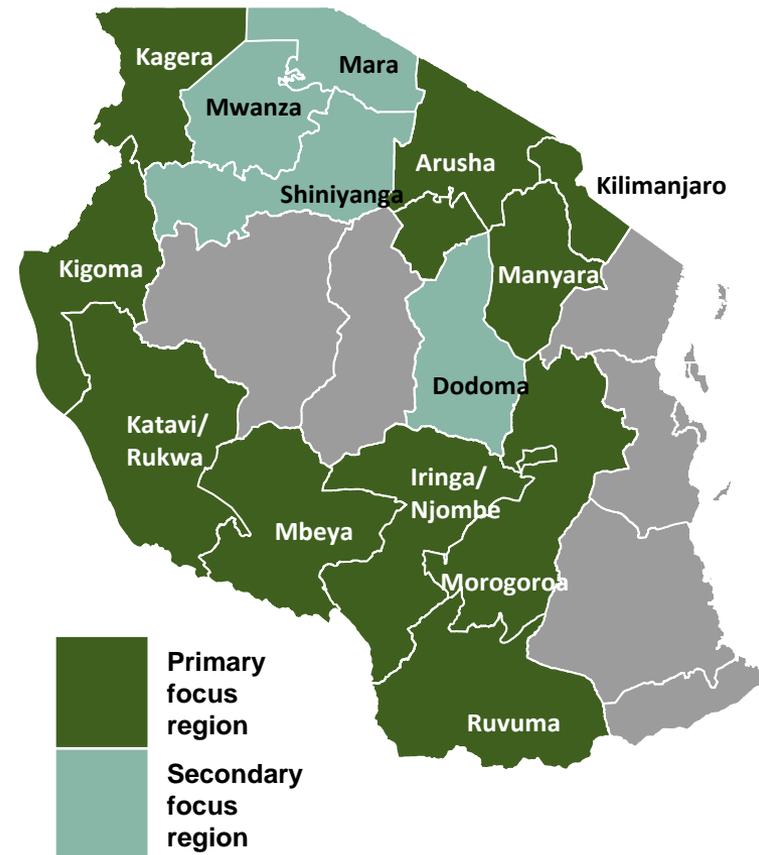
**Primary regions**

**Secondary regions**

**Ease of delivery**

### Scoring criteria (equally weighted)

- Impact potential - Number of farmers; Expected future demand (High/ Medium/ Low)
- Ease of delivery - Focus from the government, donors and private sector (High/ Medium/ Low); AGRA capabilities and past investments (High/ Medium/ Low)

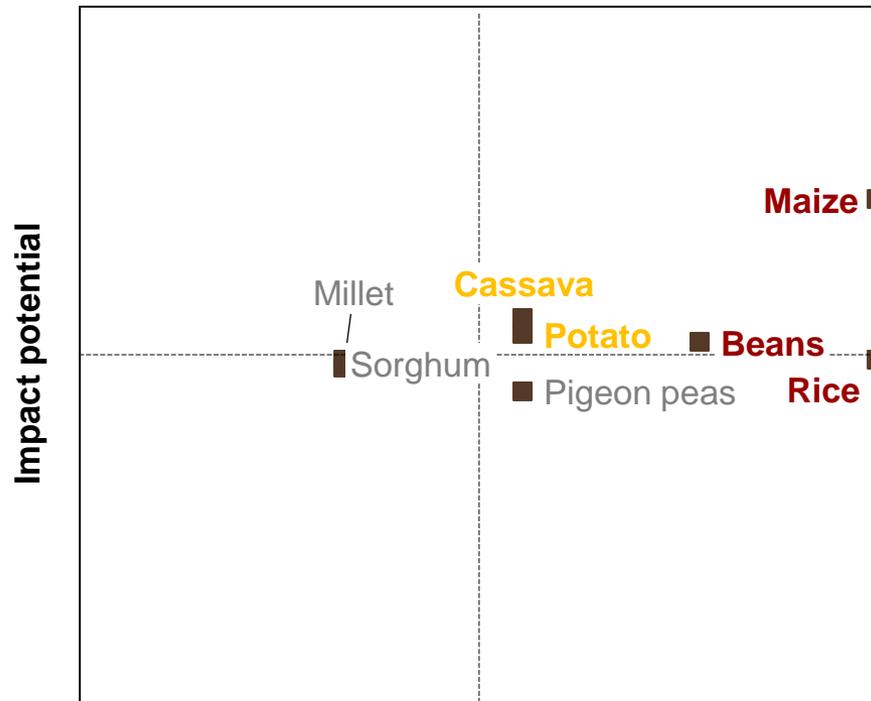


AGRA will target 1.5 million farmers in the primary regions and 0.6 million farmers in the secondary regions

# Within these regions, AGRA will focus on three primary crops and two secondary crops



## Prioritization of crops



### Key

Primary crops

Secondary crops

Ease of delivery

### Scoring criteria (equally weighted)

- Impact potential - Number of farmers; Yield gap (%); Expected future demand (High/ Medium/ Low)
- Ease of delivery - Focus from the government, donors and private sector (High/ Medium/ Low); AGRA capabilities and past investments (High/ Medium/ Low)

## Maize

- Impact potential: Accounts for 20% of total agricultural GDP; Produced by 60% of farming households; SHFs produce 95% of maize
- Ease of delivery: AGRA has investments in maize seed varieties; One of the three crops that is being promoted through government's Big Result Now! (BRN!) Initiative

## Rice

- Impact potential: Second most common cereal in terms of area under cultivation and tonnage. Local and export demand expected to rise
- Ease of delivery: Similar to maize, rice is a focus crop for the government through SAGCOT, BRN! and NRDS<sup>1</sup>

## Beans

- Impact potential: Commonly intercropped with maize for nitrogen fixing; Important for nutrition; High potential to reduce yield gap and high market demand for beans, thus potential to increase farmer income
- Ease of delivery: Potential to package interventions in maize and beans. Strong AGRA assets - released several new varieties

1: National Rice Development Strategy

Source: AGRA; FAOStat

# A number of major donors and private sector companies are focused on Southern and Northern highlands

Not Exhaustive



	Seed supply & research	Fertilizer supply & research	Other ag. inputs	Infrastructure	Extension	Farmer organization	Agrodealers	Market linkages	Post-harvest management, quality and standards
Southern Highlands	 Local Seed Companies; previously supported by AGRA	 Yara, ETG, TFC	 Department for International Development	 Department of Foreign Affairs and Trade	 Department of Foreign Affairs and Trade	 Department of Foreign Affairs and Trade			
Northern Highlands	Local Seed Companies; previously supported by AGRA	Yara, ETG, TFC		 Department for International Development	 World Food Programme	 World Food Programme	 Department of Foreign Affairs and Trade	 Department of Foreign Affairs and Trade	 Department of Foreign Affairs and Trade
Western Highlands				 World Bank Group		 BTC	 BTC	 BTC	
National & regional policy	 SAGCOT	 SAGCOT	 SAGCOT	n/a	 SAGCOT	 SAGCOT	 SAGCOT	 SAGCOT	 SAGCOT
Agri-cultural finance	 PASS	 PASS	 PASS	n/a	 PASS	 PASS	 PASS	 PASS	 PASS
Private Sector	Seed companies  YARA, ETG, AGRI Zana Bora, JOHN D, Mahindra, MVIWATA					 MVIWATA	 Balton Tanzania	 ETG, MET GROUP, The People's Brand	 azam BAKHRESA GROUP

# Specific areas of agricultural systems and staple food chains have significant need and are currently under-resourced



Not a challenge; or, outside AGRA's core focus areas

Challenge area; effective partners already present or intend to intervene in alignment with AGRA's Theory of Change

Challenge area; partners already present or considering entering; AGRA's expertise/influence could guide more effective or scaled interventions

Challenge area; partners not present/minimal



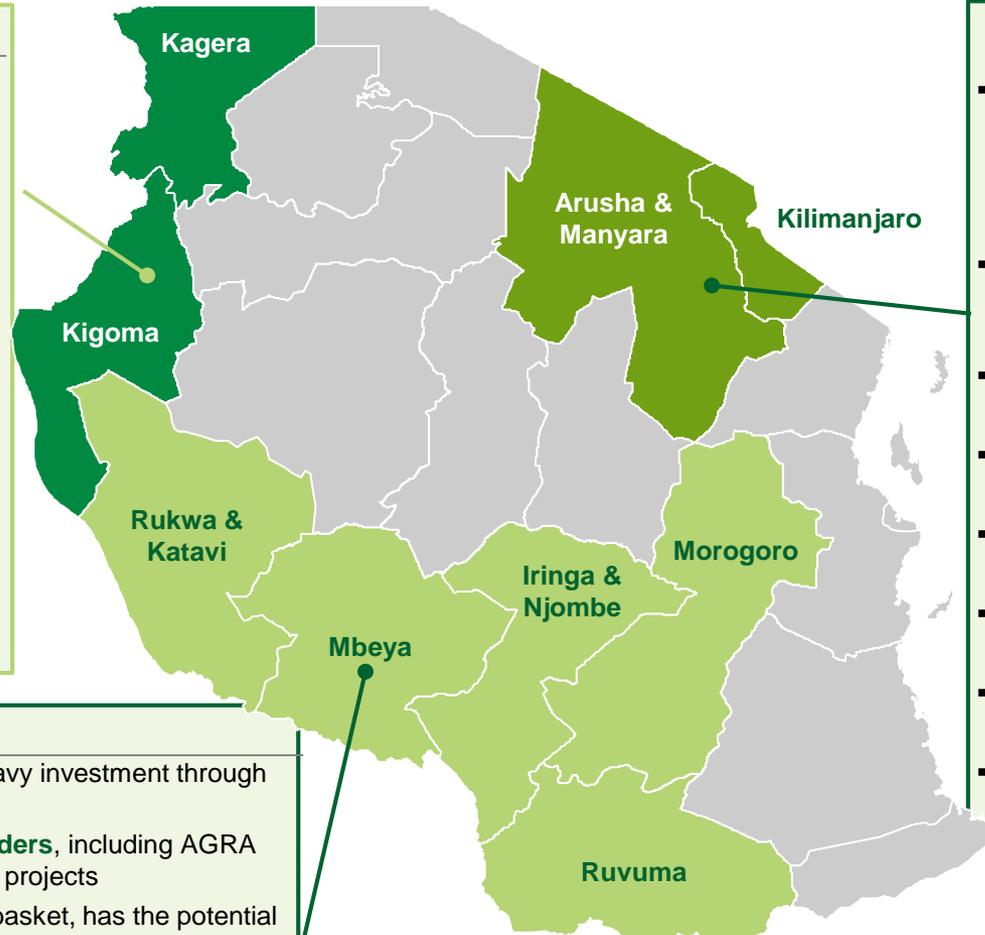
	Seed supply & research	Fertilizer supply & research	Other ag. inputs	Infrastructure	Extension	Farmer organization	Agrodealers	Market linkages	Post-harvest management, quality and standards
<b>Southern Highlands</b>	Challenge area; partners already present or considering entering	Challenge area; partners already present or considering entering	Not a challenge; or, outside AGRA's core focus areas	Not a challenge; or, outside AGRA's core focus areas	Challenge area; effective partners already present or intend to intervene	Challenge area; effective partners already present or intend to intervene	Challenge area; effective partners already present or intend to intervene	Challenge area; partners not present/minimal	Challenge area; partners not present/minimal
<b>Northern Highlands</b>	Challenge area; partners already present or considering entering	Challenge area; partners already present or considering entering	Not a challenge; or, outside AGRA's core focus areas	Not a challenge; or, outside AGRA's core focus areas	Challenge area; effective partners already present or intend to intervene	Challenge area; effective partners already present or intend to intervene	Challenge area; effective partners already present or intend to intervene	Challenge area; partners not present/minimal	Challenge area; partners not present/minimal
<b>Western Highlands</b>	Challenge area; partners not present/minimal	Challenge area; partners not present/minimal	Not a challenge; or, outside AGRA's core focus areas	Not a challenge; or, outside AGRA's core focus areas	Challenge area; partners already present or considering entering	Challenge area; partners already present or considering entering	Challenge area; partners not present/minimal	Challenge area; partners already present or considering entering	Challenge area; effective partners already present or intend to intervene
<b>National &amp; regional policy</b>	Challenge area; partners already present or considering entering	Challenge area; partners already present or considering entering	Not a challenge; or, outside AGRA's core focus areas	n/a	Challenge area; effective partners already present or intend to intervene	Challenge area; effective partners already present or intend to intervene	Challenge area; effective partners already present or intend to intervene	Challenge area; partners not present/minimal	Challenge area; partners not present/minimal
<b>Agricultural finance</b>	Challenge area; partners already present or considering entering	Challenge area; partners already present or considering entering	Not a challenge; or, outside AGRA's core focus areas	n/a	Challenge area; effective partners already present or intend to intervene	Challenge area; partners already present or considering entering	Challenge area; partners not present/minimal	Challenge area; partners not present/minimal	Challenge area; partners not present/minimal

# Upgrading core value chains in 3 agro-ecological zones can lead to transformation at the farmer and system levels



## Western Highlands

- Underdeveloped due to poor infrastructure and a lack of deliberate Ag development
- Needs the basic building blocks for a transformation: seed supply, fertilizer supply, distribution network, and marketing system
- **Access to export markets** in DRC, Burundi, and Rwanda for maize and beans
- Includes 2 regions, Kagera and Kigoma\*
- **Population targeted ~337K households**
- **Crops of focus: maize, beans & cassava; Legumes secondary**



## Northern Highlands

- High farmer density and sophisticated value chains, but **lack of feedback loops and information transparency** across VCAs
- **Efficient access to Tanzania's largest grain export market (Kenya)**
- **~491K MT** marketable surplus in maize
- Highly affected by periodic grain export bans/quota
- Includes 3 regions: Arusha, Manyara and Kilimanjaro
- **Population targeted: ~338K households**
- **Crops of focus: maize & beans**
- Secondary crops: Pulses (pigeon pea)

## Southern Highlands

- Excellent agronomic conditions, heavy investment through SAGCOT, but poor market linkages
- **Presence of several key stakeholders**, including AGRA grantees and off-farm infrastructure projects
- Could be national & regional breadbasket, has the potential of increasing exports to neighboring countries; but has **poor infrastructure linkages to other markets**
- Already experiencing **1M MT marketable surplus in maize**
- **Includes 7 regions:** Rukwa, Katavi, Mbeya (Mbeya and Songwe), Iringa, Njombe, Morogoro and Ruvuma
- **Population targeted ~802K households**
- **Crops of focus: maize, beans & rice; soybeans and potato as secondary focus**

*ASDP II classifies Kagera and Kigoma regions differently as Lake and Central Zones respectively*

# Northern Highlands Initiative (1/2)



In the Northern Highlands, AGRA's interventions will aim at achieving enhanced supply chain efficiency through effective agribusiness deal-making platforms and other investments. Interventions will respond to the opportunity presented by high concentration of agribusiness, high level of crop intensification, proximity to expert markets but uncoordinated supply chains

Strategic area	Indicative interventions	Potential partners	Approach to scaling	Results framework
Market system development	<ul style="list-style-type: none"> <li>Facilitate delivery labs that bring together pertinent stakeholders in each of the Northern Highland regions to develop plan and to put in place mechanisms to enhance agricultural value chain coordination and transparency</li> </ul>	Local Gvt, TCCIA, EAGC, Food Trade, Trademark EA	<ul style="list-style-type: none"> <li>These delivery labs will be conducted in partnerships with institutions that will take over the initiative and roll it out to other regions</li> </ul>	IO 5.1, 5.2, 5.3
	<ul style="list-style-type: none"> <li>Enhance market transparency by supporting the development of a deal making platform</li> </ul>	Food Trade, EAGC, TCCIA, Trademark EA	<ul style="list-style-type: none"> <li>Deal making platform will be perceived as value adding arrangements for repeat transactions between agribusinesses and producers. Networking sessions will be organized in partnership with relevant partners (Regional Commodity Associations-JUKWA, agribusinesses, and TCCIA) who can scale up the model</li> </ul>	
	<ul style="list-style-type: none"> <li>Create sustainable platforms by supporting the digitization of value chain transparency and coordination system; includes forward contracting, pricing, quantity projections, transportation costs, digital extension (linked to stakeholder)</li> </ul>	G-Soko/ Food trade/EACG and ICT Partners	<ul style="list-style-type: none"> <li>The digitization will replace seasonal networking forums (physical interface). Digital platform will lower variable costs and will have higher potential for funding from new sources (e.g., private equity, technology firms, various corporate sponsors)</li> </ul>	
Input system development	<ul style="list-style-type: none"> <li>Leverage the deal-making platform to support the introduction of new agricultural technologies through field days and demo plots; scale up ICT, video and radio based extension messaging, support ward resource centers and BDS to FOs</li> </ul>	Digital Green, farm radio international, regional and district authorities, agribusinesses	<ul style="list-style-type: none"> <li>The introduction of new technologies will be integrated in agribusiness platforms that link farmers to sources of inputs, credit, extension service providers, and off-takers (buyers with forward contracts). This initiative will lead to the adoption of improved technologies at scale as it will be embedded in the repeat agribusiness transactions</li> </ul>	IO 2.1, 2.2

# Northern Highlands Initiative (2/2)



In the Northern Highlands, AGRA's interventions will aim at achieving enhanced supply chain efficiency through effective agribusiness deal-making platforms and other investments. Interventions will respond to the opportunity presented by high concentration of agribusiness, high level of crop intensification, proximity to expert markets but uncoordinated supply chains

Strategic area	Indicative interventions	Potential partners	Approach to scaling	Results framework
Input system development	<ul style="list-style-type: none"> <li>Support seed companies to transition from start-up stage to growth state e.g., by facilitating the adoption of improved seed business practices</li> </ul>	<p>Research institutions, high performing seed companies (local and MNC)</p>	<ul style="list-style-type: none"> <li>This initiative will ensure there is an uninterrupted supply of improved seed to support growing agribusinesses and producers to meet their demand. Increased demand and expansion of agribusiness through deal-making platform will enable more seed companies to improve their business practices through (1) peer-to-peer learning platform and (2) knowledge sharing between seed companies, research institutions, and MNC</li> </ul>	<p>IO 1.3 4.2 ,</p>
	<ul style="list-style-type: none"> <li>Support the production of breeder and foundation seed by partnering with 5 existing specialized seed companies in Northern Highlands</li> </ul>	<p>Research institutions, breeders, and seed companies</p>	<ul style="list-style-type: none"> <li>This support will aim at leading selected seed companies to the point of <b>'bankability'</b> and transition from grants and soft loans to using existing and new financial products. The support will also entail the establishment of <b>contractual relationship</b> between EGS producers and certified seed multipliers for <b>improved production planning and supply chain management</b>. Thus scale and sustainability will be driven by private sector and in line with market forces</li> </ul>	<p>IO 1.1,</p>

# Southern Highlands Initiative (1/3)



In the Southern Highlands, AGRA's interventions will focus on expanding market opportunities by supporting value addition, structured trade, quality enhancement and aggregation. Interventions will respond to the opportunity presented by the potential to increase export to Malawi, DRC and Zambia markets and leverage AGRA's tested models in this zone (integrated bread basket project, hub agro-dealers, SME development, and Farm to Market Alliance)

Strategic area	Indicative interventions	Potential partners	Approach to scaling	Results framework
Market system development	<ul style="list-style-type: none"> <li>Support traders &amp; processors in the Southern Highlands to increase trading and processing capacity through the provision of business development services (BDS)</li> </ul>	PASS TRUST, SAGCOT, TCCIA, IFAD-MIVARF	<ul style="list-style-type: none"> <li>This will initiative will be implemented in collaboration with PASS Trust that provides fee-based BDS and will also leverage SAGCOT and TCCIA -initiated business incubation and accelerator programs to drive scale</li> </ul>	IO 6.2
	<ul style="list-style-type: none"> <li>Value chain financing: grain handlers/processors; grant matching for early stage companies (covers 1st year working capital + initial capex, including grain handling equipment and seasonal storage)</li> </ul>	EACF, other business plan competition agencies, banks and non-banking financial institutions, CARI project	<ul style="list-style-type: none"> <li>This will work with a pipeline of grain handlers whose businesses can be financed by financial institutions; but need to enhance their business processes and build assets that can be used as collateral to access credit from commercial banks (CAPEX and WC for business expansion)</li> </ul>	IO 6.1
	<ul style="list-style-type: none"> <li>Support newly designed agro-processing clusters by generating proof-of-concept for the transition towards lucrative markets such as animal feed</li> </ul>	Traders and milling/processing enterprises organizations, Silverlands	<ul style="list-style-type: none"> <li>Use the proof of concept to mobilize private sector investment and stimulate financial institutions to develop adapted financial products</li> </ul>	IO 4.2, 5.3
	<ul style="list-style-type: none"> <li>Support the adoption of post-harvest management technologies and other mechanization equipment by partnering with providers of lease finance products and by facilitating joint agro-dealer orders for storage and post-harvest management solutions to reduce wholesale/transportation costs as well as local manufacturing</li> </ul>	PICS bag project, Intermech	<ul style="list-style-type: none"> <li>Leverage mechanization initiatives and existing agro-dealers who have large farmer networks and sufficient working capital to stock PHM technologies. Once returns are realized, other businesses will stock the products and drive scale</li> </ul>	IO 3.2

# Southern Highlands Initiative (2/3)



In the Southern Highlands, AGRA's interventions will focus on expanding market opportunities by supporting value addition, structured trade, quality enhancement and aggregation. Interventions will respond to the opportunity presented by the potential to increase export to Malawi, DRC and Zambia markets and leverage AGRA's tested models in this zone (integrated bread basket project, hub agro-dealers, SME development, and Farm to Market Alliance)

Strategic area	Indicative interventions	Potential partners	Approach to scaling	Results framework
Market system development	<ul style="list-style-type: none"> <li>Support initiatives to upgrade near farm aggregation centers by facilitating access to PHH training, basic commodity handling equipment, enhanced management and linkages to output off-takers and input dealers</li> </ul>	IFAD - MIVARF	<ul style="list-style-type: none"> <li>Private sector once returns are realized - will include strengthening links between upgraded aggregation centers and off-takers and support business diversification by combining both the aggregation of the demand for inputs and the supply of output.</li> </ul>	IO 3.1, 3.2
	<ul style="list-style-type: none"> <li>Facilitate the development and operationalization of business models for government-owned, refurbished aggregation centers under COWABAMA (~285); operationalize = link partners and provide marketing support</li> </ul>	BRN project, local governments, and agribusinesses	<ul style="list-style-type: none"> <li>Involve agribusinesses in the development of COWABAMA business model to ensure that they add value to supply chains</li> <li>Leverage private sector interests to use these aggregation centers for temporary storage and service centers (drying, shelling/threshing, input</li> </ul>	
Input system development	<ul style="list-style-type: none"> <li>Support seed companies to transition from start-up stage to growth state by facilitating the adoption of improved seed business practices</li> </ul>	Research institutions, high performing seed companies (local and MNC)	<ul style="list-style-type: none"> <li>Deal-making platform will enable additional seed companies to improve their business practices through (1) peer-to-peer learning platform and (2) knowledge sharing between seed companies, research institutions, and MNC</li> </ul>	IO 4.2
	<ul style="list-style-type: none"> <li>Support the increased production of breeder and foundation seed by partnering with 5 existing specialized seed companies in Southern Highlands</li> </ul>	Research institutions, breeders	<ul style="list-style-type: none"> <li>This support will aim at leading selected seed companies to the point of 'bankability' and transition from grants to commercial lending.</li> </ul>	IO 1.1

# Southern Highlands Initiative (3/3)



In the Southern Highlands, AGRA's interventions will focus on expanding market opportunities by supporting value addition, structured trade, quality enhancement and aggregation. Interventions will respond to the opportunity presented by the potential to increase export to Malawi, DRC and Zambia markets and leverage AGRA's tested models in this zone (integrated bread basket project, hub agro-dealers, SME development, and Farm to Market Alliance)

Strategic area	Indicative interventions	Potential partners	Approach to scaling	Results framework
Input system development	<ul style="list-style-type: none"> <li>Leverage the deal-making platform to support the introduction of new agricultural technologies through field days and demo plots; scale up ICT, video and radio based extension messaging, support ward resource centers and BDS to FOs</li> </ul>	Digital Green, farm radio international, regional and district authorities, MVIWATA, ACT	<ul style="list-style-type: none"> <li>The introduction of new technologies will be integrated in agribusiness platforms that link farmers to sources of inputs, credit, extension service providers, and off-takers (buyers with forward contracts). This initiative will lead to the adoption of improved technologies at scale as it will be embedded in the repeat agribusiness transactions</li> </ul>	IO 2.2
	<ul style="list-style-type: none"> <li>Support the growth of hub agro-dealers (including youth and women) in the Southern Highlands through the provision of BDS and improved linkages to input manufacturers or distribution centers</li> </ul>	AFAP, LMA, Positive International	<ul style="list-style-type: none"> <li>The BDS package will include training in the provision of extension services, franchising (hub and spoke model), linkages to sources of credit/finance and input companies for consignment agreements</li> <li>This initiative will also leverage Last Mile Alliance, AFAP, Positive International Limited programs to strengthen input supply chain management for business expansion and cost reduction</li> </ul>	IO 1.1 4.2
	<ul style="list-style-type: none"> <li>Support the institutionalization of business relationship between agro-dealers and input companies by strengthening the institutional capacity of the Tanzania National Agro-dealers Development Associations (TANADA)</li> </ul>	USAID NAFKA project, IFAD MIRVAF project	<ul style="list-style-type: none"> <li>Institutional capacity building support will include the development of strategic and business plans for the development of agro-dealership in Tanzania; enhancing TANADA's capacity to negotiate input supply agreements with value chain actors and platforms (on behalf of its members); and strengthening TANADA's ability to negotiate credit lines for its members beyond the investment term</li> </ul>	IO 1.3

# Western Highlands Initiative



In the Western Highlands, AGRA's interventions seek to strengthen input supply systems and linkages to output markets to facilitate the uptake of yield-enhancing agricultural technologies. Interventions will respond to the opportunity presented by the underdeveloped input and market systems in Kagera and Kigoma and AGRA's comparative advantage in areas of seed system development, fertilizer supply chain optimization and agricultural market development

Strategic area	Indicative interventions	Potential partners	Approach to scaling	Results framework
Input system development	<ul style="list-style-type: none"> <li>Facilitate increased availability of improved seed in Kigoma and Kagera regions e.g., by supporting at least 4 existing seed companies to expand their operations in the two regions</li> </ul>	Local seed companies	<ul style="list-style-type: none"> <li>The expansion of these companies operations to Kigoma and Kagera will leverage the coordinated supply chains and that will help drive scale</li> </ul>	IO 1.1, 1.3
	<ul style="list-style-type: none"> <li>Facilitate increased availability of breeder and foundation seed by supporting 1 existing specialized seed company</li> </ul>	Research institutions, breeders	<ul style="list-style-type: none"> <li>This support will include linkages to a critical mass of certified seed production that justifies the continuous and increased investments in Early Generation Seed (EGS)</li> </ul>	IO 1.1
	<ul style="list-style-type: none"> <li>Support the development of new agro-dealers and hub agro-dealers (including youth and women) in the Western Highlands in partnership with Last Mile Alliance, AFAP, Positive International Limited (PIL)</li> </ul>	AFAP, LMA, RUCODIA	<ul style="list-style-type: none"> <li>This support will leverage AFAP credit schemes and linked to PIL franchising initiatives that enable linkages input companies and expansion through hub and spoke model.</li> </ul>	IO 1.1, 1.3, 4.2
	<ul style="list-style-type: none"> <li>Support the introduction of new agricultural technologies through field days and demo plots; scale up ICT, video and radio based extension messaging, support ward resource centers and BDS to FOs</li> </ul>	Input companies, BTC Digital Green, farm radio international, regional and district authorities	<ul style="list-style-type: none"> <li>This will include mobilizing input companies, off-takers to include consider extension as a "profit center" and promote new technologies and practices as part of their business and marketing campaigns.</li> </ul>	IO 2.1,22

# Country results framework and budget

# Tanzania Results Framework

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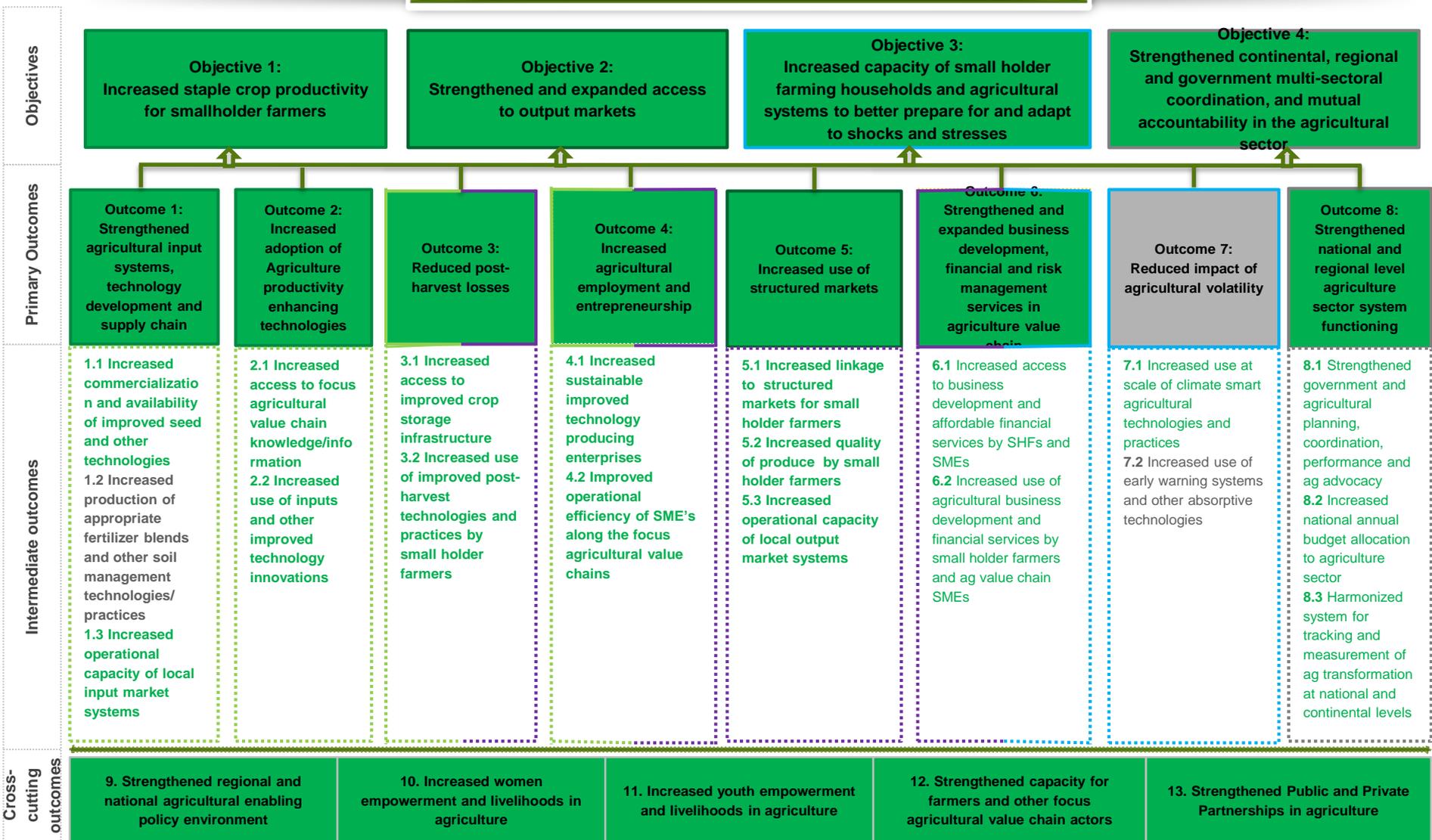


- AGRA's overall goal in Tanzania is to Catalyze and Sustain an Inclusive Agricultural Transformation to increase Incomes and improve Food Security of 1.5 million smallholder farming households through strategic country support and government engagement coupled with a set of targeted catalytic downstream and systemic investments made through its alliance of partners.
- Agricultural transformation is defined as a **process by which farmers shift from highly diversified, subsistence-oriented production towards more specialized production** oriented towards the market or other systems of exchange, involving a greater reliance on input and output delivery systems and increased integration of agriculture with other sectors of the domestic and international economies.
- Tanzania's goal and objectives are directly contributing to the SDG two of ending hunger, achieving food security and improved nutrition and promoting sustainable agriculture. AGRA is equally committed to implementing interventions that are contributing to the AU Malabo declaration, aligning the Tanzania Results Framework with the CAADP framework .
- To achieve its ambitious goal, AGRA seeks to contribute to four inter-related and inter-dependent objectives: 1) Increased staple crop productivity for smallholder farmers, 2) Strengthened and expanded access to output markets, 3) Increased capacity of smallholder farming households and agricultural systems to better prepare for and adapt to shocks and stresses, and 4) Strengthened continental, regional and government multi-sectoral coordination and mutual accountability in the agriculture sector. Interventions in Tanzania will contribute directly to 7 of the 8 overall AGRA Primary Outcomes, all the five cross-cutting outcomes and directly contribute to most of the overall AGRA's intermediate outcomes.



# Tanzania results framework

**Goal: Catalyze and Sustain an Inclusive Agricultural Transformation in Africa to increase incomes and improve food security**



# Key Country Indicators and Targets



Indicators achievement by AGRA interventions



Indicators at nations level



## 1 GOAL LEVEL INDICATORS I

	Baseline 2017	2018 Target	2019 Target	2020 Target	2021 Target
Average number of months of adequate household food provision	-	-	-	-	-
Improved food security: Household dietary diversity index)	-	-	-	-	-

## 2 OBJECTIVE LEVEL INDICATORS

	Baseline 2017	2018 Target	2019 Target	2020 Target	2021 Target
Average yield (MT/ha) of Crop1	-	-	-	-	-
Average yield (MT/ha) of Crop 2	-	-	-	-	-
Average yield (MT/ha) of Crop 3	-	-	-	-	-

## 3 PRIMARY LEVEL OUTCOMES INDICATORS

	Baseline 2017	2018 Target	2019 Target	2020 Target	2021 Target
Adoption rate of target improved productivity technologies or management practices at farmer level)	-	-	-	-	-
Percent of crop losses during storage)	-	-	-	-	-
Number of jobs created by SMEs receiving AGRA support along the focus value chains)	-	-	-	-	-
Percent of total household produce sold through structured market facilities/arrangements)	-	-	-	-	-
Percent of loan/risk facilities directed to agricultural activities/SMEs in target financial/risk providers	-	-	-	-	-
Percent of target households with perceived adaptive or coping strategies to shocks and stresses	-	-	-	-	-

# Key Country Indicators and Targets



4 INTERMEDIATE OUTCOMES LEVEL INDICATORS	Baseline 2017	2018 Target	2019 Target	2020 Target	2021 Target
Quantity (MT) of targeted improved seeds of focus crops produced by enterprises/entities supported by AGRA	-	-	-	-	-
Quantity (MT) of fertilizer blends produced by local fertilizer producers supported by AGRA	-	-	-	-	-
Percent of households using target certified seed of improved varieties, fertilizer blends and other improved productivity technologies or management practices	-	-	-	-	-
Cubic meter of storage space developed or refurbished /rehabilitated	-	-	-	-	-
Average fertilizer use (Kg/Ha)	-	-	-	-	-
Percent of farming households using post-harvest technologies/facilities	-	-	-	-	-
Percent of target SMEs along focus value chains operating profitably	-	-	-	-	-
Percent of farmers using structured trading facilities/arrangements	-	-	-	-	-
Quantity (MT) of target crops sold through structured markets)	-	-	-	-	-
Percent target farmers using financial/risk management services of engaged institutions	-	-	-	-	-
Percent of farmers and other stakeholders accessing early warning information to use for value chain planning	-	-	-	-	-
Number of post-harvest technologies sold/distributed to farmers	-	-	-	-	-

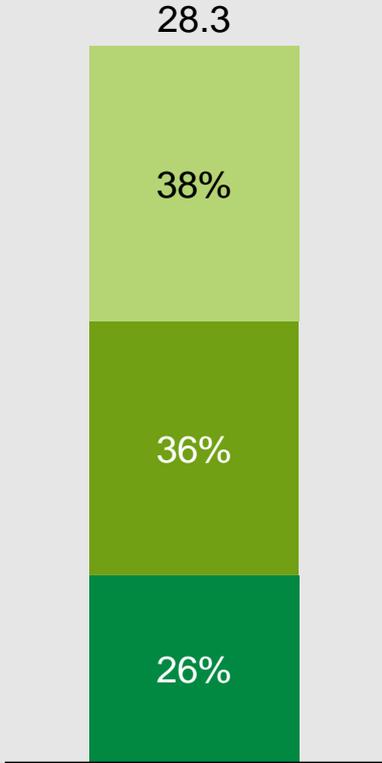
# AGRA Projected program costs for TANZANIA



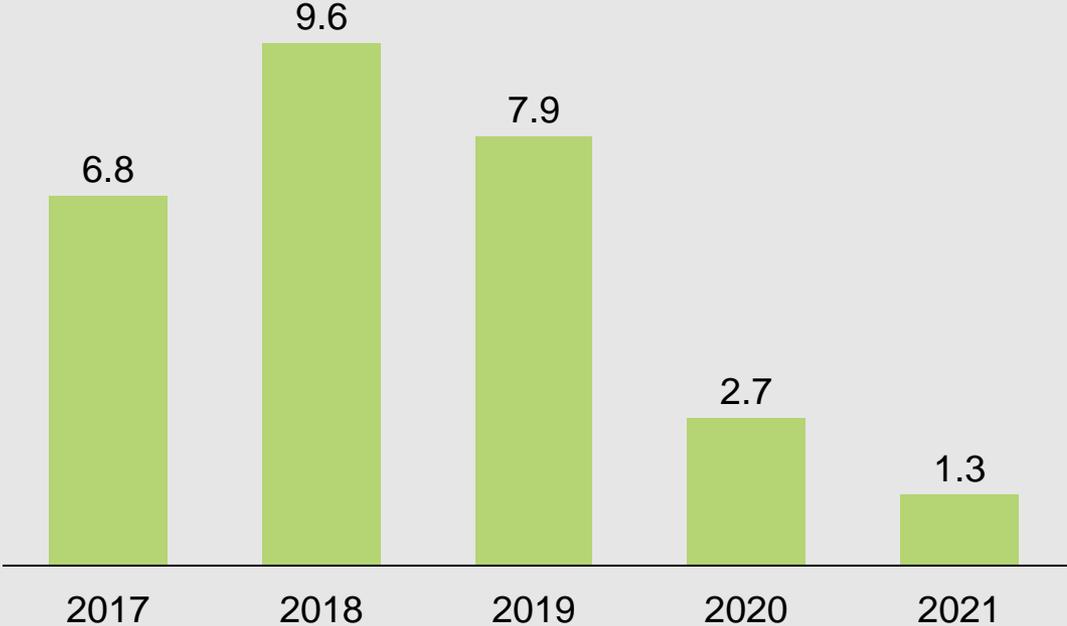
\$M

Funding areas

Tanzania year-by-year projected investments  
(excl program implementation cost)



Tanzania



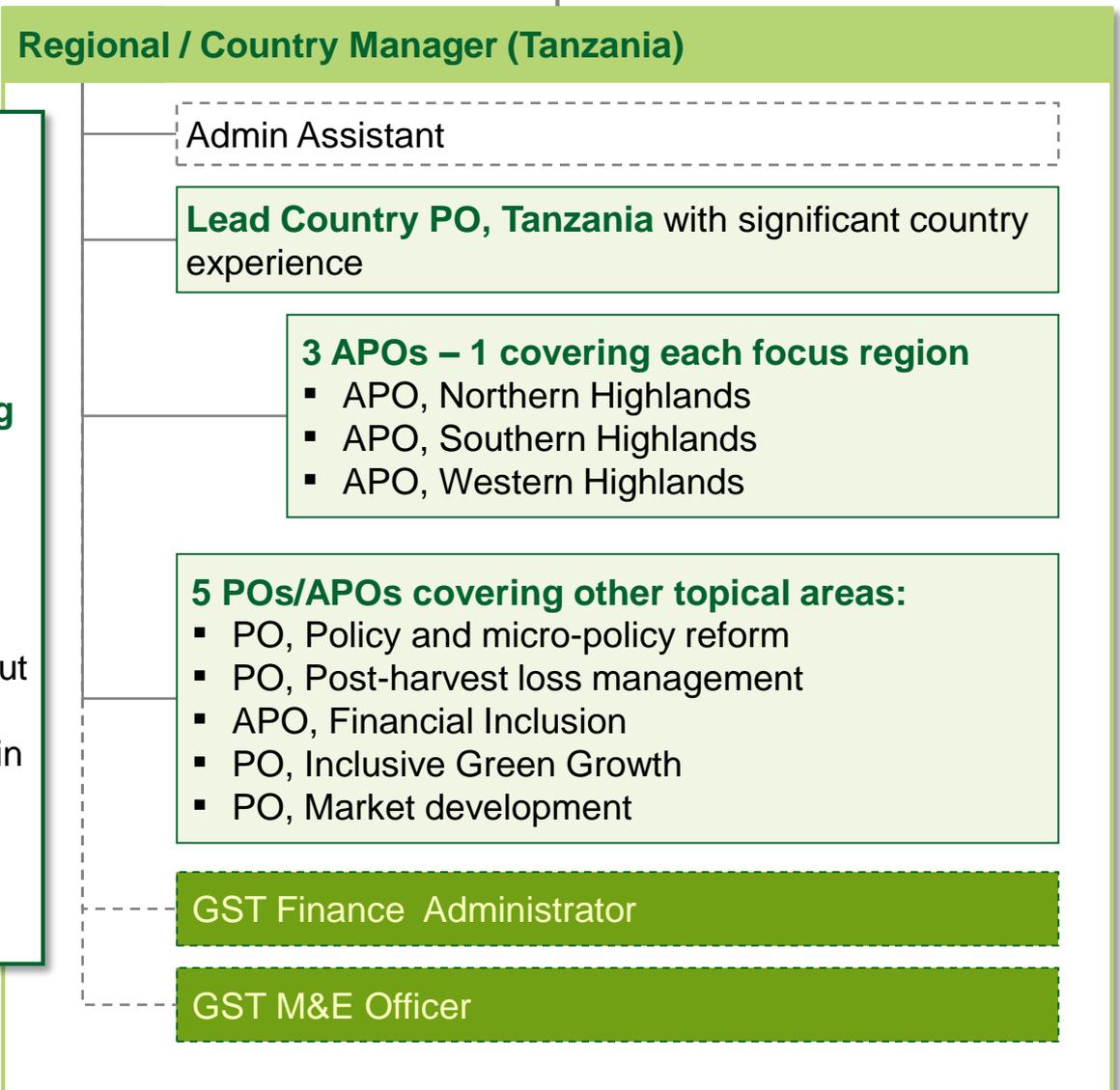
- Input systems devt
- Market systems devt
- Country support and policy engagement

AGRA's organizational capacity to deliver

# Tanzania's country office will be the frontline for delivering AGRA's interventions in country



## VP Country Support, Policy & Delivery



- **Geographic service teams (GSTs) will lead regional and country delivery**
- POs and APOs will be **responsible for managing an integrated portfolio of ongoing programs, as well as new initiatives** reflecting the new organizational strategy
- **New initiatives will be developed on the frontlines**, but draw on the expertise and existing body of knowledge within the Nairobi teams (i.e., Program Development & Innovation, Business Development and Strategic Partnerships)

PO – program officer  
APO – Associate Program Officer