



Country Review Report

July 2011
Dar as Salaam, Tanzania

implementation of TAFSIP is whether the institutions with the responsibility to steward its implementation will have the operational capacity and tools to make this real. The challenge of institutional capacity development of the sector is well recognized by stakeholders in the sector and means for ensuring appropriate corrective actions have been elaborated under Strategic Objective Four (SO4) on Institutional Strengthening under the TAFSIP.

The Technical R TAFSIP are outlined below. The recommendations are intended to help strengthen the TAFSIP and inform a pre-implementation road map for the TAFSIP, commencing immediately.

Component 1: Alignment with CAADP Vision, Principles and Strategy Elements

Alignment with CAADP Vision, principles and strategy

The TAFSIP is comprehensive and aligns effectively with the CAADP goals, objectives and targets. The Plan aligns well with the targets and principles set out in the Visions 2025 and 2020 for the mainland and Zanzibar respectively. The TAFSIP is also clear in its linkages to, and instructed by, MKUKUTA and MKUZ and poverty reductions strategies as well as the Agriculture Sector Development Strategy (ASDS), *Kilimo Kwanza* and Agricultural Transformation Initiative (ATI) as sector specific strategies. This consistency in the linkages and alignment with these broad and sector specific strategies is a fundamental tenet of CAADP.

The CAADP vision calls for countries to develop a comprehensive plan to stimulate and achieve agricultural growth of 6 per cent per annum that enables the country to reduce poverty and hunger in half in line with the MDG one. CAADP also calls for contribution of 10 percent of the annual national budget to agriculture. Based on the documents reviewed, including the Draft 2010 Agricultural Sector Review/Public Expenditure Review, funding for agriculture has been on the rise in the past decade. That said, government funding falls short of the targeted 10 percent of the national annual budget. The financing plan laid out in the TAFSIP, requests and proposes that government funding be increased so that by 2012, funding will be increased to the 10 percent level, from the current 7.6 percent. An issue of concern is that actual disbursement of funds available to support agriculture are slower and lower than planned for, hence, reducing investment in the sector. In sum, TAFSIP is fully consistent with the CAADP framework, goals and objectives.

The consistency analysis part of the review will further elaborate the likelihood of the current and projected spending in meeting the growth and poverty targets.

The TAFSIP will be implemented through the ASDP/ASP frameworks, which will include ongoing and emerging initiatives like SAGCOT, MIVARF, MUVI, Feed the Future and others. SAGCOT will enlist private sector engagement and support PPP, which will be scaled up to include similar models and arrangements to other regions of

the country. Within ASDP, the decentralized framework of implementation of different programs, embracing different funding modalities, is appreciated.

Recommendations

- (i). *Accelerate the pace and increase the level of funding for agriculture to meet the 10 percent target and commitment.*
- (ii). *Strengthen the TAFSIP implementing mechanisms to effectively absorb and efficiently use the resources available in achieving the objectives of TAFSIP*

Recommendations

- (i). Include the proposed institutional coordination in the M&E framework with indicators to track whether and how well coordination is taking place.*
- (ii). Elevate attention to, or integrate annex on, management and coordination into the TAFSIP and clarify what resources will be made available to support it.*

Stakeholder consultation

Engagement of all stakeholders in the design and implementation of national strategies and programs is key principle of CAADP. The design of the ASDP several years back was supported with an elaborate stakeholder involvement. The concern in the past was, those involved especially at formulation and setting of priorities were

participation in the agricultural sector, both on- and off-farm. The review recognizes with appreciation that in addition to the proposed Patient Capital and Catalytic Fund under SAGCOT, the TAFSIP funding and financing arrangements include setting up partnership arrangements through out-grower schemes and contract farming as well as establishing and strengthening Savings and Credit Cooperative Societies (SACCOS) and farmer organizations to provide innovative means of engaging the private sector in the sector. The concerns and recommendations by in-country development partners on private sector are noted. Issues like enhancing privatization or outsourcing of existing jobs done by public sector like in areas of irrigation is an issue to note. As an example, and as has been noted, the irrigation program is ambitious and will require ready skills. The government plans to have these skills through increasing enrollment in Universities and graduating may who can respond to this demand. These proposals are un-attainable in the medium term. Evidently, there are shortages of irrigation engineers and the workload for the Zonal Irrigation and Technical Service Units (ZITSUs) is increasing. Government can consider creating space for private sector in this area and only create the necessary incentives and policy environment for this to happen.

The recognition of private sector as key driving force to attaining the desired goals of TAFSIP should be reflected especially on how the government will provide the enabling policy and regulatory environment to encourage the private sector to participate in agricultural development. The key recommendations for TAFSIP should be to:

- (i). *Establish an incentive regime and policy environment for private sector in irrigation activities.*
- (ii). *Enhance private sector competitiveness for better market access*
- (iii). *Increase private sector capacities to become credible for financial assistance*
- (iv). *Increase access to private sector information*
- (v). *Design and support appropriate investment climate to stimulate and accelerate private investment in agribusiness*

Donor coordination, alignment and harmonization

In-country development and technical partners constitute one of the major stakeholders critical to the delivery of CAADP and agricultural sector objectives. Development partners are expected, not only, to provide financial resources in supplementing national commitments, but they also play a significant role in supporting policy and strategy development and implementation. Donor coordination to harmonise and align is important to increase the effectiveness of development assistance.

The review notes that a number of development partners are signatory to the Joint Assistance Strategy for Tanzania (JAST).

To strengthen the financial and technical support to the agricultural sector, government (represented by ASLM) and selected development partners signed an MoU for ASDP Basket Fund.

has donor Agriculture Working Group (AWG) and Agriculture sector Consultative Group. The groups activities are guided by clear and detailed Terms of Reference. In either, both the original and the amended MoUs together with different versions of ToR, constitute clear instruments to facilitate donor coordination, harmonisation of development assistance and alignment to country priorities. The review was informed that the central work for AWG is to support policy and strategy development as well as program implementation. The review further noted that there is a database that lists all donor projects which is updated annually. It is, however, not clear what this database is used for. It seems likely that there is no clear understanding of what coordination and harmonization of development assistance means. What is clear is that both bilateral and other donors support a series of programs in the country. The practice of AWG however seems different from what the instruments and the database are intended to help and or achieve. The database of projects is intended to tease out where different projects from different partners are focusing on related activities, involving differing models and in similar geographical regions. The review noted that there are no discussions in any forum to facilitate merger, dropping and/or aligning some of the projects to agreed country priorities. The absence of such efforts demonstrates lack of coordination and hamonisation.

This review observes that the AWG meets

a welcome measure. Further, mechanisation is an aspect of land management that is stipulated in the TAFSIP, which is considered as a means of enhancing labour productivity and increasing agricultural output. However, the measures contained in the investment plan lack spatial specificity, including thoughts about responses for land degradation in pastoral and agro-pastoral contexts, as well as in the context of the Zanzibar and Pemba islands. In addition, given that the majority of farmers in Tanzania cultivate small size of crop land, TAFSIP has not examined any options and incentives for *land consolidation* so that small scale farmers could make effective use of mechanisation services and reap the advantage of economies of scale

Although Tanzania is a relatively forested country, and forest-based livelihoods play important roles in mitigating food insecurity and enhancing income opportunities, the TAFSIP makes little reference to the decade-and-half long experience of the country with respect to instituting participatory forest management (PFM) as an approach for ecosystem conservation and maintenance of rural livelihoods. Given the limited

and other selected stakeholders in the elaboration of the TAFSIP, it is not clear, whether eco-tourism and forest-based activities, such as enhancement of bee keeping and extraction of other non-timber forest products (NTFPs) that the investment plan envisages would be undertaken in a coordinated manner with those envisaged by MoNRT. Furthermore, it may be helpful to clarify the extent to which NTFPs have been

integrating such NTFPs as honey into the value chain and within a broader resource management perspective, such as PFM, becomes all the more compelling because most of the honey produced in Tanzania comes from game reserves, forest reserves and buffer zones of national parks areas free from pollution by agricultural chemicals and industrial wastes markets¹.

Recommendations

- (i). *Clarify how the extension system is organised to impart land management-related knowledge in an integrated manner so as to ensure small scale farmers and pastoralists receive these services in a cost-effective manner.*
- (ii). *Devise mechanisms of engaging MoNRT (Mainland) as well as such principal non-state stakeholders as the Tanzanian Forest Conservation Group in the TAFSIP processes so that not only the planned activities of these entities are better integrated into the TAFSIP, but also that their perspectives inform the*
- (iii). *Cffkvkqpcn cpf oqtg fgvckngf vctigvu (gloi). ÷rgtegpvcig qh ncpf wpfgt UNOø cpf ÷rgtegpvcig qh eqoøqp hqtguw tguqwtegu wpfgt RHOø) should be*

¹ National Beekeeping Programme, Ministry of Natural Resour
Tanzania

established to demonstrate measurable impact within the five year timeframe of the TAFSIP.

3.1.2 Water Management

The TAFSIP recognizes the importance of improved water resources management to the sustainability of production and productivity under both rain-fed and irrigated systems. The Plan takes

where and by how much growth is anticipated in each of the targeted irrigation potential areas. The team was not able to find adequate assessments of what would or could be the levels of pollution that will arise from the use of agrochemicals fertilizers, pesticides, herbicides, etc. that are expected to be used to boost crop production. This is especially so in Zanzibar, where such fertilizers, pesticides and herbicides will be used in the production of rice on about 8,000 ha of land under irrigation. In spite of this huge expanse, there has not been any monitoring mechanisms that have been suggested in the TAFSIP to ascertain any environmental impacts that may arise from this practice. Finally, although the country consists of different agro-ecological zones, based on terrain and climate, prioritization has not been done within the different zones. The different zones include: coastal zone², made up of low coastal plains (less than 750 m above sea level, 750-1,200 mm annual rainfall (bimodal in the north and unimodal in the south); semi-arid zone³, consisting of medium altitude (500-1,800 masl) areas, characterised by low and unreliable unimodal rainfall (below 600 mm per annum); Northern, Southern, Southwestern and Western Highlands zone⁴ is a high altitude (1,200 – 2,300 masl) plateau, with generally reliable rainfall (800-1,400 mm/a), while rainfall in the western areas is bimodal and higher.

Where there are problems with surface water due to draught, rainwater harvesting, a more secure (groundwater) source than surface water. Even in the arid Sahara desert, Egypt has managed to tap groundwater for irrigation. So, an assessment still should be done on the availability of groundwater in these areas.

Recommendations

- (i). *Examine options to tap and use ground water for irrigation, especially in drier areas, e.g. in regions of Dodoma, Singida, Shinyanga, Tabora, Mwanza, Mara, Arusha, Coast and Southern Kilimanjaro*
- (ii). *Examine the possibility of constructing dams in some critical areas of the drier central and northern parts of the country as an aid to artificial groundwater recharge and as an adaptation measure against climate change/variability.*
- (iii). *Align, harmonise and strengthen enforcement of legislations that promote effective environmental and watershed management from all the Agricultural Sector Line Ministries (ASLMs). Further, it is imperative to develop cross-sectoral coordination strategies/ mechanisms and synergies to guide irrigation development and reduce on duplication of effort across Ministries.*
- (iv). *Develop the capacity, e.g., monitoring networks to monitor environmental impacts of water pollution, water level monitoring to determine responses of water bodies to pumping.*
- (v). *Formulate strategies to identify and address possible environmental impacts arising from irrigation and the possible inappropriate use of fertilizers and*

² Regions in this zone include Coast, Dar es Salaam, Lindi, Mtwara, Morogoro, Tanga and five regions of Zanzibar.

³ Zone includes Dodoma, Singida and Tabora

⁴ Zone includes Arusha, Kilimanjaro, Mbeya, Rukwa, Iringa & Ruvuma

*pesticides, domestic excreta disposal practices and possible proliferation of
(water-*

The most innovative set of proposals is under the rural commercialization program. The importance of the private sector as the driving force of commercialization and the need for private investment is well made and is certainly crucial. However, public sector investments that are expected to successfully encourage this are not convincing. It is indeed a challenging task since there are many different constraints which limit private investment.

TAFSIP proposes to fund 30% of its budget from the private sector investments yet it is not clear how these funds will be raised or invested. During consultations Agricultural

determine how much the private sector will invest. They indicated that future investments will depend on the Government support in addressing trade facilitation measures (policies, tariffs, taxation, licensing, and standards) and providing a climate conducive to private sector investment. Finally, it is important that any investments to promote the private sector cover all regions implemented under TAFSIP.

TAFSIP fails to discuss how the seasonality of agricultural credit demand will be addressed. Due to the high seasonal nature of rain-fed agriculture, huge investments are incurred during planting seasons and relatively low during other times of the year generating a pattern of high credit demand during planting seasons. Government recognizes this anomaly and suggests that TAFSIP financing will be done across the commodity value chain to cover all seasons not only the planting season and will use a number of avenues including Patient Capital and Catalytic Fund as described in the SAGCOT and also through the establishment of micro finance and Agricultural finance windows as is currently done through the Tanzania Investment Bank. Financing will also be done through micro finance schemes that exist like the VICOBA and SACCOS. Short term measures will include input support from Government as well.

Because the agricultural sector needs large investments by both the farmers and, through the provision of financing investments, by financial institutions in order to boost production and move product to the market. However, increased investment also means increased exposure to risks. Improved and new risk management techniques and instruments must, therefore, accompany investments, both at the financial institutions and farmer levels, as well as along the whole value chain. This includes the high covariant risks (vagaries of weather, pests, fluctuating and often unpredictable produce prices and markets etc). During consultations with Zanzibar stakeholders, a vegetable farmer spoke passionately how farmers not aware of the prices offered by the hotels, sold their vegetables to the traders at throw away prices. This farmer represented the voices of

- (i). *Identify and build a private sector database along the specific commodities and initiate networking amongst the actors at different levels of the value chain.*
- (ii). *Invest in capacity development, especially for farmer groups, to support implementation of TAFSIP*
- (iii). *TASFIP should clarify which measures will ensure trade facilitation (policies, tariffs, taxation, licensing, and standards) and also should provide a climate conducive to private sector investment*

3.2.2 *Rural infrastructure and trade related capacities for market access*

The TAFSIP proposes a shift from subsistence agricultural economy toward well-functioning commercial systems, where farmers can afford needed inputs and access domestic, regional and international markets. Sustainable growth in agricultural production requires the development of markets for both agricultural inputs and farm products.

Improving access to market is essential to strengthening incentives to improve productivity. A major outcome of TAFSIP is increased competitiveness and access to domestic, regional and global markets. However, the current weak output markets are reflected in the farm price ratio). Measures to improve input and output markets are clearly outlined under the subprogram on Market access of the TAFSIP under the theme on Rural Commercialization.

A major way to linking major consumption areas with high production potential zones is to develop regional infrastructure corridors by scaling up investment in intra-regional roads, railways, air transport, commercial infrastructure, energy, and telecommunications as is being done under SAGCOT. Public investment in infrastructure roads, electrification, markets etc is very important, as are policies and incentives to create an enabling environment, but business councils and forums seem to be inadequate to prompt a rapid increase in private investment in the sector. Value-chain infrastructure development is essential to realizing the objective of rural commercialization. The proposed investment plan outlines major trade facilitation measures to allow the country

will be organized.

Reasons of weak integration Tanzania:

- Vast size of the country (naturally higher transport costs)

- Poor road infrastructure adds to high transport costs

- Poor quality and standards of goods that fail to compete on the regional market place.

and focus on value chain approach to agricultural development from primary production to processing and access to markets. In building up this mega program for supporting and working with private sector, an issue is how smallholder farmers will be integrated. There is, however, a need to think of a workable model on how small farmers can graduate from subsistence to commercial and off-farm employment. Although productive safety nets support the vulnerable, there does not seem to be an active exit strategy for farmers to move into non-farm livelihoods, through access to education, credit and non-agricultural skills training. Underlying policy issues concerning access to land and credit, for example, could undermine the approach. The review notes that TAFSIP aims to turn small scale subsistence farmers into highly productive and profit making commercial farmers.

initiatives are regionally based and TAFSIP needs to be clear how they will be replicated in other regions during the 10 years.

TAFSIP hopes to pursue a value chain approach in addressing both productivity and marketing challenges in delivering its strategy. A value chain is a sequence of related business activities (functions) from the provision of specific inputs for a particular product to primary production, transformation, marketing, and up to the particular product to consumer. It is the set of enterprises (operators) performing these functions i.e. producers, processors, traders and distributors of a particular product. However, the plan does not show how these sequences of activities will be implemented. The plan is not clear on how major components and activities at all the level of the value chain i.e. access to inputs, development of rural infrastructure, development of technical capacities and business frameworks and through the development of private sector in particular. While the review appreciates that TAFSIP has organized the thematic areas (SO1, SO2, SO3 and SO4) into a progression of the value chain that is from production and productivity to infrastructure, agro processing, marketing and consumption, the link on how they are going to be sequentially implemented so as to achieve the overall TAFSIP objective is not well elaborated.

The fragmented nature of smallholder farmers poses a challenge on how they could be organized so as access markets for input and output. It is often impossible for smallholder farmers to obtain reasonably priced farm inputs, such as fertilizer and improved seeds. However, simply giving fertilizer and inputs subsidies is unsustainable.

TAFSIP underscores the importance of well functioning farmer organizations in delivering on desired outcomes. The objective of the plan in developing the capacities of the FOs is to create effective market-oriented organizations.

The plan includes promotion of irrigation as a way of boosting production and reducing reliance on rain fed agriculture. There is need to ensure that such efforts have an additional functions of promoting cooperate production, access to inputs and adherence to produce quality standards to facilitate access to markets and increased incomes. In Zanzibar for instance, it was noted that the market for dairy and horticultural products is not being fully exploited by small scale producers due to lack of collective marketing and adherence to standards. There is an urgent need to capacitate farmers in terms of accessing capital, improved production and handling technologies, knowledge of the market expectations, and how to mobilise and benefit from collective marketing. Improved rural infrastructure that facilitates market access both for consumers and farmers is vital.

Recommendations:

- (i). *Enhancing capacity of farmers and SMEs to understand the market needs and access markets through improved commodity value chain management*
- (ii). *Development of market information systems to improve the capacities of farmers including small scale farmers to the emerging regional and global opportunities.*

- (iii). *Give priority to connecting rural areas with a combination of rich natural and economic potential and high population densities with major domestic and cross-border markets*
- (iv). *Inputs Value Chains - adopt policies and develop institutions that increase hct ogtuø rwtej cukpi r qygt y jkng cnuq kpetgcukpi ceeguu vq hctm inputs. For example, new financing arrangements could allow farmers to pool their resources, or make credit available at low interest rates.*
- (v). *ko rtq xg v jg õgeqp q o kgu-of-uec ngö qh hgtvknk/gt rtqfwevkqp. rtqewtgo gpv. cpf distribution, for example by creating õrncv hqt o uö vq jgnr v jg rtkxcvg ugevqt cpf farmer organizations be more cost effective in delivering key agricultural inputs to remote farm-gates.*
- (vi). *Build capacity of the farmer organizations to provide services to its members - some that are currently done by the public sector e.g. facilitating imports of inputs*
- (vii). *Provide training and other capacity building mechanisms to improve risk perception and thus reduce the barriers to as well as cost of borrowing.*
- (viii). *Articulate the mechanisms for supporting small scale farmers to access and sustain access to existing and other potential markets for their produce including mobilization for collective marketing.*

3.3 Reducing Hunger and poverty

The main aim of CAADP pillar III is to ensure that those vulnerable to food insecurity are able to contribute to, and directly benefit from, increased agricultural growth. The CAADP framework for African Food Security (FAFS) recommends that reduction of vulnerability and improved food security initiatives must address four key objectives; improving risk management62()-124(c)7(o)-62T1 041(i)28(t)-3429Pto i2[]28(v)63(e)-55(s)]TJETBT1 0 0 1

for the vulnerable. The TAFSIP gives sufficient attention to risk management issues and clear steps have been suggested for the improvement of disaster risk management and preparedness both for the mainland and Zanzibar. It clearly stipulates the priority activities in the areas of capacity development, research in climate change adaptation, a communication strategy, and improvement of the existing strategic grain reserves. Increased production in quantity and diversity of food types to include tubers (like potatoes and cassava) and other drought resistant crops has a potential to reduce dependency on cereals and reduce vulnerability to food insecurity due to droughts and soaring staple cereal prices. There is need to develop mechanisms of using grain reserves for price stabilization especially in important foods like rice and maize.

The TAFSIP is clear about the need to revise existing strategies such as Nutritional Emergency Preparedness Plan by the Ministry of Health and Social Welfare. The plan also suggests the establishment of weather insurance system. The revision should ensure that small-scale farmers and nomadic pastoralists, whose fragile livelihoods, and are adversely affected when disasters occur, are included and their unique challenges taken care of.

Recommendations

- (i). As part of the implementation, promote research in pest and disease management with special focus on developing and promotion local expertise and capacity for production and stocking of sufficient pesticides and disease remedies.*
- (ii). Consider carrying out a beneficiary analysis that clearly shows how the food insecure and vulnerable groups will benefit from the growth throughout the market chain in different areas. The comprehensive food security and vulnerability analysis specifies the vulnerable, their characteristics and where they are found.*
- (iii). Fast track the approval of*

3.3.2 Improved food supply through increased production and market linkages

TAFSIP recognises the role played by fisheries in household nutrition and income. Improvement of aquaculture both on the mainland and in Zanzibar covers fresh water and sea fish farming, fish feeds, fingerling production and issues of pond management. Promotion of small scale fish farming with special emphasis on promoting consumption and income generation among small scale farmers needs highlighting. Increasing production and productivity of urban and peri-urban agriculture has potential to address problems of urban food insecurity. Clear articulation of current and potential challenges facing urban agriculture, for instance issues of public health concerns in case of animal production, to identify mitigation measures is needed.

Recommendations

- (i). Develop programmatic interventions to promote production of micronutrient rich foods to combat micronutrient deficiencies. Research and extension programmes should include a focus on ensuring that technological improvement in crops storage and processing take into account nutrition considerations in their*

progressive small scale farmers for scaling up production through renting, subleasing or otherwise. In addition it has potential to create avenues for income for those with land but not actively or profitably engaged in farming.

Recommendations

- (i). *Utilise the info*

The recognition given to agricultural research and development in the Tanzania CAADP Compact is clearly visible in the investment plan. The investment plan presents a set of strategic interventions that address issues of agricultural research and development. These include interventions to strengthen (i) research and dissemination of appropriate technologies, (iii) farmer organizations and (iv) capacity building. As much as this is highly commendable, it is important however, to see how, in general, the plan proposes to address these and bring research and development to bear on agricultural productivity in Tanzania mainland and Zanzibar.

3.4.2. Agriculture growth, productivity and agricultural research and development

The TAFSIP has adequately articulated the relationship and linkages between agricultural research and development, productivity and growth. It states that the estimated 4.4% real growth rate of agriculture in Tanzania lags behind the CAADP target of 6% and the MKUKUTA target of 6 – 8 %. This is mainly because of low crop and livestock productivity, particularly among smallholder rural farmers. Both mainland Tanzania and Zanzibar face a wide spectrum of agricultural research and development issues that should be addressed if planned agricultural productivity targets are to be achieved. Details of these issues have been captured in a series of background documents (ref. Working Paper 4) and are summarized in the investment plan. The TAFSIP document states clearly that there is general m/.4% reari90(s)14(a)7(t)28(9s249(i)28(n)63()-249(T)49(a)-55(nz)69

3.4.3. Increasing the scale of productivity investments in agriculture

Given the critical role of research and development in reaching the productivity levels required to attain the target 6 – 8 % growth, does the investment plan make adequate resource allocation to research, extension and training? The plan takes cognizance of the *investment in research and extension has huge positive impacts on agricultural growth and household incomes. For every Tshs 1 million spent on agricultural research, jqwugjqnf kpeqo gu kpetgcug d{ Vuju 3407 okmkqp cpf nkhuu 62 rgqrng qwv qh rqxgtv{ö. At the same time, the amount of resources allocated to research and development in agriculture appears to be below the optional required level (Ref. Working Paper 4). The review however notes that since the detailed costing were still be made, the revised figures may address this issue.*

The review team notes that the interest in agricultural research, extension and training is budget. However, the proportion of the agriculture budget allocated to research and development is 0.3% only. This falls short of the planned 1%; rendering the achievement of the targets unrealistic. Of the total TAFSIP budget of US\$3.3 billion for mainland Tanzania (US\$3.1 billion) and Zanzibar (US\$270 million), about 70% will support interventions that contribute to increased production and productivity, 14% will support institutional development while the rest will support food and nutrition, and rural commercialization. Exactly how much or what proportion of the production and productivity budget will go to research and extension in each of these programme areas is not clear from the investment plan.

Another issue of interest is the scope and scale of research and extension activities. The review team notes that the investment plan does not provide a clear breakdown of the budget for research and extension activities. The review team notes that the investment plan does not provide a clear breakdown of the budget for research and extension activities.

embedded in SO1 and it is not clear why production and productivity interventions are not aligned with Pillar IV instead. Most of the SO1 interventions fall within the ambit of CAADP Pillar IV and so aligning production and productivity interventions (SO1) and the institutional issues of SO4 with CAADP Pillar IV would be in order.

3.4.5. End user involvement and empowerment

The emphasis on gender sensitive and environmentally responsible agricultural research and technology development in mainland Tanzania reflects a good example of how the plan proposes to empower end users i.e. farmers, the majority of whom are women. It needs however, to go a step further to demonstrate the extent to which the end users, ed in planning and setting priorities for research, extension and training to ensure their relevance and ownership.

3.4.6. Institutional and human resource capacity strengthening

Successful implementation of investment plan depends not only on the effectiveness and efficiency of existing agricultural institutions but also on the human resource capacity. This raises the question: Can the current agricultural research, extension, education and training institutions and human resource capacity support effective and efficient implementation of the investment plan?

comprises of 16 public research institutes⁶, the public and private universities, the private sector and an array of CSOs and NGOs. The investment plan taps from and builds on support from these agricultural research institutions. But these institutions do not perform well due to inadequate human and financial resources, and poor infrastructure and equipment. Currently, the Department of Research within the Ministry of Agriculture, Food Security and Cooperatives (DRD) has a total of 321 scientists and 225 technicians working in the 16 research institutions located in strategic areas of the country with modest capacity for undertaking research. What is of concern to the review team is whether the number and caliber of research personnel is adequate for a country as large as Tanzania. There is need for further analysis to determine the adequacy of the current research and extension personnel in generating and disseminating improved technologies for attaining productivity levels -55(t)-34(i)f01(a)-124(l)28(a)-124(l)20oAent nSO4 witecedut

to public research personnel or whether it will include research staff of Universities and private research entities.

3.4.7. Participatory planning, priority setting and decision-making

The Departments of Research and Development within the Ministry of Agriculture, Food Security and Cooperatives and the Ministry of Livestock and Fisheries in Mainland and the Department of Policy, Planning and Research within the Ministry of Agriculture and Natural Resources in Zanzibar are the largest entities within the NARS and are responsible for planning, executing and coordinating public sector agricultural research and disseminating its findings. But not all of these departments participate in the planning and decision-making processes of the investment plan. For example, the Director of Research and Development is not a member of the Technical Committee of Directors (TCD) which supports the TAFSIP Inter-Ministerial Coordinating Committee (ICC), whereas in Zanzibar, the Director of Policy, Planning and Research co-chairs the TCD. The non-involvement of the Director of Research and Development in the TCD makes it difficult for research priorities to be well articulated and adequately funded within the TAFSIP resource envelope.

As indicated above, Tanzania has a well structured research network comprising of the research institutes and the Zonal Centers (ZCs) but the ZCs do not participate in the Zonal Coordination Meetings; making it difficult for research and extension issues at the grassroots to be brought to the fore. Given the important role of research and extension, there is need for further reflection on the structure, organization and representation of the research departments and ZCs in the various committees of TAFSIP so that research and extension issues can be better articulated, prioritized and funded.

Recommendations

- (i). Judging from the several research and development constraints to be addressed, the under-investment in agricultural research, extension and training makes it unlikely that the target productivity growth levels will be achieved. To deliver on the targets, it is essential to work out the optimal investment levels that are required to develop the research and extension infrastructure, facilities and manpower to generate and disseminate improved crop varieties, livestock species and improved farming practices. There is need for further elaboration of how the agricultural research and development budget will be increased and which interventions will be targeted. The investment plan should clearly indicate, in a sequenced manner, the magnitude of resources available for research and*

priority commodities (maize, rice, cassava, other crops, livestock, fisheries) will be helpful.

- (ii). Fully integrate the DRD, regional research institutes and zonal centers in the management structures of TAFSIP. Also clarify the role of each of the NARS in the implementation of TAFSIP and propose a strategy for involving all research and development stakeholders (public, private, CSOs, FOs) and how their capacities will be developed to deliver.*
- (iii).*

The analysis by IFPRI has important policy implications and is helpful in prioritization of investment and selection of interventions. TAFSIP has tried to use the study findings for setting priority, particularly, with respect to crops targeted for increasing productivity. Beyond commodity priorities, prioritization along AEZ is not done and for sequencing investments. The reason for this deficiency could be absence of clear assumptions about availability of funds and foreign exchange, capacity constraints, and other constraints that could limit implementation. In other words, it appears that the exercise is carried out under a constraint free scenario, which is indefensible.

When considering the IFPRI study to provide a framework, it is useful to consider the following and the necessary adjustments to the draft TAFSIP.

- (a) It is important to exercise caution in interpreting and applying the findings of the IFPRI study. The lack of progress in poverty rate reduction, as well as decline in the share of population consuming insufficient calories should not fully be

These crops are mostly grown by smallholder farmers and government support is

- not have brought them up as priority enterprises, their role in nutrition balance requires special attention.
- (d) Interventions within the Commercialization component or strategic objective need to be prioritized along priority commodities as was done on component 1; on production and productivity and to the extent possible along AEZs. This is important especially to ensure that proposed interventions are not aimed at everything but focused on those priority crops and or livestock that will deliver the necessary fast growth and poverty reduction.

Recommendations.

- (i). *Provide additional information, kh òdkcuö vqyctfu ugngevgf vtcflvkqpcn cpf export crops is the reason why poverty rate did not fall and the population consuming insufficient calories declined marginally for the last nearly one decade.*
- (ii). *Articulate a prioritization framework taking the AEZs and farming system into account. Include a discussion about the AEZs and farming systems and what this would mean for setting priorities for increasing productivity.*
- (iii). *Extend the prioritization beyond program 1 to other programs.*

4.2. Prioritization within different thematic areas

The Review Team recognises the considerable work done towards reviewing policies, strategies, and institutions. This has resulted in the identification of gaps and weaknesses that are also institutional in nature. Some of these gaps included weak capacity in policy analysis, planning; M&E and statistics; general weak capacity at LGA level; and lack of experience in working with the private sector. The TAFSIP further underlines the need for overcoming and the capacity constraints for the full and effective implementation of the various programme activities envisaged under the Plan. Nonetheless, the thorough problem analysis that is contained in the TAFSIP has not been comprehensively followed

consideration. There is, therefore, a concern that if these project ideas are left unaddressed as programme components and independent cost centres, the various challenges confronting effective programme coordination and instituting accountability structures under the TAFSIP will impede progress towards meeting the overall goals and development objectives of the Plan in a cost-effective and timely manner.

have a productivity and business development orientation are better placed under the corresponding Thematic Areas because these components are bound to contribute more to meeting the respective strategic objectives of Thematic Areas 1 and 3. This assessment is also predicated on the realization that programme components that fall

that the rural commercialization and agriculture productivity thematic groups be

commercialization programs and projects will be clustered together to make sure that investments are addressing these two sub-themes simultaneously and the value chain approach is meaningfully applied when developing commodities, providing services and developing capacities and skills.

The other area where realignment is proposed is with regard to developing and managing the national water resources, land resources, forestry, and wildlife in a sustainable manner. Other than small scale irrigation development, that is included under the productivity theme, the rest of this important and critical area of the plan is sidelined to DP Pillar 1 and possibly reducing the focus and investment that should be accorded to this thematic area.

Another regrouping proposed is, (i) to bring the private sector development effort into the headline by including it in one of the thematic areas and, (ii) and to highlight the necessary institutional reforms in the agriculture sector while capacity development of these institutions is maintained. Thus the thematic area according to the proposed regrouping will be as follow:

1. Agriculture productivity and rural commercialization (that would also include; research, advisory services, credit)
2. Irrigation development, sustainable water resources and land use management
3. Food and Nutrition Security
4. Private sector development,
5. Rural infrastructure, market access, trade and
6. Institutional reform and support

The plan document has therefore to be re-arranged if possible re-drafted and investment plans regrouped along the lines proposed above in order to improve the quality and flow and facilitate sooth implementation.

Recommendations

- (i). *Consider regrouping the thematic areas along the line proposed above and make the necessary adjustment to the TAFSIP document accordingly.*

Review of Core Programs/Projects. The report hardly mentions the rich program implementation experience that Tanzania has accumulated over the years. Long-term investment plan should be informed by lessons learned from investment programs and projects in the sector. Unfortunately, the report discusses generic problems and constraints faced by the agriculture sector and not specific issues concerning program effectiveness, sustainability, replicability, management challenges, impact, financing, etc. For instance, reports availed to the review team about ASDP show that private sector

to demonstrate payoffs sufficient for farmers to manage by themselves. Only through this the subsidy program can be sustained otherwise it cannot.

It would have been beneficial to provide some analysis of the current coverage and or payoffs to the subsidy program.

Regional integration.

Regional agricultural development plans that Tanzania can easily link with may not be available at this time. Discussions going on in the COMESA, EAC and SADC Tripartite process provide room for more integration of synergies to promote trade and competitiveness in agriculture. SADC and EAC are still in the process of developing a regional CAADP compact. The East African Community has finalized a regional food security plan and strategy and will soon be developing their CAADP Compact. The

arrangement that introduces accountability on those appointed to coordinate programs/projects.

- (b) During the formulation of the ASDP in 2006, there was a notion that as ongoing projects are closed and new projects prepared, the number of projects that will be harmonized and financed through basket funding mechanism would increase and the number of self standing projects would decline. However, in the last three years only those donors who subscribed to basket funding continued to participate and new donors did not join the group. Discussion of the need to further harmonize

out and most development partners continue follow their own mechanisms and carry out their respective projects with little, or no coordination and harmonization. The DPs meeting that are held regularly are mainly used for exchange of information and serious harmonization is not discussed. The reason for this lack of interest in this area was attributed to several factors; the main one being limited rigor by the leadership in the part o f the government. The government has not developed a framework that will bind DPs to participate in a harmonized environment and plan their support accordingly. Donors themselves have not pursued this effort. Therefore, a mechanism that encourages harmonization within and outside of the basket funding modality is absent and, as a result, DPs are showing a preference to undertake self-standing projects and pursue their individual donor agendas. As it stands now, disparate small projects exist across the country with little or no harmonization and discussion on this subject has fizzled out. The challenge is how to restart this dialogue and make a sustained effort to get DP harmonize there support through the basket funding mechanism, or, outside this mechanism. A key proposal to strengthen donor harmonization is a coherent and systematic Monitoring, evaluation and accountability systems. A draft M&E for TAFSIP has been developed but require all stakeholders to discuss it and agree to common indicators in measuring the performance of TAFSIP. Through different accountability platforms such as the proposed coordination committees, the M&E outcomes would be used to hold each party including off-basket programs/projects to account to these set of common indicators. The TAFSIP should address this issue and come up with clear strategy and action plan that will ensure the sector investment plan does not contribute to further fragmentation, but to better harmonization of programs and projects.

- (c) More specifically, the A-WG of the Development Partners group (DPG), mentioned as one of the entities for purposes of coordination, has difficulty carrying out its duties and responsibilities as outlined in the MoUs and ToR of their engagement. This is an important entity that can mobilize additional resources and also help in the implementation of the plan. The reason for the weak performance of the entity should be identified and corrective measures taken

before plan implementation. The plan should therefore include the corrective actions that will be implemented under TAFSIP.

- (d) It is proposed that the TAFSIP will use the existing M&E system developed to monitor and evaluate ASDP. Assessments of the M&E system have shown that it has weaknesses and actions taken to address them have not succeeded yet. TAFSIP being broader and more complex, it will be an oversight to assume the ASDP M&E system will serve the needs of TAFSIP. Therefore, a workable plan to revamp the system so that it can cater for TAFSIP should be ve

Recommendation:

- (i). *Prepare mitigation action plan for weaknesses and threats that emerged from the institutional analysis.*
- (ii). *Develop a capacity building needs and develop capacity development plans.*

Program and project cost. (Awaiting information)

Financing plan and scale of investment. Indicative financial projections are based on:

- (i) estimates of the likely availability of funding from various sources

Ag. Expenditure (Rec+Dev) (\$mill) ¹¹	541	652	785	933	1,000	1,069	4,439
Ag. Dev Budget							

- (ii). *There is need to clearly indicate what proportion of the estimated budgeted funds would come from various sources, i.e.; Government, Cooperating Partners and the private sector. This would facilitate strategic resource planning in the event of financing difficulties from any of the sources. In the same vein, funding for the financing gap from Government and Development Partners should be separated.*
- (iii).

CAADP compact have also a different estimate. It is difficult for the review team to pass judgment on the accuracy of these projections, but the variation is so wide that the task force in charge TAFSIP preparation should take a closer look and reconcile the differences (see Table 2 below). It is hoped that once the detailed costing is accomplished, clarity will be made on realistic projected spending for the sector. Caution need to be exercised that there could be different assumptions being used in estimating

TAFSIP, c) strengthening the capacity of key institutions at the District, Regional and National levels to lead and manage implementation of TAFSIP.

The models for implementation are not presented nor are the options for increasing the efficiency of the agricultural development efforts in Tanzania articulated. In other words, there are different approaches that can be used for implementation. Some approaches may be more effective than others. If the best approaches are used, it will increase effectiveness and efficiency of the development effort, and hence cost less to achieve more or achieve more with the resources available. There is no review of the effectiveness of various approaches that might be used to implement programs. A study could usefully be done to inform these issues, especially with regard to program actions that might be taken under rural commercialization.

The TAFSIP does not provide guidance on the next steps to be taken in supporting program design, steps to facilitate alignment of ongoing programs with the new priorities, and steps to update and improve performance monitoring. This is especially important because TAFSIP calls for adjustments in the focus of current efforts, e.g., greater emphasis on maize and several other commodities that are currently in the ASDP. How will this adjustment be made? Who is responsible for the realignment?

In the institutional development investment area, and in the description of management and coordination, there is need to clarify how the District Agriculture Development Plans (DADPs) will be engaged in the implementation and coordination. And what will be done to strengthen their capacity to handle agricultural development actions of TAFSIP. Moreover, the link between the national programme (SWAp) and the DADPs is not explicit. Apparently 70% or more of programme resources will flow to districts. Districts prepare their DADPs in a highly consultative manner. What mechanism ensures consistency and coherence between the many DADPs and the goals and activities of TAFSIP?

Recommendations

- (i) *Consider detailing next steps in translating TAFSIP investment proposals into detail programs ready for investment*
- (ii) *Elaborate how DADPS will be engaged and used in the implementation of TAFSIP*

Monitoring and Evaluation

The M&E framework is impressive. The guiding principles are good, especially the aim to start as simply as possible: the flaw in many M&E systems is to be far too ambitious and to fail in delivering the essential data for management and on results. Effective and

budgets as a result of the global economic recession as well as the demands of aid effectiveness in the Paris Declaration and Accra Agenda for Action. If, as described, the

