

# TANZANIA NRDS MAPPING REPORT

## TABLE OF CONTENTS

Executive Summary-----	ii
INTRODUCTION-----	1
Study Context -----	1
Study Objectives-----	1
Study Methodology -----	1
STRATEGIES/POLICIES/PROGRAMS AND EXPENDITURE FRAMEWORKS-----	1
National and Sector Frameworks-----	1
Process of Implementation-----	4
Process for Policy and Strategy Formulation-----	4
Process for Program and Project Implementation -----	4
Process for Implementation of National Expenditure Frameworks -----	5
Process for Implementation of the Decentralized Expenditure Framework -----	6
Analysis of Strategies, Policies / Programs and Expenditure frameworks -----	7
Analysis of Funding Process of strategies /policies / programs and expenditure frameworks -----	7
Analysis of the key stakeholders' role and responsibilities -----	7
The Public Institutions that Constitute the Core of NRDS Implementation -----	7
The Key Private Sector Stakeholders for NRDS Implementation -----	8
MATCHING OF STRATEGIES/POLICIES/PROGRAMS AND EXPENDITURE FRAMEWORKS WITH THE NRDS' SUB-SECTORS-----	9
The NRDS sub-sectors -----	9

# Tanzania NRDS Mapping Report

---

NRDS' Subsectors' Matching -----	9
NRDS' Matching with Expenditure Frameworks -----	11
<b>DETERMINATION OF UNSATISFIED NEEDS (GAP) -----</b>	<b>11</b>
NRDS' Needs in the Operational Domain -----	11
Land Resource -----	11
Water for Irrigation -----	11
Investment Needs -----	12
Needs for an Enabling Environment -----	13
Costs of Unsatisfied Needs -----	13
<b>OPPORTUNITIES OF TAKING INTO ACCOUNT THE UNSATISFIED NEEDS-----</b>	<b>14</b>
Opportunities for Capital Needs -----	14
Opportunities for an Enabling Environment Needs -----	14
<b>CONCLUSIONS AND RECOMMENDATIONS-----</b>	<b>15</b>
<b>MATRIX 1: NATIONAL STRATEGIES/POLICIES-ONGOING&amp; PLANNED WITH INPUTS FOR NRDS-----</b>	<b>17</b>
<b>MATRIX 2: FUNDING FRAMEWORKS- ONG OING &amp; PLANNED WITH INPUTS FOR NRDS-----</b>	<b>23</b>
<b>MATRIX 3: FRAMEWORKS OF POLICY DIALOGUE – ONGOING&amp; PLANNED WITH INPUTS FOR NRDS-----</b>	<b>31</b>
<b>MATRIX 4: PROJECTS/PROGRAMS OF PARTNERS IN DEVELOPMENT – ONGOING &amp; PLANNED WITH INPUTS FOR NRDS-----</b>	<b>35</b>
Appendix 1: References-----	38
Appendix 2: List of People Met and Interviewed -----	39

# Tanzania NRDS Mapping Report

---

## Executive Summary

1. This report assesses the coherence and linkages between the NRDS and the relevant country-specific planning, programming and funding frameworks. The report concludes that the implementation of NRDS in Tanzania will greatly benefit from the country's good relationship with the DPs. This relationship is characterized by strong collaboration between GoT and DPS in designing and implementing mechanisms for enhancing the delivery, planning, coordination, harmonization, utilization and monitoring of development assistance in the country. These include Joint Assistance Strategy for Tanzania (JAST), General Budget Support (GBS), Medium Term Expenditure framework (MTEF), Sector Basket Funds (SBFs), Joint Implementation Reviews (JIRs), Public Expenditure Reviews (PERs), and Joint Program Document (JPD). In addition, at the sector level (e.g., agriculture) several Joint Working Groups (JWG) have been established. All these various mechanisms have provided frameworks for enhancing NRDS implementation. They provide rich soil for NRDS to thrive. NRDS is being implemented under the auspices of the ASDP and DADPs, the funding and implementation frameworks for the agricultural sector.
2. The report also finds the NRDS objectives and sub-sectors to be consistent with all the planning, programming and funding frameworks at national (e.g., MKUKUTA, GBS and JAST), sector (ASDS and ASDP) and district level (DADPs). This suggests that NRDS is compatible with and friendly to the existing initiatives. During its implementation, NRDS will be easily mainstreamed into the existing public budgeting and funding frameworks.
3. NRDS implementation faces two main challenges in Tanzania: (i) an apparent mismatch between the capital requirements of the NRDS sub-sectors and capital resources likely to be available during implementation; and (ii) institutional capacity failure among the LGAs who are responsible for implementing the NRDS sub-sectors. The first challenge is manifested by inadequate funding at LGA level. The second challenge assumes the form of shortages of personnel with the requisite skills and experience engendered by the NRDS' sub-sectors (including extension workers and technical personnel).
4. The capital mismatch between NRDS' subsector requirements and capital resources likely to be available during implementation is estimated at USD 17.5 million. This is the incremental cost of implementing NRDS.

## Tanzania NRDS Mapping Report

---

5. The report presents the following options to address the challenges facing the implementation of NRDS in Tanzania:
  - MAFC's ongoing training program should be enhanced and expedited by additional funding from both the Got and DPs.
  - More resources should be allocated to the ASDP, which currently gets less than 5% of total public expenditures in the agricultural sector – preferably ASDP should be allocated 10% of total government budget, in line with the CAADP stipulation
  - Private sector's participation in support services delivery (research, training, agricultural marketing services, and information services) should be enhanced and supported by LGAs contracting out the delivery of such services to private sector agencies in line with ASDS stipulation that “the private sector will increase its role in providing a wide range of demand-driven support services to smallholders and large-scale farmers.”
  
6. The key stakeholders for championing NRDS as a development priority include the Agricultural Sector Steering Committee (ASSC) at national (ASDP) level, Development Partners Group (DPG) at national (JAST) level, and District Agricultural and Livestock Development Officers (DALDOs) at the district (DADP) level.

# Tanzania NRDS Mapping Report

---

## TANZANIA NRDS MAPPING REPORT: ABBREVIATIONS AND ACROYNMS

<b>AMP</b>	<b>Agricultural Marketing Policy</b>
AMDS	Agricultural Marketing Development Strategy
AMDP	Agricultural Marketing Development Program
<b>APER</b>	<b>Agricultural Public Expenditure Review</b>
<b>ASDS</b>	<b>Agricultural Sector Development Strategy</b>
<b>ASDP</b>	<b>Agricultural Sector Development Program</b>
<b>ASLMs</b>	<b>Agricultural Sector Lead Ministries</b>
BoT	Bank of Tanzania
<b>CAADP</b>	<b>Comprehensive Africa Agriculture Development Program</b>
DADPS	District Agricultural Development Plans
DIDF	District Irrigation Development Fund
<b>DPs</b>	<b>Development Partners</b>
<b>DPG</b>	<b>Development Partner Group</b>
<b>GBS</b>	<b>General Budget Support</b>
<b>GoT</b>	<b>Government of Tanzania</b>
<b>IFAD</b>	<b>International Food and Agricultural Development</b>
IWRMP	Integrated Water Resources Management Plan
<b>JAST</b>	<b>Joint Assistance Strategy for Tanzania</b>
<b>JICA</b>	<b>Japan International Cooperation Agency</b>
<b>JIR</b>	<b>Joint Implementation Review</b>
<b>JPD</b>	<b>Joint Program Document</b>
<b>KATC</b>	<b>Kilimanjaro Agriculture Training Center</b>
<b>LGA</b>	<b>Local Government Authority</b>

# Tanzania NRDS Mapping Report

---

<b>MAFC</b>	<b>Ministry of Agriculture, Food Security and Cooperatives</b>
MFEA	Ministry of Finance and Economic Affairs
<b>MDGs</b>	<b>Millennium Development Goals</b>
<b>MKUKUTA</b>	<b>MkakatiwaKukuzaUchuminaKupunguzaUmasikini Tanzania</b> <b>( National Strategy for Growth and Reduction of Poverty in Tanzania)</b>
<b>MTEF</b>	<b>Medium Term Expenditure Framework</b>
<b>NIDF</b>	National Irrigation Development Fund
<b>NGO</b>	<b>Non-Government Organization</b>
NIMP	National Irrigation Master Plan
<b>NRDS</b>	<b>National Rice Development Strategy</b>
<b>ODA</b>	<b>Official Development Assistance</b>
PBA	Project/Program-Based Assistance
<b>PEFAR</b>	<b>Public Expenditure and Financial Accountability Review</b>
<b>PER</b>	<b>Public Expenditure Review</b>
<b>PMO-RALG</b>	<b>Prime Minister’s Office- Regional Administration and Local government</b>
<b>RUBADA</b>	Rufiji River Basin Development Authority
<b>SBF</b>	<b>Sector Basket Fund</b>
<b>TA</b>	<b>Technical Assistance</b>
<b>TANRICE</b>	<b>Tanzania Rice Project</b>
<b>VAEO</b>	<b>Village Agricultural Extension Officer</b>
<b>WB</b>	<b>World Bank</b>
<b>URT</b>	<b>United Republic of Tanzania</b>

# Tanzania NRDS Mapping Report

---

## I. INTRODUCTION

- 1.1 Study Context:** This report is part of a wider **CARD Regional Mapping of Poverty Reduction Strategies Papers, Sector Strategies and Policies related to Rice Development**, covering the first group of pilot countries: Cameroon, Ghana, Guinea Conakry, Kenya, Madagascar, Mali, Mozambique, Nigeria, Senegal, Sierra Leone, Tanzania and Uganda. This report refers to Tanzania. During 2009, these pilot countries have designed their **National Rice Development Strategies (NRDS)**. The objective of these NRDS is to double rice production in the respective countries to eradicate extreme poverty and hunger. To ensure consistence between the Tanzania NRDS review with the other country-specific NRDS reviews, the major approaches and the specific analytical guidelines suggested by the CARD Regional Consultant were adopted.
- 1.2 Study Objectives:** This report assesses the coherence and linkages between the NRDS and the relevant country-specific planning, programming and funding frameworks. These include (i) growth and poverty reduction strategies, (ii) relevant sector-based strategies, (iii) public expenditure frameworks at national / sector levels, and (iv) on-going rice development programs or projects. It also provide a basis for reconciling the NRDS' requirements (demand side) in terms of policy, institutional and investment measures / actions and the related opportunities (supply side) as indicated in the planning and programming frameworks. The report also lays the ground for broader donor support which will contribute to the funding of the NRDS implementation to ensure the sustainability of the funding of the NRDS implementation.
- 1.3 Study Methodology:** Data and information used in this study was collected through review of various government documents and studies as well as interviews with key stakeholders. The documents and studies reviewed are listed under **Reference** in **Appendix 1** the list of persons met and interviewed is presented in **Appendix 2**.

## II. STRATEGIES / POLICIES / PROGRAMS AND EXPENDITURE FRAMEWORKS

- 2.1 National and Sector Frameworks:** There are several national and sector strategies, policies, programs and expenditure frameworks, which impact NRDS and its sub-sectors in several ways. These are specified in **Table 1** on the basis of the ministries or agency responsible for implementation, their coverage (national or sector level), funding and expenditure framework. It is important to distinguish between funding and expenditure frameworks. Funding frameworks relate to the supply-side of the funds, while expenditure frameworks relate to the demand-side or spending of funds. The major

## Tanzania NRDS Mapping Report

---

funding frameworks include the General Budget Support (GBS) and the Project/Program-Based Assistance (PBA). In both frameworks, the major providers of funds are the Government of Tanzania (GoT) and development partners (DPs). The major expenditure frameworks include the national budget (NB), sector basket funds (SBFs) and project/program budgets (PBs). SBFs and PBs are derivatives of the national budget. These expenditure frameworks specify the allocation of funds to the implementation of various strategies, policies and programs. The national frameworks include all policies, strategies and funding/expenditure. Most sector programs have national coverage. District programs include the DADPs and DIDF. The river basin programs cover several districts within each basin.

**Table 1: Major Strategies/Policies/Programs and Expenditure Frameworks in Tanzania**

Ministry/Agency	Strategy or Policy	Coverage	Funding Framework	Expenditure Framework
1. Ministry of Agriculture, Food Security and Cooperatives	1. Agricultural Sector Development Strategy (ASDS)	National	General Budget Support (GBS)	National Budget (NB), Agricultural Sector Basket Fund (ASBF)
	2. Agricultural Sector Development Program (ASDP)	National	GBS and Project-Based Assistance (PBA)	NB ASBF and Project-Based Expenditure (PBE)
	3. Kilimo Kwanza (Green Revolution) Initiative	National	GBS and PBA	NB, ASBF and PBE
	4. Supporting Service Delivery Systems of Irrigated Agriculture (TanRice)	Six Irrigated Rice Producing Areas	PBA by JICA	NB, PBE



## Tanzania NRDS Mapping Report

<b>2. Finance and Economic Affairs</b>	1. National Strategy for Growth and Poverty Reduction (NSGPR)-MKUKUTA	National	GBS and PBA	NB, Sector Basket Funds and PBEs
	2. The MDGs	National	GBS and PBA	NB Sector Basket Funds and PBEs
<b>3. Industry, Trade and Marketing</b>	1. Agricultural Marketing Policy (AMP)	National	GBS and PBA	NB, Sector Basket Funds and PBEs
	2. Agricultural Marketing Development Strategy (AMDS)	National	GBS and PBA	NB, Sector Basket Funds and PBEs
<b>4 Water and Irrigation</b>	1. National Irrigation Master Plan (NIMP -2002)	National	GBS and PBA	NB, Sector Basket Funds and PBEs
	2. Rufiji River Basin Development Authority (RUBADA)	Rufiji River Basin	PBA	PBE
	3. Pangani River IWRM Plan	Pangani River Basin	PBA	PBE
	4. District Irrigation Development Fund (DIDF)	District	GBS, PBA	NB, SBF, PBE
	5. National Irrigation Development Fund (NIDF)	National	GBS, PBA	NB, SBF, PBE

## Tanzania NRDS Mapping Report

<b>5. Bank of Tanzania (BoT)</b>	1. Microfinance Policy	National	GBS, PBA	NB, PBE	SBF,
	2. Agriculture Financing and Insurance Schemes	National	GBS, PBA	NB, PBE	SBF,
<b>6. Prime Minister's Office: Regional Administration and Local Government (PMO- RALG)</b>	District Agricultural Development Plans (DADPs)	District	GBS, PBA	NB, PBE	SBF,

**2.2 Process of Implementation:** The process of implementing policies, strategies and funding frameworks differs slightly from the process of implementing projects and programs in Tanzania. The responsibility for formulation of policies and strategies rests with the central government ministries, while local government authorities (LGAs) are responsible for implementing projects and programs. The implementation of expenditure frameworks takes place at both central government and LGA level. There are therefore three processes of implementation as described below.

**2.2.1 Process for Policy and Strategy Formulation:** National and sector strategies and policies are formulated and implemented by the central government to provide a policy environment for facilitating suitable design and implementation of programs and projects by stakeholders (LGAs, private sector enterprises and farms). For example, the role of the Ministry of Agriculture, Food Security and Cooperatives (MAFC) is aptly described by its **mission**, namely, to “build the capacity of LGAs and the private sector to deliver quality agricultural services and provide conducive environment to agricultural producers to contribute effectively to agricultural production and productivity and to regulate and facilitate cooperatives to deliver quality and efficient services to customers.” MAFC also plays a quality assurance role through various product and inputs regulatory frameworks that are implemented by commodity boards.

**2.2.2 Process for Program and Project Implementation:** The decentralization of planning and implementation of public programs, projects and service delivery from the central government ministries to Local Government Authorities (LGAs) under the ongoing **Local Government Reform Program (LGRP)** has dramatically altered the institutional framework for providing extension services to producers (farmers and livestock keepers)

## Tanzania NRDS Mapping Report

---

in the country. The Agricultural Sector Lead Ministries (ASLMs) are no longer directly involved in the implementation of programs, projects and delivery of extension services to producers. These are carried out by the LGAs in their respective districts as well as by private service providers. The latter has received recognition in the funding mechanisms for extension service delivery. Planning of development programs, projects and extension service delivery at district level takes place in the context of District Agricultural Development Plans (DADPs). The District Agricultural and Livestock Development Officer (DALDO), following a participatory planning process from the grassroots level to the district, submits proposals of the projects and budget estimates to the District Agricultural Sector Advisory Committee (DASAC) meeting in which stakeholders (from villages and wards) and civil society organizations (NGOs, CSOs) operating in the district area participate. The draft plan and budget of DADP developed from this process are submitted to the full Council for approval as a part of the District Development Plan and Budget (DDPB). The DDPB is submitted to the Council Finance Committee before it is sent to the Regional Secretariat, which scrutinizes it to ensure that regulations, policies, guidelines and directives from PMO-RALG are adhered to. NRDS will be championed by the DALDO at district and regional levels for inclusion in the DADPs which form the basic components of the ASDP. Accordingly, NRDS will compete with other components of DADPs for inclusion and funding.

**2.2.3 Process for Implementation of National Expenditure Frameworks:** The central government, through the Ministry of Finance and Economic Affairs (MFEA), is responsible for managing the various funding frameworks (e.g., GBS, PBA) that facilitate implementation of policies, strategies and projects/programs. The sector ministries are responsible for managing sector funding baskets. The ASDP Basket Fund is managed and supervised by the Agricultural Sector Lead Ministries (ASLMs) under the auspices of the Agricultural Sector Steering Committee (ASSC). The adoption of NRDS into the ASDP will have to be endorsed by the ASSC, possibly under the initial sponsorship of MAFC. Thereafter, NRDS implementation will automatically qualify for financing under GBS and ASDP. NRDS subsectors under PBA projects are governed by specific project agreements signed by the MFEA and the respective DPs. TANRICE is a good example of the PBA project arrangement. Depending on the implementation performance of NRDS, its funding through both GBS/ASDP and PBA can be considered sustainable throughout the program/project period. However, as the experience of RUBADA shows, PBA funding of NRDS activities may be limited. This is particularly so, if equity financing by the program/project partners is critical to the implementation of the project. Perhaps, public-private partnership involving government, LGAs, RUBADA, and external/local

## Tanzania NRDS Mapping Report

---

investors may pave the way for mobilizing adequate financing for NRDS projects in Tanzania's river basins.

**2.2.4 Process for Implementation of the Decentralized Expenditure Framework:** The process for implementing the decentralized expenditure framework is well exemplified by ASDP expenditure framework. ASDP activities at district level are implemented by LGAs, based on the DADP. Most of ASDP expenditures (as well as NRDS expenditures) will be at LGA level and will be provided through three fiscal grant transfers from the ASDP Basket Fund: (i) District Agricultural Development Grant (DADG); (ii) Extension Block Grant (EBG); and (iii) Agricultural Capacity Building Grant (A-CBG). LGA investments are financed through the Capital Development Grant (CDG). The DADG supports implementation of DADPs on a cost-sharing basis, with beneficiaries contributing additional labor and materials in varying proportions, depending on the nature of the investment. Eligible investments include environmental investments, public infrastructure (rural roads and bridges), small-scale irrigation schemes, etc. Agricultural inputs may qualify if they are part of a participatory technology development activity. The EBG supports the shift to contracting of extension services to suitable private providers. The grant is financed through the existing discretionary, formula-based Agricultural Extension Block Grant. It provides funding to both public extension services and private extension service providers. The latter are engaged through agreements and contracts between farmers' groups or through LGA outsourcing arrangements. NRDS acknowledges the shortage of extension workers as a critical constraint and additional funding resources may be required beyond those provided by the EBG. All LGAs receive a capacity building grant irrespective of whether they meet the minimum conditions for accessing the DADG and EBG top-ups. During the implementation of the NRDS, additional grants will be needed to improve functional areas to meet the minimum conditions and to improve the performance criteria of LGAs in subsequent years to access higher resource transfers. The focus of additional grants should be to improve district agricultural planning and appraisal capacity, agricultural services reform, enhancing stakeholder engagement, strengthening farmer empowerment, public sector reorientation, and capacity strengthening of private service providers. In particular, the additional grants should support the shift to contracting extension services to suitable private providers (e.g., NGOs and CBOs). Despite their notable successes in providing extension services in several parts of the country, NGOs have not been accorded the priority they deserve. LGAs can outsource the provision of extension services to NGOs that are already resident in the villages, or willing to extend their outreach to new villages in a district. DPs participating in the ASDP basket funding may wish to flag this as a funding conditionality in the future.

# Tanzania NRDS Mapping Report

---

- 2.3 Analysis of Strategies, Policies / Programs and Expenditure Frameworks:** It is evident from **Table 1** that there are many strategies, policies, programs and expenditure frameworks that impact the implementation of NRDS. Most these are concentrated in the following sectors: agriculture (5), water and irrigation (5), processing, trade and marketing (2), banking and finance (2). The nexus between rice and irrigated farming is reflected by 10 programs and frameworks. NRDS emphasis on value chain development in the rice sector is captured by four frameworks in the processing, trade, marketing, banking and finance sectors.
- 2.4 Analysis of Funding Process** of strategies /policies / programs and expenditure frameworks takes place at national, program and district level. At national level funds are provided by GoT and DPs through the GBS and PBAs. Funds provided through the GBS are allocated to relevant strategies/policies and programs through the National Budget and Sector Basket Funds (SBFs) as the main expenditure frameworks. Funds provided through PBAs are allocated to relevant projects through Project/Program-Based Expenditure (PBE) frameworks which are derivatives of the NB. At the district level, the SBFs (say the ASDP Basket Fund) turn into funding mechanisms for the DADPs. Thereafter the proceeds of ASDP Basket Fund are disbursed to ASDP strategies and activities as described in paragraph 2.2.4 above. As earlier alluded to, funds for implementing NRDS subsectors will be transferred through the ASDP Basket Fund and allocated to the relevant subsectors through DADPs. This will take place after the Agricultural Sector Steering Committee (ASSC) has approved NRDS as an integral component of the ASDP.
- 2.5 Analysis of the key stakeholders' role and responsibilities:** The key stakeholders in NRDS implementation are public sector institutions and private sector enterprises.
- 2.5.1** The public institutions that constitute the core of NRDS implementation include the following:
- (a) **Ministry of Agriculture, Food Security and Cooperatives (MAFC)** will be responsible for implementation of agricultural sector policies and strategies as well as managing the ASDP program and its expenditure framework at national level (namely, within the GBS and PBA funding frameworks). It should be noted that MAFC's extension service and training programs are subsumed under the ASDP, under which they are also funded. NRDS training and extension service requirements will equally be subsumed and funded under ASDP.
  - (b) **Ministry of Finance and Economic Affairs (MFEA)** is responsible for managing the formulation and implementation of the National Strategy for Growth and Poverty Reduction (NSGPR)-MKUKUTA, the funding frameworks (GBS and PBAs) and the expenditure frameworks (NB and Sector Basket Funds) at national level.

## Tanzania NRDS Mapping Report

---

- (c) **Ministry of Industry, Trade and Marketing (MITM)** is responsible for formulating and managing policies and strategies in the industry, trade and marketing sectors. In particular, it will be responsible for development of value addition through processing and marketing in the rice sector as envisaged under the NRDS, AMP and AMDS. It also manages the expenditure frameworks for the industry, trade and marketing sectors.
- (d) **Ministry of Water and Irrigation (MWI)** is responsible for formulating and implementation of policies and programs in the water and irrigation sectors. In particular, it is responsible for formulating and implementing strategies and programs for developing the river basins in the country. MWI will play a leading role in developing Irrigated rice farming in the river basins as envisaged under the NRDS.
- (e) **Bank of Tanzania (BoT)** is responsible for managing the development of suitable microfinance policies and programs in the country, which are necessary for providing access to finance by NRDS stakeholders, especially farmers and agribusiness enterprises.
- (f) **The Prime Minister's Office - Regional Administration and Local Government (PMO- RALG)** plays an important role in ensuring the success of the decentralization program that shifts planning and implementation of development programs from the central government ministries to the local government authorities. It does this by facilitating the development and implementation of District Agricultural Development Plans (DADPs) as funding and expenditure frameworks at district level. This enables the LGAs to become the focus of decentralized programs and public service delivery. The LGAs will implement most of the NRDS subsectors through DADPs and the decentralized expenditure frameworks (sector basket funds and PBEs).

2.5.2 The key private sector stakeholders for NRDS implementation include rice farmers, autonomous corporate bodies, agribusiness enterprises (traders), and transporters:

- (a) **Rice Farmers** currently account for 18 percent of farming households in the country and are projected to account for 24 percent in 2018. The majority of these farmers are smallholders farming 0.5 to 3 hectares.
- (b) **Autonomous Corporate Bodies** include large scale farm enterprises (3 in Mbeya, Iringa and Rufiji) and large scale processors (Kapunga, Madibira, and Mbarali)
- (c) **Small and Medium Scale Rice Millers** who are located in urban centers within rice producing areas and owned by male and female entrepreneurs.
- (d) **Traders** of paddy and rice are scattered all over the country. Paddy trading is normally concentrated in paddy producing areas, while rice trading takes place in all urban centers at wholesale and retail levels.

# Tanzania NRDS Mapping Report

---

(e) **Transporters** of paddy and rice within and outside producing areas to markets are largely small and are usually hired by rice millers and traders.

(f) **Banks and Financial Institutions** provide working and investment capital to most of the above rice stakeholders are located in urban centers within or near rice producing areas.

### III. **MATCHING OF THE STRATEGIES / POLICIES / PROGRAMS AND THE EXPENDITURE FRAMEWORKS WITH THE NRDS'SUB-SECTORS**

3.1 **The NRDS sub-sectors:** According to the Tanzania NRDS, it has **eight** strategic areas : (i) Improving seeds systems and fertilizer distribution, (ii) Developing improved varieties, production and integrated crop management options, (iii) Improving post-harvest and marketing of rice, (iv) Improving irrigation and water harvesting technology, (v) Enhancing access to and maintenance of agricultural equipment, (vi) Improving capacity for technology development, training and dissemination systems, (vii) Access to credit / agricultural finance, and (viii) Promoting medium and large scale rice processing industry.

3.2 **NRDS' Subsectors' Matching:** The matching of the various strategies / policies / programs and expenditure frameworks with the NRDS' sub-sectors is summarized in **Table 2**. It is evident that NRDS is consistent with the existing major strategies, policies, programs at sector and national level. This implies that NRDS is compatible with and friendly to the existing initiatives. During its implementation, NRDS will be easily mainstreamed into the existing policies, strategies and programs.

## Tanzania NRDS Mapping Report

**Table 2: NRDS' Subsector Matching with Selected Strategies/Policies/Programs and Expenditure Frameworks**

NRDS' SUBSECTORS	SELECTED STRATEGIES/POLICIES/PROGRAMS AND EXPENDITURE FRAMEWORKS						
	MKUKUTA	Agricultural Sector Development Strategy (ASDS)	Agricultural Sector Development Program (ASDP)	Kilimo Kwanza (Green Revolution) Initiative	Agricultural Marketing Policy	Microfinance Policy	District Agricultural Development Plans (DADPs)
Improving seeds systems and fertilizer distribution	Emphasizes household income growth through improved farm productivity .	.Emphasizes use of yield-enhancing technologies and development of efficient inputs delivery systems	ASDP finances the use of improved seeds .and fertilizers through DADPs	Emphasizes the use of "smart subsidies" for inputs	Accords priority to development of efficient marketing systems for agricultural inputs s	Advocates development of financial institutions and products to finance all agricultural inputs	Supports adoption of farm technologies
Developing improved varieties, production and integrated crop management options	Accords high priority to diversified sources of household income	Emphasizes improved food supply to meet increasing domestic and export market demands	Accords priority to the use of yield-enhancing technologies at farm level	Emphasizes development of improved farm technologies and use of improved farm management	Advocates diversified farm production to diversify exports and trade direction	Encourages development of suitable financial products to finance improved farm technologies and management	Supports improvement and adoption of farm technologies and systems
Improving post-harvest and marketing of rice	Accords high priority to increase in export earnings	Accords priority to efficient agricultural marketing development	Emphasizes agricultural marketing development	Prioritizes development of efficient agricultural markets	Accords priority to development of efficient marketing systems for agricultural products	Encourages development of suitable financial products to finance agricultural marketing	Supports storage and marketing infrastructure



## Tanzania NRDS Mapping Report

Improving irrigation and water harvesting technology	Emphasizes household food security through irrigation	Gives high priority to irrigated agriculture and irrigation development	Accords high priority to irrigation infrastructure development	Gives high priority to development of irrigated agriculture for all major crops	Gives priority to irrigated agriculture as a means of improving quality of products	Advocates lending to irrigation development and irrigated farming	Supports development of irrigation infrastructure
Enhancing access to and maintenance of agricultural equipment		Emphasizes shift from hoe-farming to using modern farm machinery	Emphasizes the use of modern farm machinery and equipment	Provides tax exemptions and subsidies for farm machinery	Gives priority to development of import and distribution systems for farm equipment	Emphasizes financing of agricultural equipment exports and local manufacturing	Supports adoption of modern farming technologies
Improving capacity for technology development, training and dissemination systems		Emphasizes capacity development and efficient services delivery in agriculture	Gives high priority to agricultural research and capacity development	Emphasizes application of appropriate research and capacity development	Emphasizes capacity development in the agricultural marketing sector		Supports capacity development and training
Access to credit / agricultural finance	Accords high priority to provision of investment capital by banks and financial institutions	Accords high priority to access to agricultural credit and financing	Accords high priority to access to investment and working capital by agricultural stakeholders	Exhorts access to credit and financing of the agricultural sector	Accords priority to access to credit and finance in agricultural marketing	Gives priority to development of innovative financial institutions and products for financing the agricultural sector	Supports development of innovative financial institutions
Promoting medium and large scale rice		Emphasizes commodity value chain development	Emphasizes commodity value chain development	Advocates private-public partnership	Accords high priority to value addition	Advocates promotion of processing and value addition in	Supports value chain development and value

## Tanzania NRDS Mapping Report

---

processing industry.		and value addition	and value addition	in agricultural processing	throughout commodity value chains	agriculture	addition	
----------------------	--	--------------------	--------------------	----------------------------	-----------------------------------	-------------	----------	--

# Tanzania NRDS Mapping Report

---

**3.3 NRDS' Matching with Expenditure Frameworks:** The existing expenditure frameworks are equally compatible with the NRDS' sub-sectors. The major funding framework for NRDS will be the ASDP at national level, while the DADPs will be the major expenditure framework at district level. PBA financing frameworks (e.g., TANRICE) will also play an important role. NRDS compatibility with the major expenditure frameworks in agriculture implies that it will have to compete for resources with other programs. It also suggests that NRDS' funding sustainability will depend on its competitiveness at both national and district level.

## IV. DETERMINATION OF UNSATISFIED NEEDS (GAP)

**4.1 NRDS' Needs in the Operational Domain:** The Tanzania NRDS' vision is to put in place a modernized, commercialized, and highly productive and profitable rice sector by utilizing new technologies and available natural resources and manpower in an overall sustainable manner. The realization of this vision will require adequate availability of land, water resources, investments in the rice value chain, and enabling environment (institutions and policies).

**4.1.1 Land Resource:** It is estimated that about 21 million hectares are suitable for rice growing. In 2008, area under rice production was 675,000 hectares. At an average yield of 2.8 tons/hectare, the NRDS production target of 1,963,000 in 2018 would require 701,000 hectares. This would be less than 4 percent of the potential area suitable for rice production in the country. Land availability is therefore not a constraint to achieving the NRDS' production targets in the future.

**4.1.2 Water for Irrigation:** Tanzania is endowed with lakes, rivers, and ground water. Given its land and water resources, Tanzania's irrigation potential is estimated at 29.4 million hectares. There are 2.3 million hectares of high irrigation potential, 4.8 million hectares of medium potential and 22.3 million hectares of low potential. The high and medium irrigation potential area contains 7.1 million hectares. Confining rice production to this area alone would be sufficient to produce approximately 28.4 million tons or paddy rice or 17.8 million tons of milled rice. Accordingly, the NRDS' target of about 2 million tons of paddy rice by 2018 represents only 7 percent of the irrigated paddy rice potential. Like land, availability of water for irrigated rice production is not likely to be a major constraint.

**4.1.3 Investment Needs:** It is not possible to accurately estimate the amount of resources required to meet the investments required in the rice value chain. Suffice it to say that shortage of human and financial capital has been and is likely to remain the main constraint on the development of an efficient and productive rice industry in the country. The investment requirements presented in **Table 3** are simply indicative and may underestimate the magnitude of the problem. Inadequate capital at

## Tanzania NRDS Mapping Report

---

**production** stage begins with the shortage of funds for administering the targeted smart subsidy program for rice inputs (seed and fertilizers), shortage of funds for extension service delivery, shortage of extension workers, and lack of access to finance by farmers. Rice **processing and marketing** face inadequate investment and working capital due to poor access to credit from banks and financial institutions. Unless effective mechanisms are designed and implemented to address these issues over time, they may stifle the achievement of NRDS objectives. Recent BoT's credit insurance schemes for farmers and SMEs may provide a partial solution to the chronic problem of poor access to credit in the agricultural sector. Similarly, the envisaged establishment of an Agricultural Development Bank to provide term loans to the agricultural sector will help. However, all these measures would require encouragement and support from the DPs. They should provide it under the existing and new public funding frameworks.

**Table 3: Incremental Investment Capital Needs in the Rice Value Chain (USD '000)  
(2011-2018)**

Rice Value Chain	Rice Inputs Smart Subsidy Program	Extension Service Delivery	Research & Development	Rice Marketing/Trade Working Capital by SMEs	Rice Processing Investment Capital by SMEs	Total Capital Need	% of Total
Farming	4,124	1,350	1050			6,524	37.2
Purchasing/selling				3,500		3,500	20.0
Storage/Packaging	140			230		370	2.1
Transportation	984			1,880		2,864	16.3
Milling					3,600	3,600	20.5
Rice Distribution/Export				680			3.9
<b>Total Capital Need</b>	<b>5,248</b>	<b>1,350</b>	<b>1050</b>	<b>6,290</b>	<b>3,600</b>	<b>17,538</b>	<b>100.0</b>
<b>% of Total Capital Need</b>	<b>29.9</b>	<b>7.7</b>	<b>6.0</b>	<b>35.9</b>	<b>20.5</b>	<b>100.0</b>	

Source: Consultant's Estimates

- 4.2 Needs for an Enabling Environment:** The enabling environment for NRDS' success consists of policies, institutional arrangements, and regulatory/legal frameworks. One of the major reasons why the NRDS should succeed is because its implementation is

## Tanzania NRDS Mapping Report

---

underpinned by suitable policy and institutional frameworks (**paragraph 3.2**). Tanzania is in the midst of deepening its various comprehensive reform programs that were initiated after the structural adjustments in 1996. The overarching objective of these reforms has been to improve and nurture responsive results-based management systems and practices, with a view to achieving the long-term goals of MKUKUTA and MDGs. In 2010, GoT established the Grains Marketing Board as the regulatory agency for all major grains, including rice. These policy, institutional and regulatory frameworks are intended to enhance the public and private sectors' capacity to successfully achieve results. Similarly, the existence of the funding and expenditure frameworks and on-going programs constitute a reasonably solid policy environment for implementation of the NRDS. Equally important for the success of the NRDS are planning and implementation processes engendered by the existing programs. For example, the involvement of beneficiaries in planning and implementation of DADPs would contribute to the sustainability of the NRDS. The use of the existing Warehouse Receipt System (WRS) under a grades and standard-based marketing system would sustain regulated markets for rice. The major policy issue that would affect NRDS would be a potential conflict between food security and rice export trade. Tanzania is likely to experience surplus rice production long before 2018. Food security often engenders food export restrictions which harm export trade. Government should handle this issue using evidence-based policy models of India and Pakistan. Another potential policy issue relates to government ability to stabilize rice producer prices in the face of rapidly increasing supply of rice under the NRDS. This second generation issue characterized the Asian Green Revolution. The adoption of the WRS combined with a dynamic rice export trade policy may provide effective mitigation to the producer price dilemma.

- 4.3 Costs of unsatisfied needs:** The incremental capital needs presented in **Table 3** above can also be considered as a proxy to the incremental costs of NRDS implementation during the period 2011 – 2018. Accordingly, the costs of unsatisfied needs for NRDS' implementation are estimated at USD 17.5 million (Tsh. 23.8 billion). In terms of value chains, the largest incremental costs will occur at farming, purchasing/selling and milling levels, which are currently undercapitalized. These three value chains of the rice sector will account for 77.7 percent of the total costs. In respect to the expenditures (inputs), the major costs are in form of farm inputs subsidies, marketing/trade working capital of SMEs, and processing costs of SMEs. These three cost categories account for 86.3 of the total incremental costs. This is because SMEs at these value chains generally suffer from inadequate access to credit and financing by banks and financial institutions. Costs associated with improving the policy and institutional environment for rice have not been imputed separately because NRDS will generally benefit from the existing policy and institutional frameworks. In addition, the issues relating to rice trade and producer price stabilization will be handled in a broader context of overall agricultural trade policy and price policy.

# Tanzania NRDS Mapping Report

---

## V. OPPORTUNITIES OF TAKING INTO ACCOUNT THE UNSATISFIED NEEDS

- 5.1 **Opportunities for Capital Needs:** Despite the capital investment limitations that Tanzania's NRDS faces, there are several opportunities for financing its needs. These include Tanzania's suitable policy environment, which is likely to continue encouraging DPs and local investors to support its development programs and strategies, including NRDS. The other opportunities for funding the incremental needs of NRDS include the following: (i) A Regional Rice Research Center of Eastern and Central Africa is being established and this will act as an additional source of and training center for rice research experts to partially meet NRDS' needs; (ii) The Government is currently implementing a program aimed at training and allocating extension staff to all villages (12,227) by 2011; (iii) Loan guarantee schemes are envisaged to leverage lending to the agricultural sector by commercial banks and financial institutions; (iv) Establishment of the envisaged Agricultural Development Bank will provide access to term loans by SMEs and farmers; (v) Existence of and planned River Basin Development Authorities will attract domestic and foreign private direct investments in irrigated agriculture; (vi) Establishing linkage and partnerships with regional and international rice-related programs (e.g., Kilimo Trust's Proposed Striga Eradication Program in East Africa); and (vii) Since Tanzania has obvious comparative advantage in rice production among its regional partners (Kenya and Uganda) private direct investments in the rice sector may favor Tanzania.
- 5.2 **Opportunities for an Enabling Environment Needs:** There are a few policy and institutional opportunities for enhancing NRDS' environment needs. They include: (i) Development and harmonization of national trade policies in the East Africa Community will be crucial to improving rice trade within the Community; (ii) The existence of regional trading protocols (EAC and COMESA) to which Tanzania is a signatory may provide both financing and trading opportunities; (iii) Existence of research and, training institutions associated with rice in the EAC and COMESA countries may complement domestic capacity development; and (iv) The existence and participation of Non-Governmental Organizations (NGOs), which are capable of sourcing funds independently in extension service delivery would assist to bridge the NRDS' funding gap.

## VI CONCLUSION AND RECOMMENDATIONS

- 6.1 The Tanzania NRDS is anchored on fertile soil provided by the existing policy and institutional environment. NRDS is complementary to the existing national and sector policies, strategies and programs. Its implementation can be mainstreamed in the existing funding and expenditure frameworks. This assures its sustainability and provides a reasonable basis for USD 17.5 million for additional capital investment under the NRDS.

## Tanzania NRDS Mapping Report

---

- 6.2 Nevertheless, NRDS, like other development programs and strategies in the agricultural sector, faces challenges in two critical areas. First, there is an apparent mismatch between NRDS sub-sector resource requirements and funding provided by ASDP and PBA funding frameworks. The estimated capital gap of USD 17.5 million presents a daunting challenge. Hence, NRDS will face stiff competition for resource allocation within both ASDP and DADPs. This is currently manifested by shortage of extension workers and working capital (recurrent expenditures) in LGAs. Second, the infancy of LGAs engenders institutional capacity failure. This is common among LGAs and it is usually manifested by shortage of staff with the requisite skills and experience in the NRDS sub-sectors. A JICA study in 2005<sup>1</sup> that analyzed 38 DADPs concluded that “the planning skills necessary for the DADP formulation seem to be generally inadequate”. The same can be said about extension skills since the majority of villages in most LGAs do not have Village Extension Officers (VEO) or Subject Matter Specialists (SMS) at district level<sup>2</sup>.
- 6.3 In the short- and medium-term, three options can be proposed as follows:
- MAFC has initiated a training program to more than double the number of extension workers within a four-year period – this should be continued and more resources allocated to the program by GoT and DPs jointly.
  - More resources should be allocated to the ASDP, which currently gets less than 5% of total public expenditures in the agricultural sector – preferably ASDP should be allocated 10% of total government budget, in line with the CAADP stipulation.
  - Private sector’s participation in support services delivery (research, training, agricultural marketing services, and information services) should be enhanced and supported by LGAs contracting out the delivery of such services to private sector agencies in line with ASDS stipulation that “the private sector will increase its role in providing a wide range of demand-driven support services to smallholders and large-scale farmers.” The basic question to be asked is whether the private sector has the capacity to participate in the delivery of these services as the ASDS assumes. Recent experience, under the IFAD-supported Agricultural Marketing Systems Development Program (AMSDP), confirms that such capacity (in terms of experienced and skilled personnel) does exist. The implementation of the Smallholder Empowerment Component of AMSDP was contracted out to private sector partner agencies at district level. It involved private sector agencies and NGOs carrying out capacity building activities focused at empowering groups of smallholders and small-scale traders to rationally participate in agricultural marketing. The private partner agencies empowered the beneficiaries to develop and sustain market and financial linkages within commodity value chains. This approach has had some promising results. The private partner agencies were able to attract experienced former

---

<sup>1</sup>JICA (March 2005) Study for the Progress in Implementation of District Agricultural Development Plans (DADPs)

<sup>2</sup>URT/World Bank (2000). Agriculture: Performance and Strategies for Sustainable Growth.

## Tanzania NRDS Mapping Report

---

and present government employees by offering them better pay incentives than their former or present employers. The LGAs should therefore consider contracting out the delivery of agricultural extension services in selected villages to experienced and capable private sector providers. They could use the EBG and A-CBG grants under ASDP for this purpose.

- 6.4 As indicated earlier in this report, the key stakeholders for championing NRDS as a development priority include the Agricultural Sector Steering Committee (ASSC) at national (ASDP) level, Development Partners Group (DPG) at national (JAST) level, and District Agricultural and Livestock Development Officers (DALDOs) at the district (DADP) level. These are elaborated below.
- 6.4.1 The **ASSC** consists of Permanent Secretaries of the ASLMs. It reviews top level thinking about policy and program implementation in terms of coordination, monitoring and allocation of resources in the agricultural sector. The NSC is directly supported in its work by the Inter-Ministerial Coordinating Committee (ICC), and by the AMDS Secretariat. Incorporation of NRDS into the ASDP requires the approval of the ASSC.
- 6.4.2 The **DPG** is responsible for preparing a results-based Joint Program Document (JPD), which reflects DPG planned support and commitments within the JAST. The JPD provides a mechanism for continued alignment of DP support with MKUKUTA and ASDP. Inclusion of the NRDS as a priority in MKUKUTA and ASDP requires the endorsement of the DPG.
- 6.4.3 The **DALDOs**, in consultation with village government authorities, will be responsible for incorporating NRDS sub-sectors in DADP.
- 6.5 MAFC and the ASLMs will take the lead in ensuring that the above key stakeholders champion the NRDS in their respective fora.



## Tanzania NRDS Mapping Report

**MATRICE 1 ON NATIONAL STRATEGIES/POLICIES- ONGOING & PLANNED WITH INPUTS FOR NRDS**

Examples of Line Ministries <sup>3</sup>	Strategies / Policies	Status (on-going and in the pipeline)	Period	Matching with NDRS sub-sectors	Remarks
<b>Agriculture, Food Security and Cooperatives</b>	<b>1. Agricultural Sector Development Strategy (ASDS)</b>	On-going since 2001	On-going since 2001, but is currently under review to provide input in the revised NSGPR	1.Emphasizes improved food supply to meet increasing domestic and export market demands 2.Emphasizes public-private partnership in agricultural development 3.Emphasizes commodity value chain development	Revised ASDS will include rice exports among the non-traditional export commodities to be given high priority within the South-South trade framework to meet the emerging food crisis among African countries.
	<b>2. Agricultural Sector Development Program (ASDP)</b>	On-going since 2005	On-going since 2005, but it is annually adjusted to flexibly accommodate emerging priorities within the agricultural sector at district and national levels. ASDP 2013 is under preparation to coincide with the next generation of MKUKUTA.	1.A SDP can accommodate NDRS requirements at district level through District Agricultural Development Plans (DADPs) and Budgets (DADBs) 2. ASDP objectives include higher farm productivity, profitability and incomes	Since ASDP is a sector-wide basket funding mechanism, NRDS funding requirements will be accommodates easily, provided they are deemed as a priority within the DADPs and DADBs.
	<b>3. Comprehensive Africa Agriculture</b>	On-going since 2008	On-going since 2008, but	NEPAD's common framework, tool and process for the restoration of agricultural	Tanzania's CAADP Implementation was not launched by the beginning

## Tanzania NRDS Mapping Report

	<b>Development Program (CAADP)</b>		Government buy-in had not translated in implementation by end of 2008.	growth and food security in Africa	2009 and Government buy-in and leadership responsibility had not formally assumed
	<b>4. Kilimo Kwanza (Agriculture First) Initiative</b>	On-going since 2009	On-going since 2009	1. Grains (including rice) production and marketing are accorded high priority 2. Emphasis on farm productivity and value chain development	The KK Initiative is primarily being financed and implemented through the ASDP framework and process
	<b>5. Supporting Service Delivery Systems of Irrigated Agriculture (TanRice)</b>	On-going since 2007	2007-2012	1. Initially based in Rural Moshi District, but after more than doubling rice yields it has now been rolled out throughout the country by establishing and implementing new methods of agricultural training which directly profit farmers in six model irrigation zones, and provides training to more than one thousand irrigation specialists and farmers. 2. The objective of the project is to ensure that these methods are adopted at three new agricultural training centers to help increase rice incomes and thus improve the standard of living for Tanzania's rural communities. The farmers in the training are expected to share the knowledge with other farmers. The ultimate goal is to spread this training to all the 40 irrigation zones over a five-year cooperated period. Additional support is to improve the production of both upland and wetland rice by the selection of improved varieties including the New Rice for Africa (NERICA)	JICA has provided a grant of Yen 655 million grant to GoT under a 5-year PAB. Similarly, Tan Rice Limited, with an initial capital of US\$3,000,000, has been established for processing of paddy rice  Inadequate number of extension workers is acknowledged as the most critical challenge that the implementation of the NRDS faces in Tanzania

## Tanzania NRDS Mapping Report

<b>Finance and Economic Affairs</b>	<b>3. National Strategy for Growth and Poverty Reduction (NSGPR)-MKUKUTA</b>	On-going since 2001	On-going since 2001, but is currently under review and revision	<ol style="list-style-type: none"> <li>1.Emphasizes household income growth</li> <li>2. Emphasizes household food security</li> <li>3.Accords priority to increase in export earnings</li> </ol>	<ol style="list-style-type: none"> <li>1.Rice is the principal source of income in the major rice producing districts (in the Rufiji River Basin, Kahama and Magu, etc).</li> <li>2. Rice provides food security to households in major rice producing districts in the country.</li> </ol>
	<b>4. The MDGs</b>	On-going since 2003	On-going since 2003 and incorporated into MKUKUTA and MKUZA	<ol style="list-style-type: none"> <li>1.Emphasizes food and nutritional security</li> <li>2.Emphasizes increased incomes and poverty alleviation</li> <li>3.Accords priority to sustainable socio-economic growth</li> </ol>	<ol style="list-style-type: none"> <li>1.6%Annual Agriculture Productivity growth rate (by 2015) is consistent with NRDS' 5%.</li> <li>2.Current 1% Public Expenditure allocation to Agriculture is far from target of 10% (by 2008)</li> </ol>
<b>Industry, Trade and Marketing</b>	<b>3. Agricultural Marketing Policy (AMP) and</b> <b>4. Agricultural Marketing Development Strategy (AMDS)</b>	<p>On-going since 2009</p> <p>In draft and will be implemented soon</p>	<p>On-going since 2009, but still lacks a strategy to underpin its implementation</p> <p>Due for implementation in June 2010</p>	<ol style="list-style-type: none"> <li>1.Both Emphasize development of efficient food markets in the country</li> <li>2.Both Emphasize development of commodity value chains development</li> <li>3. Access to finance by actors along commodity value chains (including rice) is accorded high priority in the AMDS.</li> </ol>	<ol style="list-style-type: none"> <li>1. Rice export marketing and value addition (processing) have been accorded high priority in both the AMP and AMDS</li> <li>2. NRDS vision to transform the existing subsistence-dominated rice sub-sector progressively into commercially and viable production system is consistent with AMDS strategic objectives.</li> </ol>

## Tanzania NRDS Mapping Report

<p><b>Water and Irrigation</b></p>	<p>1. <b>National Irrigation Master Plan (NIMP -2002)</b> 2. <b>Rufiji River Basin Development Authority (RUBADA)</b> 3. <b>Pangani River IWRM Plan</b>  4. <b>District Irrigation Development Fund (DIDF) and National Irrigation Development Fund (NIDF)</b></p>	<p>On-going since 2002  On-going since 1998  Currently under preparation  On-going</p>	<p>On-going since 2002 and provides guidance to use of Tanzania's irrigation potential  Irrigation agriculture (rice production) is a major component of RUBADA  Irrigation agriculture (rice production) will be a major component of the river's integrated water resource management plan  On-going</p>	<p><b>NIMP and River Basin Management Plans</b> provide detailed information on Tanzania's irrigation potential, estimated at 29.4 ha million, of which 7.1 ha million of high and medium potential will provide the resource-base for irrigated rice production of approximately 21.3 tons million per year, substantially in excess of NRDS target of 2.0 tons million in 2018.  DIDF and NIDF finance installation and maintenance of irrigation infrastructure and water management.</p>	<p>1. <b>NRDS</b> target of doubling rice production represents less than 10% of Tanzania's resource-based rice production potential. 2. NRDS implementation thrust should be focused on the irrigated rice production potential in the Rufiji River Basin and Pangani River Basin, emphasizing partnership between smallholders' rice production schemes and medium/large scale rice processing enterprises.  Major weakness of these programs is the lack or infancy of local Water Users' Associations in many areas.</p>
<p><b>Bank of Tanzania (BoT)</b></p>	<p>3. <b>Microfinance Policy</b> 4. <b>Agriculture Financing and Insurance</b></p>	<p>On-going since 2000  On-going</p>		<p><b>BoT</b> is implementing a microfinance policy and some innovative financing schemes to stimulate local commercial banks and development of microfinance institutions to provide farmers and agribusiness</p>	<p>1. Achievements of <b>NRDS</b> objectives and targets will largely depend on private sector enterprises' and farmers' access to working and investment capital from local</p>

## Tanzania NRDS Mapping Report

	<b>Schemes</b>	since 2005		SMEs with access to finance	lenders. 2. BoT policy and schemes provide a sound framework for providing lines of credit to NRDS participants by development partners.
<b>Prime Minister's Office: Regional Administration and Local Government (PMO- RALG)</b>	<b>District Agricultural Development Plans (DADPs)</b>	On-going since 2004	On-going since 2004	1. DADPs provide the planning and implementation platform for decentralizing public programs and services under the ongoing Local Government Reform Program. 2. Local Government Authorities (LGAs) are responsible for designing and implementing DADPs which are funded through the ASDP, an agricultural sector-wide basket funding framework with multi-donor support.	DADPs provide a critical entry point for mainstreaming NRDS objectives and activities in the district development process and the major players in the DADP process are potential champions of NRDS planning and implementation at district level.

## Tanzania NRDS Mapping Report

---

### **MATRICE 2 ON FUNDING FRAMEWORKS- ONGOING & PLANNED WITH INPUTS FOR NRDS**

<b>Names of funding frameworks</b>	<b>Status (on going and in the pipeline)</b>	<b>Period</b>	<b>Stakeholders (to list, see their awareness of the existence of NRDS and its contents and identification of champions / leaders among them)</b>	<b>Activities funded</b>	<b>Type (Loan or grant)</b>	<b>Total Budget</b>	<b>Matching with NDRS sub-sectors &amp; related budget</b>	<b>Remarks</b>
1) Names of national funding frameworks :  2) International funding frameworks: (MCA <sup>4</sup> , donors country strategies and other sources)								

---

<sup>4</sup> MCA : Millennium Challenge Account (funding from US government for some African countries)

## Tanzania NRDS Mapping Report

<p>1. <b>Agricultural Sector Development Program( ASDP)</b></p>	<p>On-going since 2005</p>	<p>ASDP 2013 under preparation for implementation during a five-year period</p>	<p>Smallholder rice producers, small and medium scale rice traders and processors, planners and extension workers in local government authorities, rice researchers in Research ZoneCenters.</p>	<p>1.Stakeholders' consultations to promote buy-in at district level; 2.Extension service to farmers; 3.Rice research at Zone Centers 4.Financing of subsidized inputs sold to farmers by local traders; 5.Provision of working capital to rice farmers, traders and processors by local financial institutions; 6.Provision of investment capital to local SMEs by local banks</p>	<p>1.NRDS activities will be mainstreamed in DADPs and will be funded under the Block Grant System consisting of three fiscal grant transfers: i. District Agricultural Development Grant (DADG) ii.Extension Block Grant (EBG) iii.Agricultural Capacity Building Grant 2.Inputs subsidies will be provided to rice producers via the Government Inputs Subsidy Program 3. Working and investment capital will be provided as loans to relevant stakeholders by local financial institutions (SACCOs and Community Banks)</p>	<p>1. Although agriculture has received considerable financial support, as evidenced by the numerous projects and programs undertaken in the sector by DPs, no reliable data is available to gauge the level of budget support in the sector. 2. The ASDP annual budgets vary from year to year, depending on DP commitments within the Joint Assistance Strategy for Tanzania (JAST) and General Budget Support (GBS). 3. ASDP sets the broad objectives and targets to be attained in the long term to improve farm productivity, profitability, food security and</p>	<p>The ASDP will facilitate linking the NRDS to several national policies supporting, in particular: (i) a focus on poverty reduction; (ii) the decentralization of many public sector responsibilities to LGAs; (iii) increased participation and involvement of local communities in decision making; (iv) a shift towards increased private sector participation in production, marketing, processing and service delivery; and (v) promotion of food security and food exports.</p>	<p>1. At the launching of NRDS implementation on March 22, 2010 key stakeholders from major rice producing areas attended. 2. Within the ASDP framework, the champions for NRDS implementation will include: DADP planners, LGA councilors, LGA extension workers, local financial institutions for financing rice production, processing and trade.</p>
---	----------------------------	---	--	---	--	--	---	--

## Tanzania NRDS Mapping Report

---

						<p>higher farm incomes – all of which are specified in the NDRS.</p> <p>4. As a sector-wide planning and funding mechanism, ASDP provides the linkage between the demand-driven, field-based DADPs (NRDS) and the allocation and monitoring of national and international spending in the agriculture sector.</p>		
					<p>GBS is provided in form of grants provided by DPs and GoT budget contributions to the annual</p>	<p>1. Annual amount of GBS varies, but averaged Tsh 2,000.0 billion (US\$ 1.7 billion)</p>		



## Tanzania NRDS Mapping Report

<p>2. <b>General Budget Support (GBS)</b></p>	<p>On-going since 2000</p>	<p>On-going since 2000 and is currently provided by more than 15</p>	<p>1. GBS is the GoT's preferred development assistance delivery modality in which more than 15 DPs currently participate.</p>	<p>1. GBS enables GoT to allocate funds according to priorities of MKUKUTA, ASDS, ASDP and NRDS. 2. GBS enhances integration of external resources within government budget, permitting greater alignment of budget with MKUKUTA and ASDP priorities.</p>	<p>budgets.</p>	<p>during 2006/07 to 2009/10. 2. ODA, which is provided through the GBS, plays an important role in financing the national budget, accounting for almost 40% of the total budget.</p>	<p>The following NRDS components enjoy priority in all planning and implementation frameworks which underpin the GBS: (i) development of irrigation infrastructure, (ii) irrigated agriculture development, (iii) food security, (iv) value chain development in agriculture, and (v) increasing foreign exchange earnings and diversifying direction of trade of food products.</p>	<p>1. Within the GBS framework, NRDS-enhancing interventions can be initiated by the DP Agriculture Group and processed through the GoT/DP Agriculture Working Group. 2. The DP Agriculture Group includes all DPs who regard and focus on agriculture as a priority for their development assistance to Tanzania, and</p>
---	----------------------------	--	--	---	-----------------	---	--	--

## Tanzania NRDS Mapping Report

		DPs	<p>2. GBS is underpinned by: (i) the <b>JAST</b> (introduced in 2006), a results-based <b>Joint Program Document (JPD)</b> which reflects DPs' planned support and commitments to Tanzania; and (ii) GoT-DP performance assessment frameworks and joint annual review processes;</p> <p>3. These assessment frameworks and review processes provide opportunities for mainstream</p>	<p>3. GBS enhances budget competition among identified priorities, including those of NRDS.</p> <p>4. NDRS, as a component of GBS, will be subject to greater demand on accountability and reporting by DPs</p>				<p>include all multilateral DPs (World Bank, AfDB, IFAD, and FAO).</p> <p>3. The GoT/DP Agriculture Working Group includes representatives from the DP Agriculture Group and the Agriculture Sector Lead Ministries (ASLMs) and therefore constitute an appropriate forum for championing NRDS objectives at the national level within the context of the GBS.</p>
--	--	-----	--	---	--	--	--	--

## Tanzania NRDS Mapping Report

			<p>ing NRDS into the GBS as GBS places stronger country accountability, better alignment with MKUKUTA and ASDS priorities and budget processes (e.g., MTEF and ASDP).</p>	<p>Capacity development, program/project operating budgets,</p>	<p>1. The bulk of PBA is in form of grants, but loans are also provided to autonomous legal entities managing specific programs or projects (e.g., Rufiji Basin Development Authority- RUBADA)                  2. RUBADA has two irrigation projects in the Rufiji Basin: (i) KOTACO in the Kilombero Valley, and (ii) TAN/IRAN</p>	<p>1. Total budget for PBAs is not available.                  2 JICA's rice production support under the TANRICE program will benefit from US\$ 4.2 billion earmarked for supporting rice production and other development projects in the initial 12 CARD countries.                  3. RUBADA has received a grant of Tsh 781 million (US\$578,500) to promote development of irrigation farming in</p>	<p>1. RUBADA conducted a feasibility study in 1980, which</p>
--	--	--	---	---	--	---	---

## Tanzania NRDS Mapping Report

<p>3. <b>Program/Project-Based Assistance (PBA)</b></p>	<p>On-going, but declining</p>	<p>On-going, but being gradually replaced by GBS and ASDP</p>	<p>Bilateral and multi-lateral development partners, GoT, LGAs, Program/project beneficiaries (farmers, private enterprises in processing and trade).</p>	<p>research, extension services, infrastructure development (e.g., irrigation, roads and bridges), transportation.</p>	<p>IKARUDEP in the Lower Rufiji Valley – these are being executed in collaboration the governments of Korea and Iran respectively.</p>	<p>Kilombero Valley and Lower Rufiji Basin.</p>	<p>1. JICA support to Kilimanjaro Agriculture Training Center is considered one of the best practices in the delivery of extension service for rice production and is being rolled out for nation-wide application under the TANRICE project. 2. The Rufiji River Basin, Using Plains and Pangani River Basin have high potential for irrigated agriculture (rice) and would be suitable for PBA and external private funding, provided project cycle studies are carried out with funding from DPs to accelerate the pace of NRDS target of 2018. 3. The project cycle</p>	<p>recommended a large scale irrigation project of 65,000 ha for development, but financing has proved elusive. 2. Unless project financing within the PBA context is made available, NRDS implementation will remain stifled.</p>
---	--------------------------------	---	---	--	--	---	---	--

## Tanzania NRDS Mapping Report

---

							<p>studies (identification and feasibility) will underpin private sector investment projects in the river basins and, in particular, examine the viability of basing rice production on contract/out-grower models in which medium and large processing and trading enterprises play a critical role.</p>	
--	--	--	--	--	--	--	---	--

## Tanzania NRDS Mapping Report

### MATRICES ON FRAMEWORKS OF POLICIES DIALOGUE- ONGOING & PLANNED WITH INPUTS FOR NRDS

Name of the frameworks of policies dialogue (including those implying donors)	Status (on going and in the pipeline)	Period	Stakeholders (to list, see their awareness of the existence of NRDS and its contents and identification of champions / leaders among them)	Agenda (work plan) and issues discussed	Matching with NDRS sub-sectors	Remarks
<b>1. Public Expenditure &amp; Financial Accountability Review (PEFAR)</b>	On-going	Annually	GoT, DPs, NGOs, COBs, and Civil Organizations. PEFAR facilitates detailed discussions among domestic stakeholders and DPs on the links between the GoT's budget, outturn, and the underlying MKUKUTA and sector strategies.	Annual budget performance review, highlighting best practices, shortcomings, and ways forward (forthcoming expenditure priorities)	Facilitates tracking of NRDS-related budget expenditures	Permits inclusion of NRDS expenditures in future public expenditure priorities

## Tanzania NRDS Mapping Report

<p><b>2. Agricultural Public Expenditure Review (APER)</b></p>	<p>On-going</p>	<p>Annually</p>	<p>GoT, DPs, NGOs, COBs, and Civil Organizations, Academia</p>	<p>Annual agricultural budget performance review, highlighting best practices, shortcomings, and ways forward (forthcoming expenditure priorities)</p>	<p>APER facilitates tracking of NRDS-related budget expenditures and its alignment with NRDS priorities</p>	<p>APER permits inclusion of NRDS expenditures in future agricultural sector expenditure priorities</p>
<p><b>3. Program/Project Implementation Reviews (PIRs)</b></p>	<p>On-going</p>	<p>Periodic</p>	<p>GoT, DPs, NGOs, COBs, and Civil Organizations, Academia</p>	<p>Periodic program/project implementation review, highlighting consensus on achievements, challenges and ways forward</p>	<p>PIR facilitates timely advice of experts on ways for enhancing program/project performance and how NRDS expenditures can be revised to enhance achievement of objectives.</p>	<p>PIRs can provide timely incorporation of NRDS priorities in on-going or future programs in rice production areas</p>

## Tanzania NRDS Mapping Report

<p><b>4. Agricultural Sector Reviews (ASRs)</b></p>	<p>On-going</p>	<p>Annual</p>	<p>DPs and GoT</p>	<p>Performance assessment of the agricultural sector, highlighting achievements, outstanding issues and options for enhancing the sector's performance</p>	<p>ASRs constitute the main agenda of the Agriculture's <b>National Steering Committee (NSC)</b>: <i>whose membership consists of Permanent Secretaries of the ASLMs</i>. NSC reviews top level thinking about policy, coordination, monitoring and allocation of resources in the agricultural sector.</p>	
---	-----------------	---------------	--------------------	--	---	--



## Tanzania NRDS Mapping Report

<p><b>5. Joint Assistance Strategy for Tanzania (JAST)</b></p>	<p>On-going since 2007</p>	<p>2006/07 – 2009/10</p>	<p>GoT and DPs</p>	<p>Under JAST DPs commit themselves to align their support to GoT poverty reduction priorities and to facilitate accountability by being transparent in the provision of their development assistance.</p>	<p>JAST is a good practice for NRDS because it : (i) increases DP assistance predictability; (ii) integrates external resources in the GoT budget; (iii) harmonizes and rationalizes GoT and DPs’ processes ; and (iv) links accountability for the use of development assistance to performance by GoT.</p>	<p>NSC provides a suitable window for championing NRDS priorities and this could be done by ensuring that an annual review of NRDS takes place in the context of the annual ASRs. In line with the Paris Declaration (2005), national planning and budget process aim to combine GoT leadership with DP dialogue and increasingly effective domestic participation. Hence, the JAST provides fertile soil for NRDS to thrive.</p>
--	----------------------------	--------------------------	--------------------	--	--	---

## Tanzania NRDS Mapping Report

---

## Tanzania NRDS Mapping Report

**MATRICE 4 ON PROJECTS/PROGRAMMES OF PARTNERS IN DEVELOPMENT- ONGOING & PLANNED WITH INPUTS FOR NRDS**

Partners in Development	Name of Project /Program	Status (on going and in the pipeline)	Period	Category (specific activities)	Country coverage	Type (loan or grant)	Total Budget of Project /Program	Matching with NDRS sub-sectors & related budget	Remarks
<b>1. Multi-Development Partners</b>	<b>Agricultural Sector Development Program (ASDP)</b>	On-going and under review	2005-2013	Provision of support services, TA, capacity development,	National	Grants	Approximately US\$ 200 million/year	NRDS budgets will be included in the DADPs which are financed by the ASDP.	DADPs provide a critical entry for NRDS into the ASDP and GBS.  Additional PBA projects for rice development (like TanRice) in Tanzania's high potential river basins would be required to achieve the NRDS objectives and targets.
<b>2. TANRICE</b>	<b>Japan Internal Cooperation Agency (JICA)</b>	On-going since 2007	2007-2012	Provision of support services, TA, capacity development, irrigation infrastructure, rice processing	National	Grants	Yen 655 million (USD65.5 million) for the project period	NRDS implementation is dovetailed to implementation of TanRice	1.RUBADA's effort in

## Tanzania NRDS Mapping Report

<p><b>3. Rufiji Basin Development Authority (RUBADA)</b></p>	<p><b>Governments of Korea and Iran</b></p>	<p>On-going since 1975 when RUBADA was established</p>	<p>RUBADA has several on-going and pipeline projects</p>	<p>Provision of support services, TA, capacity development, irrigation infrastructure, rice processing</p>	<p>Rufiji River Basin</p>	<p>Grants, loans and equity</p>	<p>Government grants in 2009: US\$578,500 ; Loans: unknown; Equity: unknown</p>	<p>The Rufiji River Basin is the largest catchment in Tanzania, covering 177,420 square kilometers and has the highest potential for irrigated agriculture, which, if fully exploited, would enable the country to meet NRDS objectives and targets before 2018.</p>	<p>expanding rice production is constrained by shortage of funds – requiring GoT and DPs attention in the context of implementing the NRDS. 2. In each river basin, feasibility studies for rice production under smallholder contract/out-grower models should be conducted.</p>
--	---	--	--	--	---------------------------	---------------------------------	---	--	---

# Tanzania NRDS Mapping Report

---

## Appendix 1

### REFERENCES

- IFAD (2001) Agricultural Marketing Systems Development Program, Volume I: Main Appraisal Report.
- JICA (March 2005) Study for the Progress in Implementation of District Agricultural Development Plans (DADPs)
- URT (2006) Medium Term Expenditure Framework: 2006/07 – 2009/10
- \_\_\_\_\_ (2006) Joint Assistance Strategy for Tanzania
- URT-MAFC (2006) Agriculture Sector Review: Performance, Issues and Options. Main Report Volume II
- URT (2000) Microfinance Policy
- URT (2005) Agriculture Sector Development Program, Appraisal Report
- URT-PO-RALG (2004) ASDP Basket Fund, Financial Mechanism Fund
- URT (2006) Functions and Organizational Structure of the Ministry of Agriculture, Food Security and Cooperatives (Approved by the President April, 2006)
- \_\_\_\_\_ (various years) Public Expenditure Reviews
- \_\_\_\_\_ (2005-2007) Agriculture Sector Expenditure Reviews
- \_\_\_\_\_ (2005) Local Government Capital Development Grant LGCDG System Review
- \_\_\_\_\_ (2001) Agricultural Sector Development Strategy
- \_\_\_\_\_ (2001) National Strategy for Growth and Reduction of Poverty (MKUKUTA)
- \_\_\_\_\_ (2003) Small and Medium Enterprise Development Strategy
- URT (2006) ASDP-Support Through Basket Funding; Government Program Document.
- URT/World Bank (2000). Agriculture: Performance and Strategies for Sustainable Growth.
- (URT) (2002) National Irrigation Master Plan
- \_\_\_\_\_ (1998) Rufiji River Basin Development Authority Act
- \_\_\_\_\_ (2010) Agricultural Marketing Development Strategy (Draft)
- \_\_\_\_\_ (2009) Kilimo Kwanza (Agriculture First)
- \_\_\_\_\_ (2009) National Rice Development Strategy

# Tanzania NRDS Mapping Report

---

## Appendix 2

### LIST OF PEOPLE MET/INTERVIEWED

<u>NAME</u>	<u>TITLE</u>	<u>ORGANIZATION</u>
Mr. Charles Achayo	Director of Policy and Planning	Ministry of Agriculture, Food Security and Cooperatives
Mr. Beatus A. Malema	Principal Agricultural Officer	MAFC
Mr. Lomasai	ASDP Secretariat	MAFC
Mr. A.S.M. Mwaimu	Director of Policy and Planning	Ministry of Industry, Trade and Marketing
Mr. Odilo J. Majengo	Assistant Director- Marketing	MITIM
Mr. Ezamo S. Maponde	Senior Economist – Policy	MITM
Mr. Joseph N. Mallya	Outcome Manager	Prime Minister’s Office. Regional Administration and Local Government
Mr. Aloyce Masanja	Deputy Director General,	Rufiji Basin Development Authority