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TANZANIA

FY 2010 Implementation Plan

U.S. Government Working Document

The Feed the Future (FTF) FY 2010 implementation plans are working documents outlining U.S. government planning for the first year of the Global Hunger and Food Security Initiative. These plans represent a transition towards the development of multiyear strategies and are targeted at investments that lay the foundation for a new country-level and coordinated approach with a diversity of partners. Multiyear strategies are under development that will span development and diplomatic actions across multiple USG agencies.

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Abbreviations and Acronyms

AGRA	Alliance for Green Revolution in Africa
AgCLIR	Agribusiness Climate Legal Institution Reform
AOTR	Agreement Officer Technical Representative
ASARECA	Association for Agricultural Research in East and Central Africa
ASDP	Agriculture Sector Development Program
BEST	Business Environment Strengthening of Tanzania
BizCLIR	Business Climate Legal Institutional Reform
CAADP	Comprehensive Africa Agriculture Development Program
CGIAR	Consultative Group of International Agriculture Research
CFP	Cochrane Fellowship Program
COMPETE	Competitiveness and Trade Expansion
COTR	Contracting Officer Technical Representative
CRSP	Collaborative Research Support Program
DAI	Development Alternatives Incorporated
DCA	Development Credit Authority
DFID	Department for International Development
DPG	Development Partners Group
EAC	Eastern Africa Community
EGAT	Economic Growth, Agriculture and Trade
FANTA	Food and Nutrition Technical Assistance
FAO	Food and Agriculture Organization
FCI	Financial Crisis Initiative
FDI	Foreign Direct Investment
FEWSNET	Famine Early Warning System Network
FY	Fiscal Year
GATE	Greater Access to Trade Expansion
GBS	General Budget Support
GDA	Global Development Alliance
GDP	Gross Domestic Product
GFSR	Global Food Security Response
GOT	Government of Tanzania
HEPAD	Higher Education Partnerships for African Development
HBS	Household Budget Survey
IITA	International Institute of Tropical Agriculture
IFAD	International Fund for Agriculture Development
IQC	Indefinite Quantity Contract
iWASH	Integrated Water, Sanitation and Hygiene program
JAST	Joint Assistance Strategy for Tanzania
LGU	Land Grant University
MDGs	Millennium Development Goals
MEMS	Monitoring and Evaluation Management System
MKUKUTA	National Strategy for Growth and Poverty Reduction (GOT)
MT	Metric Tons
MUS	Multiple Use Services
NAPA	National Adaptation Plan for Action
NBS	National Bureau of Statistics
NEPAD	New Partnership for Africa's Development
NOAA	National Oceanic and Atmospheric Administration

NAR	National Agricultural Research
OTA	Office of Technical Assistance
PAPA	Participating Agency Program Agreement
PLACE	Prosperity, Livelihoods and Conservation Ecosystems
PESA	Private Enterprise Support Activities
RANET	Radio and Internet for the Communication of Hydro-Meteorological and Climate Related Information
SADC	Southern Africa Development Community
T-MEMS	Tanzania Monitoring and Evaluation Management Services
TAHA	Tanzania Horticultural Association
TASTA	Tanzania Seed Trade Association
TFNC	Tanzania Food and Nutrition Center
TMA	Tanzania Meteorological Agency
TPSF	Tanzania Private Sector Foundation
TTIS	Tanzania Trade Integration Strategy
USACE	United States Army Corps of Engineering
USAID	United States Agency for International Development
USG	United States Government
USDA	United States Department of Agriculture
USTDA	United States Trade and Development Agency
WFP	World Food Program
WID	Women in Development
WLTIE	Women's Leadership Training in Economics
WTO	World Trade Organization

I. INTRODUCTION

USG assistance to Tanzania's agriculture and food security effort could not come at a more critical time. *MKUKUTA*, the National Strategy for Growth and Poverty Reduction, is not on track to meet the Millennium Development Goals (MDGs) for reducing the percentage of people below the food poverty line and halving the number of people below the income poverty line. The 2007 Household Budget Survey (HBS) established that the number of people living below the poverty line increased by one million between 2001 and 2007. Tanzania performs moderately better in food self-sufficiency compared with other countries in the region, but malnutrition is rampant among under-five children (38% stunted and 22% underweight), and the country remains vulnerable to food price fluctuations.

Conditions are ideal for Tanzania to benefit from significant increases in agricultural assistance to support scaled impact in food security. Food security is paramount in Tanzania's development agenda, and the 2006-2015 Agricultural Sector Development Program (ASDP) identifies implementation and monitoring plans to link results to investments. There is agreement that a Comprehensive Africa Agriculture Development Program (CAADP) compact and a joint monitoring plan linking the USG food security initiative to ASDP will be established by end of the 2010 program year.

In FY 2010, the Global Hunger and Food Security Initiative (GHFSI) will lay the groundwork for future investments. By utilizing current implementing mechanisms and leveraging existing national strategies and processes to conduct requisite analytical assessments, program design, training and capacity building, the GHFSI will produce rapid results.

Internally, USAID/Tanzania (the Mission) has a dynamic, focused staffing plan to accommodate anticipated increased resources and responsibilities, and the full support of the USG

in-country to design and roll out this major initiative.

2. FY 2010 OBJECTIVES

This report outlines the USG/USAID implementation plan for the emerging food security framework in Tanzania, the goal of which is to "Increase Agricultural Growth and Expand the Staple Food Supply."

2.1. COUNTRY-LED COMPREHENSIVE STRATEGY

This program aligns with and will contribute to the 2006-2015 Agricultural Sector Development Program (ASDP), Tanzania's roadmap for agricultural development that forms part of the broader National Strategy for Growth and Poverty Reduction (*MKUKUTA*). These coordinated initiatives, coupled with renewed efforts by GOT to invigorate agriculture through the *Kilimo Kwanza* (Agriculture First) campaign, and a recently fast-tracked CAADP Compact process, mark a new stage in the transformation of Tanzania's lagging agriculture sector. These combined efforts will accelerate progress toward achievement of MDG 1: To halve the proportion of people living below the poverty line and suffering from hunger by 2015.

2.1.1. Consultative Process

The Mission has played the lead role in USG support to the agriculture sector, working closely with other USG organizations through a 'whole-of-government' approach. USAID has the technical expertise and capacity to lead this initiative, and the contributions and priorities of other USG actors are fully integrated throughout the plan. The results of our work in support of Tanzania's agriculture sector—in partnership with GOT and other donors—are extraordinary, considering extremely low USG funding levels of \$2-3 million annually over recent years. Most development assistance in Tanzania is in the form of General Budget

Support (GBS) or basket funding. Our unique development modality has led both donors and GOT to request USAID support for specific activities (horticulture and access to credit), where other aid modalities have limited their ability to rapidly address short-term needs with potentially broad impact.

To coordinate and inform inputs to this implementation plan, the Mission undertook a series of technical and strategic consultations with relevant ministries, private sector associations, academicians and donors. Following multiple presentations to Donor Partner Groups and GOT officials, our process culminated in a presentation to the Agriculture Sector Consultative Group (the ASDP technical committee), chaired by the Ministry of Agriculture, which fully endorsed the USAID emerging food security program. Formal feedback provided by the Consultative Group has been incorporated into this plan.

2.1.2. Status of CAADP

When the New Partnership for Africa's Development (NEPAD) adopted CAADP (2005), the GOT was finalizing ASDP for implementation in 2006. The GOT began the CAADP process, but progress stalled based on a consensus that ASDP articulated the CAADP pillars. Following the G8 L'Aquila meeting and 2009 multi-donor CAADP meeting, the GOT revived CAADP by inviting the NEPAD Secretariat to assess ASDP compliance with CAADP requirements. The GOT has reaffirmed its commitment to the CAADP process by allocating 7% of the budget to agriculture in FY 2009/10, with the goal of meeting the 10% CAADP benchmark by FY 2010/11.

The NEPAD assessment team visited Tanzania from February 24-March 1, 2010. It concluded that the ASDP framework is aligned with and articulates CAADP pillars. Based on these findings, the CAADP process can be expedited with a CAADP Compact signing slated for June 2010, prior to the African Union Summit in July.

The assessment team identified a number of gaps to be addressed in making ASDP compliant with CAADP including:

- The 5% ASDP agricultural sector growth target falls short of the 6% CAADP target and should be more ambitious given Tanzania's potential;
- ASDP is inward looking and does not fully leverage regional and international markets in staples and food commodities;
- ASDP is focused on basket-funded investments and needs to be inclusive to leverage other aid modalities, such as project funding and the activities of private foundations and non-state actors, including the Gates Foundation;
- ASDP does not adequately address nutrition, social protection, and related issues such as food fortification;
- The role of the private sector in ASDP is limited; and
- ASDP needs to more effectively leverage contributions by national research institutions such as Sokoine University of Agriculture.

Based on these findings, it has been agreed that CAADP and ASDP analytical reviews will be merged starting with the next ASDP mid-term review, March-June 2010. ASDP implementation was estimated to cost \$2 billion in 2006, but this figure will likely increase based on the NEPAD recommendations to scale up and intensify ASDP interventions.

The GHFSI Implementation Plan targets key gaps identified in the initial CAADP review. USAID has recently begun to engage substantively in the CAADP process, with the Mission organizing a meeting among key donors and the Ministry of Agriculture to review CAADP and to chart a way forward that leverages South-South exchange with Ethiopia.

FY 2010 Proposed Actions: USAID will collaborate with FAO and donors to facilitate

the CAADP roundtable, update the country Compact, mainstream ASDP into CAADP, and validate the CAADP Investment Plan.

Analytical Work: An assessment will examine CAADP articulation and alignment with ASDP.

Figure 1: The CAADP Process

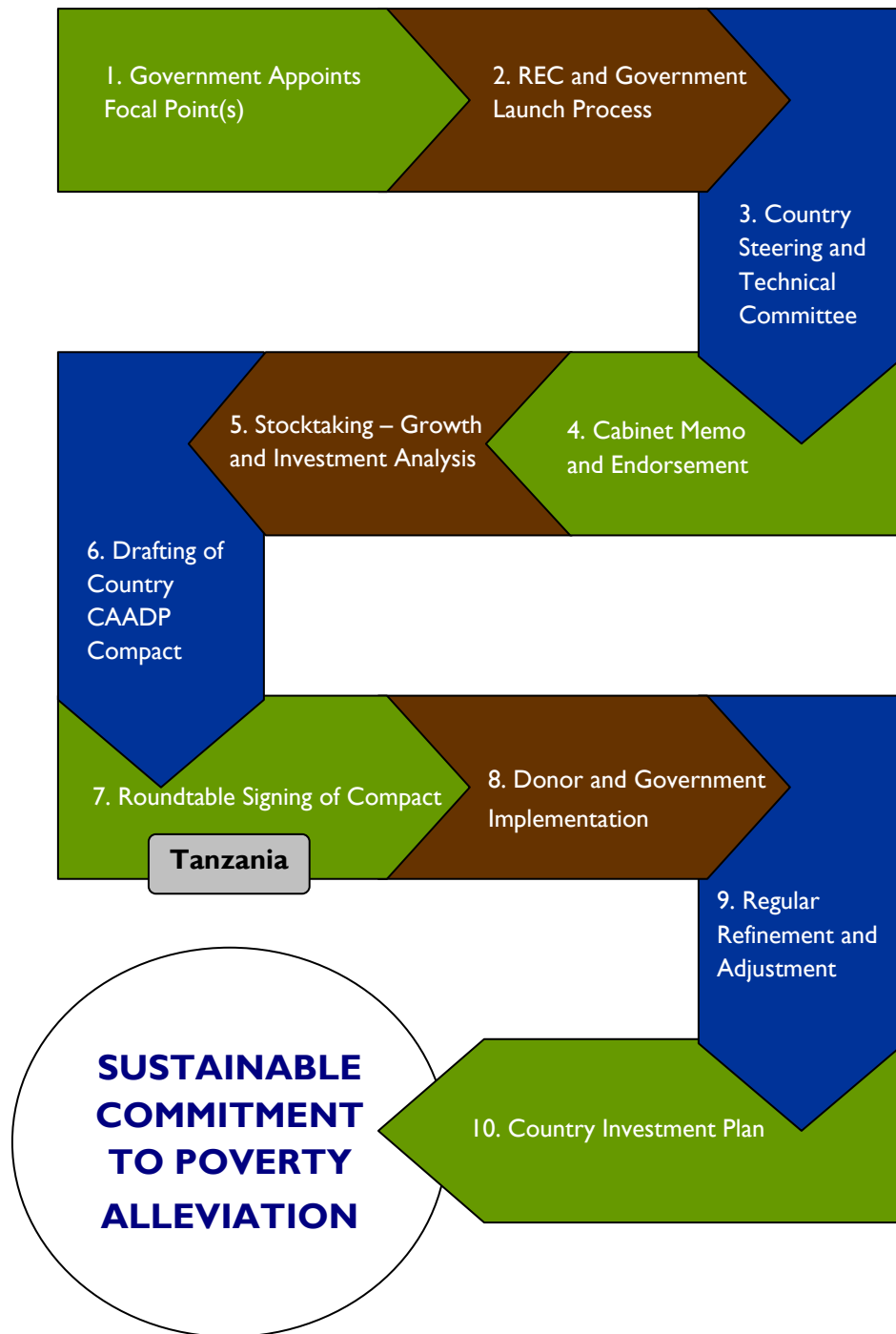


Table 1: Accelerated CAADP Timeline for Tanzania

Month	March 2010				April 2010				May 2010				June 2010			
Activities	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Preparatory work for the Scoping Mission																
Scoping Mission to review ASDP and complete analytical work																
Finalization of Scoping Mission reports																
Stock taking and preparation of a draft Compact																
Finalization of draft Compact / Consultative process																
Compact signing																

2.2. AFRICAN CAPACITY BUILDING

FY 2010 funds will support strengthening the capacity of food security implementing partners. Over 100 partners will be trained on food security and nutrition, policy issues, strategic planning, monitoring and evaluation, entrepreneurship and agribusiness development, value chain optimization, climate change adaptation, river basin management, safety nets and outreach to vulnerable smallholder populations.

2.3. INVEST IN PRIORITY ACTIONS

Tanzania's comprehensive approach will advance the following key GHFSI objectives.

- Increase sustainable market-led growth across the entire food production and market value chains;
- Prevent and treat undernutrition; and
- Increase the impact of humanitarian food assistance and social safety nets.

To achieve this ambitious outcome, FY 2010 actions will lay a sound, multi-year foundation for GHFSI by:

- Filling critical analytical gaps through targeted assessments in value chains

(including the first pilot MicroCLIR in staples), policy-enabling environment (AgCLIR), gender constraints and participation, CAADP – ASDP harmonization, irrigation potential, training and capacity-building needs, and nutrition (building on WFP's pending national food and nutrition vulnerability assessment);

- Taking a lead donor role partnering with GOT to support the CAADP Roundtable and Compact;
- Leveraging prior investments in agriculture and linkages to other USG development programs in Tanzania;
- Formalizing USG and donor coordination mechanisms; and
- Building joint monitoring programs between GHFSI and the GOT ASDP, and finalizing Performance Monitoring Plans for the FY 2010 bridge-year and comprehensive roll-out of GHFSI in FY 2011.

3. TARGET GROUPS BY LOCATION AND INCOME

Tanzania has made some progress towards Millennium Development Goal 1: To halve the proportion of people living below the poverty line by 2015. However, based on 1990-2007 trends, Tanzania will miss the MDG1 goal without interventions to accelerate poverty reduction.

Tanzania experiences high regional and seasonal variability in poverty levels and food availability. Agriculture in Tanzania employs 80% of the workforce and contributes one-third of GDP. Poverty is highest in the Central Zone regions of Dodoma, Manyara and Singida, and along the southern coast. Fifteen districts are generally classed as chronically food deficient, primarily in the central regions of Dodoma, Manyara, Singida and Tabora.

Undernutrition is most prevalent in young children (under-five) from the poorest and rural households, while Vitamin A and micronutrient deficiency is most common among children, and pregnant and lactating mothers. A recent Child Poverty Report (REPOA, NBS and UNICEF, 2008,) highlights disparities in nutrition, with stunting rising 8% among the poorest households (mostly in Central Zone and

southern coast) at the same time that the least-poor households experienced a 20% drop (1999-2004.)

Prioritizing agricultural households in GHFSI target regions will maximize the impact of USG investments to accelerate Tanzania's progress in achieving MDG 1.

GHFSI target regions have an estimated population of 6 million (indirect beneficiaries) and nearly 1 million farming households (direct beneficiaries.) The 2007 Household Budget Survey (HBS) indicates that well over one-third of people in GHFSI target rural areas live below the poverty line (37.6%), much higher than in Dar es Salaam (16.4%) or in other urban areas (24.1%). Poverty is particularly acute in Zanzibar where nearly half (49%) of approximately one million people live below the income poverty line.

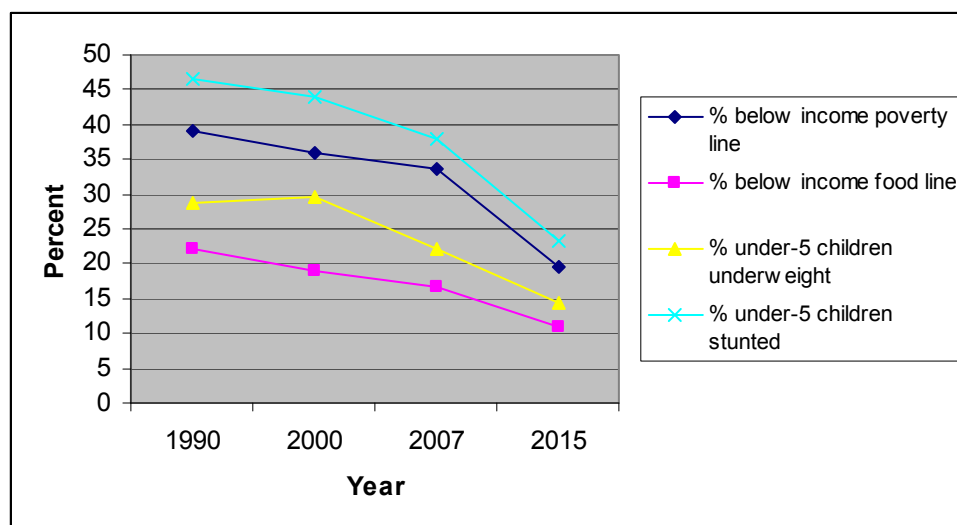
GHFSI target regions in central and northern Tanzania are areas with high agricultural potential that serve as gateways to chronically food-insecure districts. Morogoro and Zanzibar will be the focus of irrigated rice production, while maize value chains will be promoted in Dodoma and Manyara regions. Both Dodoma and Manyara suffer from chronic food shortages despite strong potential for agricultural development.

Table 2: Tanzania's roadmap to MDG1: To halve by 2015, the proportion of people living below poverty line and suffering from hunger

Indicator	1990 (Baseline)	2000 Results	2007 Results	2015 (Target)
Percentage of people living below income poverty line	39	36	33.6	19.5
Percentage of people living below food poverty line	22	19	16.6	11
Percentage of under-weight under-5 children	28.8	29.5	22	14.4
Percentage of under-height under -5 children (stunted)	46.6	44.0	38	23.3

Source: Poverty and Human Development Report – 2007, United Republic of Tanzania, Ministry of Finance and Economic Planning.

Figure 2: Accelerating Tanzania's Progress towards MDG I



4. CORE INVESTMENT AREAS

The Mission's agriculture and food security investment areas have been established through a collaborative, analytical process, including review of ASDP, intensive consultations with all relevant GOT ministries and key donor partners, and completion of two analytical assessments over the past four months (the "Agriculture Value Chain Synthesis" and the "Agriculture Enabling Environment BizCLIR Pre-Analysis"). This process resulted in a food security program designed to increase food production and availability (staples) and strengthen secondary value chains (horticulture and livestock) in order to improve household income diversification and nutrition, particularly for women and smallholder farmers.

Morogoro is one of six regions earmarked by GOT as a priority for national food security and the target area is a frontier to the semi-arid Central Zone with chronic food insecurity and the highest levels of poverty and malnutrition in the country.

4.1. CORE AREAS

Tanzania's comprehensive GHFSI approach was developed through intensive consultations and will enhance productivity, private sector activities, the enabling environment for investment and trade, and adaptation to climate change. At the same time, it will address the needs of vulnerable populations, particularly women and children. Proposed activities are in line with the 2005 Tanzania medium-term CAADP investment plan.

In order to intensify impact, USAID assistance will focus primary investments on the central and northern regions of Morogoro, Dodoma and Manyara. The geographic focus takes into consideration agriculture potential, activities of other donors, previous USG, other donor and GOT investments, and potential for regional trade along transport corridors. Morogoro is one of six regions earmarked by the GOT as a priority for national food security. The target area is a frontier to the semi-arid Central Zone with chronic food insecurity and the highest levels of poverty and malnutrition in the country.

Annual staples demand in Tanzania is about 10 million tons with maize (3.66 million) and rice

(1.34 million) accounting for half of the total. FY 2010 investments will set the stage for a five-year plan to increase staples supply in Tanzania by 25% (1.25 million tons), turning Tanzania into a net exporter by 2014.

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USAID assistance is based on six established criteria:

- Potential to impact food security at the household level;
- Impact on poverty reduction;
- Potential for regional trade;
- Overall economic impact and cross-sectoral linkages;
- Potential to reduce risk and vulnerability to climate change; and
- Potential to improve the enabling environment and private sector competitiveness.

In addition to staples, USAID will continue to support and expand horticulture and livestock as secondary value chains.

Deficiencies in energy and protein, and micronutrients such as minerals and vitamins, are high in Tanzania. Horticulture contributes to food security through increased income (improving household purchasing power) and opportunities for nutritional diversification. Horticultural crops are popular with women farmers and not land intensive. Given that land in Tanzania is commonly inherited along paternity lines, horticulture is less prone to land tenure constraints.

USAID livestock support offers an opportunity to reach vulnerable populations in pastoral communities who depend on markets for their food grain supply. Tanzania has the third largest livestock population in Africa (over 15 million

head), but the sector contributes only 6.1% of GDP. A recent study estimated that over 280,000 head of cattle are exported informally to Kenya alone. Development of a profitable and formalized livestock value chain will increase livestock keepers' incomes, choice in domestic markets and overall export revenue.

4.1.1. Increased Agricultural Productivity – Irrigation, Rural Roads, Farm Inputs

Current/Potential USG/Donor Partners:

USDA, ASDP Basket (World Bank, Japan, Ireland, IFAD, AfDB), the Gates Foundation

MDGI: Increasing productivity will reduce the number of people suffering from hunger

Key Issue: Low productivity has hampered Tanzania's growth in the agricultural sector. Most staples have yields of less than one ton/ha. The 2002-2003 agricultural census shows that Tanzania's average yields for maize and rice are far below the African average at 0.75 (1.29 tons/ha in Africa) for maize, and 0.95 (2.3 tons/ha in Africa) for rice. Low productivity of cereals in Tanzania is attributed to dependency on rain-fed agriculture and low usage of fertilizer, improved seeds and pesticides.

GOT Priority:

Tanzania has over 2.3 million ha of high-potential land for irrigation, but only 289,245 ha are developed. The ASDP

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target to develop 441,000 ha of land for irrigation by 2010 is far from being reached. Morogoro Region is considered to have the highest irrigation potential, but remains the least developed in irrigation infrastructure with over 350,000 agricultural families using traditional irrigation canals in Morogoro. The Ministry of Agriculture has completed feasibility studies for seven irrigation schemes identified in the National Irrigation Master Plan.

ASDP has allocated resources to support a voucher system for fertilizer and seed subsidies.

In FY 2008, the GOT spent \$53 million on an input subsidy voucher system in partnership with the Alliance for Green Revolution (AGRA) supporting value chain development for inputs, including agro-dealer training on business skills. In June 2009, the World Bank approved an additional \$220 million for ASDP to address food security through the Accelerated Food Security Program. Of the total fund, \$160 million is allocated for expansion of the voucher system for farm inputs.

To capitalize on this investment, the World Bank has requested that USAID facilitate financing for agro-dealers through a credit guarantee and to provide additional resources for AGRA to expand agro-dealer business skills training. While this program in Tanzania is still in an early stage, a 2007 USAID-funded SADC Regional Study found that the Malawi input voucher program has improved household food security and increased the national maize surplus from 0.5 million MT in 2005-2006 to 1.3 million MT in 2006-2007. Maize yields increased from less than one MT to 2.04 MT/ha. Other benefits included growth and expansion of private sector business, creation of competition among players, increased use of new technologies, and improved per capita use of fertilizer and seed.

USAID Past

Investment: USG, through USAID, supported a successful Rural Roads Program from 1998-2002 in the GHFSI target areas that rehabilitated 1,800 km of rural roads connecting production areas with rural markets, and with trunk roads leading to urban markets. Program impact assessments showed that transport costs fell by 34%, utilization increased by 30%, and farm income in beneficiary communities rose by 44%.

The USG, through USAID, supported a successful Rural Roads Program from 1998-2002, within the GHFSI target areas that rehabilitated 1,800 km of rural roads to connect production areas with rural markets and with trunk roads leading to urban markets.

Most of Tanzania's foundation seed farms were established through USG support in the 1960s, but now the country relies heavily on imported seeds that are not always well adapted to the local climate. Three of six existing seed farms are in GHFSI target areas.

FY 2010 Proposed Actions: Irrigation, a major component of ASDP, is crucial to reducing dependency on unreliable rain-fed agriculture. Irrigation, coupled with access to markets, enhanced fertilizer supply, and improved seeds, has the potential to increase productivity significantly. FY 2010 resources will update appraisal studies for seven irrigation schemes requested by the GOT to prepare for procurement in FY 2011. These assessments will examine design and financial and environmental feasibility, while also considering projected impacts of climate change on water availability. Recommendations will be included for decision-support tools such as water management calendars to improve overall efficacy. Environmental compliance actions will also be necessary for irrigation projects that have serious implications for surface water extraction and contaminant run-off.

The FY 2010 budget will also initiate the rehabilitation of two systems (at the request of GOT) resulting in improved irrigation for over 2,000 ha to double productivity and improve integrated water resources management. The longer-term goal is to develop 52,000 ha of irrigated land in seven schemes, improving productivity and increasing annual production of staples by 25% (1.25 million tons) in five years.

USAID will support the revival of foundation seed farms. We will work with private seed out-growers through Development Credit Authority (DCA) credit guarantee to support and strengthen the Tanzania Seed Trade Association (TASTA) in establishing public-private partnerships that take advantage of agribusinesses as an alternative source of support for seed farms. USAID will also support the Morogoro and Arusha-based Agricultural Research Station and National Seed Laboratory to continue breeding high yielding seeds and varieties resistant to draught, pestilence and

disease. We will also support the International Institute of Tropical Agriculture (IITA) in multiplication and distribution of the improved rice variety *Nerica*.

Analytical Work: Feasibility Studies and Engineering Design.

The GOT has already completed pre-feasibility studies for development of seven irrigation schemes in Morogoro with a total area of 47,263 ha. Upgrading these studies into full-fledged feasibility studies is needed to include detailed engineering designs and environmental impact assessments with the goal of making the projects procurement ready by FY 2011. Additionally, an assessment of rural roads and other productivity enhancing investments in the target areas will be scoped for implementation in FY 2011.

4.1.2. Maintain Natural Resource Base and Promote Adaptation to Climate Change

Current/Potential USG/Donor Partners: World Bank, Norway, DFID, DANIDA, UNDP and UNEP

MDGI: Adaptation to climate change will reduce vulnerability to extreme events and inform development of sustainable agriculture.

Key Issue: Agricultural expansion is one of the most severe threats to Tanzania's natural resource base. There is a close linkage between poverty and environmental degradation.

Tanzania's forests—valuable reservoirs of biodiversity and an important watershed resource critical for human health and agriculture—are being cleared at the alarming rate of 400,000 ha per year, the 3rd highest deforestation rate in Africa.

Poorly planned

Tanzania's forests, valuable reservoirs of biodiversity and an important watershed resource critical for human health and agriculture, are being cleared at the alarming rate of 400,000 ha per year.

settlement patterns coupled with high population growth have led to poor land use and unsustainable agricultural practices. If the USG goal is to create long-term, sustainable agricultural growth, it must be done in the context of conserving the natural resource base to sustain those activities for growing populations.

Considering the potential near- and longer-term impacts of climate change is fundamental to sustainability. Forecasts for East Africa show extremes in precipitation and temperature, two of the most important factors in understanding and mitigating agricultural risk.

GOT Priority: Tanzania's National Adaptation Plan of Action (NAPA) will be expanded over the coming year to address challenging issues such as decision-support science and research for the agriculture and water management sectors. Climate change has been taken up as a cross-cutting issue in the national poverty reduction strategy (MKUKUTA). The Vice President's Office, Division of Environment, is now leading a new multi-ministry effort on adaptation.

The Ministry of Agriculture, through ASDP, recognizes that low productivity and agricultural expansion combined remain one of the most severe challenges to meeting performance indicators on environmental management and to transforming agriculture through productivity and competitiveness.

USAID Past Investment: The Mission 2009 Annual Program Statement clearly defined the importance of integrating climate change adaptation measures within future agriculture and environment programs. Recent USAID awards integrate climate change adaptation as a cross-cutting component. The USAID strategy of engagement was formulated based on intensive collaboration with the Donor Partner Group for Environment in Tanzania. USAID authored the first draft of "Climate Change Impacts in Tanzania: A Framework for Donor Coordination," which is the basis for current and projected donor support to the sector. Additionally, all new horticulture awards have a

sustainability imperative and focus on improving productivity rather than expansion, with particular regard to improved land and water management utilizing seasonal to inter-annual climate forecasts, and planning under long-term climate change scenarios.

FY 2010 Proposed Actions: FY 2010 resources will be used to strengthen river basin authorities to effectively manage water resources and to support the Tanzania Meteorological Agency (TMA) in providing climate and weather forecast information to farmers. This will principally take place through scale up of the pilot Radio and Internet for the Communication of Hydro-Meteorological and Climate Related Information-RANET (climate variability) program co-developed by USAID and NOAA. It will include a public outreach component to disseminate market information and climate forecasts, as well as, enhancing policy advocacy and public education on agriculture, nutrition and entrepreneurship.

The USG will utilize FY 2010 resources (with other donors) to support the expansion of NAPA to more strategically address climate change. Recent horticulture awards will continue and will provide impact data on progress for the sustainability indicator.

Analytical Work: Initial results from the Tanzania AgCLIR (Agriculture Climate, Legal, Institutional and Regulatory) Assessment indicate that legal and regulatory frameworks to reduce greenhouse gas emissions such as bi-laws against wildfire, watershed protection and land use plans for pastoralist and farmers, exist in rural Tanzania, yet the institutions charged with enforcing these laws and regulations are weak. To address this enforcement gap, the assessment recommends strengthening institutional capacity at the local government level. Potential additional analytical work may require targeted impact assessments, sector analyses to understand decision makers' needs for climate information, and technology systems analysis linking climate science and information products to enhanced adaptive management.

Any future USAID work will build on existing assessments such as DFID's pending "Country Level Economic Impacts of Climate Change" – a synthesis of DFID reports on climate change and the WFP Comprehensive Food Security Vulnerability Assessments. This work will shed light on climate change contributions to food insecurity and will support strategic planning for adaptation. Analytical work will also be supported by the EGAT Microenterprise Program to show the potential of microfinance to enhance adoption of clean energy by Tanzanian households.

4.1.3. Stimulate Private Sector

Current/Potential USG/Donor Partners: DFID, World Bank, EU, AfDB, Netherlands, DANIDA, Japan, Sweden, Switzerland, UNDP and IFAD

MDGI: Increased private sector participation will increase household income and reduce poverty.

Key Issue: Smallholders account for over 80% of production with limited private sector participation, impeding overall growth in the sector. Tanzania spends \$200 million annually to import high-value food products due to a lack of product diversification and value addition. There are only a few medium- and large-scale millers in the country. Morogoro alone has over 150 small-scale millers, mostly using outdated technology with low returns. PEPFAR and the WFP import food products that could be produced locally, such as corn-soya-blend, fortified products for school feeding, food-by-prescription, and other support to vulnerable groups.

GOT Priority: Private sector development, an ASDP priority, remains underfunded. The USG approach to public-private partnerships and value chain development can create significant private sector incentives and investments and is recognized by the GOT as a model for improving the private sector approach throughout ASDP.

USAID Past Investment: Since 2001, USAID has devoted considerable effort to developing private sector-driven value chains in agriculture. The 2002-2006 Private Enterprise Support Activity (PESA) linked smallholder producer associations through out-growers schemes to private sector commercial farms, processors and exporters. PESA established 170 producer organizations, mainly in staple-producing regions. Similarly, USAID-supported value chains in coffee, horticulture, artemisia, cashews, and livestock have been successful in linking farmers to markets and processors through out-growers schemes. To complement its technical assistance, USAID partnered with AfDB and CRDB Bank (Tanzania's largest bank) in 2008 to create a \$20 million DCA credit guarantee to support private sector agricultural investment.

FY 2010 Proposed Actions: Finalize assessments and program design to stimulate private sector investment in staples value chains, milling and food fortification, warehouse receipt systems, commodity exchanges, market intelligence, crop insurance, and farmer and industry-sector associations.

Our new partnership with General Mills will build the capacity of staples millers in value addition and enable the scale-up of milling, fortification, blending and product

diversification, to produce domestically for vulnerable populations such as children under five, people living with HIV/AIDS, and pregnant and lactating women. This activity will be designed to enable participation by local millers in institutional procurements to drive long-term sustainability and growth in domestic

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value addition. Building the capacity of millers to blend maize with cassava, sorghum and millet will enhance utilization of these traditional staples that are gradually losing market share as consumers shift to preferred staples such as maize, rice and wheat.

The DCA credit guarantee will be expanded to spur private investment in agriculture by enhancing agro-dealers' access to credit. Ongoing support to the horticulture sub-sector in FY 2010 will increase membership of the Tanzania Horticultural Association (TAHA), improving its ability to link agri-businesses across the value chain to domestic, regional, and international markets. Fueled by rapid growth in horticultural exports, TAHA has doubled membership annually for each of the past two years.

Pilot programs for workplace HIV/AIDS and gender rights will be replicated among TAHA companies, with particular emphasis on workplace health, safety and training for women, who make up a large percentage of employees in the sub-sector. Companies will also be supported through TAHA to expand smallholder out-growers schemes to reach more than 25,000 farmers in FY 2010. Livestock interventions in FY 2010 will continue to focus on creating markets for pastoralists around land trusts. This model has been implemented at Manyara Ranch, which recently completed a cattle breeding, fattening, and abattoir program with pastoralist communities to supply domestically produced beef to national markets as a means of improving asset utilization, incomes and sustainable land management. The program will begin replication in West Kilimanjaro Ranch in FY 2010, reaching an additional 5,000 pastoralists. A program options assessment, based on previous livestock value chain assessments, will also be completed in FY 2010 to define priorities for scale up in FY 2011.

Analytical Work: Further analysis of opportunities for reducing malnutrition by increasing private sector milling and marketing capacity will be completed in partnership with WFP and local research institutions. Existing

value chain assessments for the livestock sector will be elaborated or updated as needed.

4.1.4. Increase Trade

Current/Potential USG/Donor Partners:

ADF, DFID, World Bank, EU, AfDB, Netherlands, DANIDA, Japan, Sweden, Switzerland, UNDP and IFAD

MDGI: Increased trade will increase household income and reduce poverty.

Key Issue: There is significant market potential for staples in Tanzania due to the presence of chronically food deficient countries in the region. Africa is the single largest importer of rice in the world (\$2-3 billion per year), and is a net importer of maize. A preference for yellow maize results in poor market performance for eastern and southern African white maize. Tanzania is an important supplier of staples in eastern and southern Africa, but access to regional markets is undermined by the regulatory framework and export logistics constraints. A staples export ban spurs informal trading across borders, resulting in high transaction costs and a lack of transparency. Compared with markets for traditional exports, the staples market is relatively unstructured and is characterized by non-compliance with standards for safety, quality, and weights and measures. Improved access to regional markets and robust domestic trade in staples would increase household incomes, reduce poverty, and address regional imbalances between food surplus and food deficit districts.

GOT Priority: The importance and contribution of trade to poverty alleviation is articulated in the National Trade Policy. The Tanzania Trade Integration Strategy (TTIS) is a national framework for coordinating trade-related activities, including trade facilitation. TTIS prioritizes increased competitiveness in regional and global markets. Tanzania is a founding member of the WTO, and a member of the East African Community (EAC) and the Southern African Development Community (SADC). Tanzania established the EAC Customs

Union with Kenya and Uganda in 2005 and a universal tariff regime is now being introduced.

USAID Past Investment: USAID regional programs such as Trade Hubs, COMPETE, and support for the Eastern African Grain Council, have complemented the bilateral program by addressing regional issues including harmonization of policies and regulations, and improved access to market information. The Mission has capitalized on regional programs to access regional and international markets for coffee, cashews, horticulture, and staples. The 2008 BizCLIR Assessment detailed recommendations for improving trade policy and trade facilitation, many of which would be feasible to implement with additional funds.

USAID has already made significant progress in supporting the removal of industry-identified trade barriers in the horticulture sub-sector. When industry stakeholders identified access to reliable air freight services as an impediment to growth, USAID led a process in consultation with TAHA that resulted in the first ever, twice-weekly dedicated air cargo service out of Kilimanjaro Airport.

The Mission responded to calls for improved access to credit with an innovative USAID-AfDB loan guarantee (\$20 million) to target investment.

FY 2010 Proposed Actions: Initial findings from the AgCLIR Assessment point to policy constraints affecting the prospects for transformational growth in agriculture including policy instability, multiplicity of local taxes, a weak legal framework to protect property rights, and a private sector that is too small to support service provision and establish effective market linkages. The final AgCLIR Report will detail additional recommended actions on trade policy and facilitation with specific interventions recommended in areas such as warehouse receipts, commodity exchange, and the export ban.

Tanzania will also pilot the first MicroCLIR Assessment ever conducted for maize and rice value chains to identify micro-impediments in

the chain hindering achievement of macro-level trade targets. These recommendations will form the basis for FY 2011 program design.

Support to horticultural trade expansion will be accomplished through two cooperative agreements awarded in FY 2009 that have the capacity to scale-up as the program expands through FY 2011. The livestock program is intended primarily to supply the domestic market and should positively impact trade balance through import substitution.

Analytical Work: FY 2010 studies will:

- Assess trade and transport for bilateral and regional program development;
- Conduct analysis and develop policy briefs demonstrating the impacts of the export ban on the staples sector and the potential impacts of market liberalization; and
- Assess the feasibility of a national commodity exchange and implications for regional commodity exchanges.

4.1.5. Support Policy Reforms and Good Governance

Current/Potential USG/Donor Partners: DFID, World Bank, EU, Netherlands, DANIDA, Sweden, Switzerland, and UNDP

MDGI: Enhanced governance will reduce transaction costs, and improve profitability and household income.

Key Issue: Policy reform is crucial to creating an enabling environment for private investment and trade in agriculture. Tanzania Investment Center (TIC) statistics indicate that, despite a rapid increase in the flow of Foreign Direct Investment (FDI) to Tanzania, the agricultural sector has received a disproportionately low level of investment (27%). This is compared with other sectors such as mining, construction, and tourism.

GOT Priority: GOT is committed to reforms as evidenced by the number of initiatives to promote investment and trade. The Business

Environment Strengthening for Tanzania (BEST) program is a donor-supported basket fund for policy reform. The Financial Sector Reform Program (FSRP) and Business and Property Formalization Program are also making some progress. Despite these initiatives, stakeholders are concerned at the slow pace of reform and a “one size fits all” approach that has failed to yield significant impacts in target sectors such as agriculture.

Past USG Investment: USAID has promoted policy reforms in Tanzania across various sectors through initiatives such as The Investors’ Roadmap to Tanzania, (2002), BizCLIR Assessment (2008), and Secured Transactions Reforms (2008).

FY 2010 Proposed Actions: Utilizing recommendations from the AgCLIR Assessment, FY 2010 interventions will target reforms with immediate impact on food security and poverty reduction. The impact of policy reforms on smallholder farmers—given their central role in agricultural transformation—will be evaluated and targeted in the intervention and also the importance of land rights and tenure issues, especially as they relate to women’s ownership of property.

With increased funding in FY 2011, reforms will address issues such as crop insurance, the export ban, operation of public stocks (Strategic Grain Reserve), and biofuels. USAID will also address food security policies on food fortification, school feeding, and land acquisition by multinationals for food production and biotechnology.

Analytical Work: Through the FY 2009 Financial Crisis Initiative, USAID is carrying out an AgCLIR assessment to identify and prioritize constraints to investment and trade in agriculture. This will be the first AgCLIR assessment that specifically addresses the agricultural enabling environment with respect to food security and nutrition, economic impact on target groups like women and the very poor, and policies that support adaptation to climate change for overall system vulnerability reduction.

4.1.6. Ensure Underserved Groups Benefit from Growth

Current/Potential USG/Donor Partners: PEPFAR, USDA, WFP, UNICEF and World Bank.

MDGI: Targeting underserved groups will enhance equity across gender and other demographics.

Key Issue: Women represent the majority of the agricultural labor force yet their lack of access to land reduces their access to credit. A cycle of poverty, drought and food insecurity disproportionately impacts vulnerable populations such as women, children, and those affected by HIV/AIDS. Populations living on marginal lands and in remote areas where infrastructure is poor experience higher rates of poverty and food insecurity. Intra-household variability in food security is reflected in the high incidence of malnutrition among under-five children, where 38% of children are chronically malnourished and 22% are underweight.

GOT Priority: Gender is a cross-cutting issue in ASDP. The 2007 Agricultural Census devoted a separate analysis to gender, aimed at mainstreaming gender in agricultural programming. The GOT has requested that GHFSI help meet goals set forth in ASDP to support women's productive roles in agriculture and to monitor the impact of asset distribution, input access, and participation.

Rampant micronutrient deficiency is recognized as a major public health challenge for Tanzania. A recent study by the World Bank indicates that 72% of children and 52% of mothers are anemic, the infant mortality rate is 76/1,000 live births, and about 36% of all child deaths beyond early infancy are due largely to malnutrition.

Rampant micronutrient deficiency is recognized as a major public health challenge for Tanzania.

The GOT prioritizes malnutrition through various programs and initiatives, including

establishment of the Tanzania Food and Nutrition Center and enactment of the National Nutrition Policy. Over 80% of children under the age of five now receive Vitamin A supplementation and de-worming tablets twice yearly and 75% of households use iodized salt. Vitamin A supplementation reduces infant mortality by as much as 23%. The challenge for the GOT has been to sustain such programs, particularly given the need for coordinated and mutually reinforcing cross-sectoral programming involving the ministries of Agriculture and Health.

Past USG Investment: Previous and current interventions target vulnerable populations, paying special attention to understanding the participatory constraints and incentives that affect women in key value chains such as horticulture, livestock and coffee. New programs in horticulture emphasize value chain development for smallholders to improve household incomes, and also promote subsistence crops like sweet potato, avocado, beans, peas and tomatoes for home use.

Additionally, these programs pilot modern beekeeping within smallholder farm units. Initial pilot studies conducted by Honey Care in Tanzania have shown that, with as few as two beehives, horticultural productivity increases tremendously. More women can be engaged in modern beekeeping activities with simple measures such as lowering hanging hives.

The Mission recently collaborated with the USAID Women in Development Office GATE program to conduct gender auditing of its horticulture and maricultural projects, and used lessons learned to inform recent horticulture procurements. In FY 2009, USAID participated in, and contributed resources to, Women's Leadership Training in Economics (WLTIE) and Women's Empowerment Development Grants to support women in horticulture. A developing project on secured transactions reforms will enhance women's access to credit through the use of movable asset collateral.

The PEPFAR Food and Nutrition Technical Assistance II IQC (FANTA-2) supports capacity

development of the Tanzania Food and Nutrition Center to build integrated nutrition programs within relevant GOT ministries. PEPFAR also supports national Demographic and Health Surveys (DHS), providing the demographic and anthropometric information used for monitoring the nutritional status of women and children. Through PEPFAR and Economic Growth wrap-around activities, all current activities include economic strengthening aimed at HIV/AIDS-affected households participating in horticulture value chains, as well as, workplace HIV/AIDS prevention.

Women's advocacy programs and policies are fully integrated within activities, giving woman a voice and rights in the agro-processing sector to ensure their safety, health and economic security.

FY 2010 Proposed Actions: Activities will focus on strengthening local institutions and policies to address the needs of vulnerable populations such as women, children, and people affected by HIV/AIDS and the very poor. Initially, this will be accomplished through a series of targeted and/or combined assessments for the three value chains being proposed. We will also design an impact assessment to be completed during the early stages of the program to understand the impacts of agricultural programs on gender asset distribution and to test assumptions about the link between proposed interventions and actual impacts in reducing malnutrition. Vulnerable populations will benefit through partnerships with PEPFAR and General Mills on food fortification programs that support a broader strategic policy on nutrition enhancement, as well as scaling up of PEPFAR and Economic Growth wrap-around programming.

The new Integrated Water, Sanitation and Hygiene (iWASH) program focuses on productive uses of water through the development of Multiple Use Services (MUS) and will roll out in the target GHFSI regions. The program pays special attention to vulnerable groups and their participation in MUS to enhance water quality and access, and

livelihoods, which in many cases will include small-scale horticulture entrepreneurship. Since the horticultural value chain has a high degree of participation by women, these activities will contribute significantly to improve nutrition and household income.

Nutrition funds will support Vitamin A supplementation activities that have been initiated by the Health and Population Office as part of the maternal and child health program. A bond guarantee to a microfinance institution will enhance access to credit by at least 200 small and medium enterprises.

Analytical Work: With Financial Crisis Initiative funds provided through USAID, WFP is undertaking a comprehensive food security vulnerability mapping assessment that will help to shape the USAID safety net program and inform our understanding of nutrition vulnerabilities in order to develop appropriate interventions. FY 2010 funds will be used by USAID to assess the feasibility of the current food fortification policy and to make specific recommendations for creating demand and supply-side capacity. The program will draw on expertise to design stand-alone and/or integrated nutrition programming for FY 2011 based on an FY 2010 assessment of:

- GOT capacity needs, particularly for inter-ministerial policies and programming;
- GOT assistance needs for supporting the CAADP Pillar III to facilitate country nutrition roundtables and support nutrition advocacy and inter-sectoral coordination; and
- Key capacity constraints across a range of stakeholders for addressing and monitoring nutrition targets.

4.1.7. Expand Knowledge and Training by Supporting Research and Development

Current/Potential USG/Donor Partners: USDA, ASDP Basket (World Bank, Japan, Irish Aid, IFAD, AfDB), the Gates Foundation

MDGI: Knowledge and technology will enhance productivity and increase income.

Key Issue: The National Agricultural Research Agency (NAR) and Sokoine University manage Zonal Research Centers focused on agro-ecological zone appropriate crops. These centers are, at present, operating with extremely limited funding, most of which comes from targeted donor programs. While technical capacity remains within the centers, low domestic resource allocation has severely limited nationally driven research in agriculture. Donors such as DFID and CIDA are funding targeted climate change research in the agriculture sector through IDRC.

GOT Priority: Research and advisory services and training are integral components of ASDP. Agricultural research in Tanzania has declined significantly in the last 20 years due to budgetary constraints. Rebuilding this capacity is a crucial priority for GOT and there is a pledge to increase spending in this area.

Tanzania has benefited from USG funding through multilateral organizations such as the Association for Agricultural Research in East, Central and Southern Africa (ASARECA), and the Consultative Group of International Agriculture Research (CGIAR). From 1990-2002, USAID supported collaborative research programs between Sokoine University and Tuskegee University, including graduate training for faculty members. Sokoine University collaborates with US Land Grant Universities (LGU) in research and exchange programs through EGAT Indefinite Quantity Contracts (IQCs) such as the Collaborative Research Support Program (Sorghum/Millet CRSP and Integrated Pest Management CRSP) and HEPAD (Higher Education Partnerships for African Development). Participating LGUs include Ohio State University, Michigan State University and Purdue University.

The Mission participated in FY 2009 Women's Leadership Training in Economics (WLTIE) and has sent three candidates to the US for graduate training in economics.

FY 2010 Proposed Actions: The FY 2010 budget prioritizes building capacity of food security implementing partners, strengthening coordination of food security activities with GOT and among donors (including joint monitoring), and rebuilding the USAID food security team. Over 100 participants will be trained on issues pertaining to:

- Food security and nutrition;
- Enabling environment/policy issues;
- Strategic planning;
- Monitoring and evaluation;
- Entrepreneurship and agribusiness;
- value chains;
- Climate change adaptation;
- River basin management;
- Safety nets; and
- Outreach to vulnerable smallholder populations.

The Mission recently launched a Mission Leadership Training Program that targets capacity development of key high-ranking GOT officials involved in food security initiatives. These proposed actions will be complemented by training provided through the USDA's Cochrane Fellowship Program (CFP) for mid-level specialists and administrators from both the public and private sectors.

Analytical Work: A research capacity and training needs assessment will be completed early in FY 2010 to define the short- and long-term goals of the program.

4.2. AFRICAN PRIORITIES

Proposed GHFSI activities in core investments areas fall within the GOT ASDP framework. Major components of the framework, with corresponding GHFSI pillars in brackets, include:

- Investment in production, irrigation and post-harvest (agricultural productivity);

- Policy regulatory and institutional framework (policy reforms and good governance);
- Research, advisory services and training (expand knowledge/ training and research);
- Private sector development, marketing, and rural finance (trade, private sector); and
- Cross-cutting issues that correspond to GHFSI priorities including HIV/AIDS, gender and environment.

4.3. HOW AREAS BUILD ON EARLIER INVESTMENTS

Activities in the core investment areas build upon previous USAID investments and success in supporting rural infrastructure, producer associations with a smallholder focus and export crop value chains. USAID support in developing the specialty-market coffee and horticulture value chains have proven so effective and profitable for private sector investment that we now see a demonstration effect of interest by private sector investors and other donors to help facilitate agricultural transformation.

Unfortunately, USG approaches to private sector-driven agricultural development are only now being recognized, with an eye to replication by ASDP and other donors. This gap leaves significant programming space for a substantially scaled-up USG effort that provides the vehicle for multi-donor and GOT investment within a “best-practice” approach.

4.4. LINK TO FOREIGN ASSISTANCE FRAMEWORK

The Economic Growth objective is to promote broad-based, sustainable economic growth through agriculture, trade, and adaptation to climate change. The GHFSI framework will contribute to the overarching Economic Growth objective by increasing agricultural growth and expanding the supply of staple food. The GHFSI plan fits well in the Foreign Assistance Framework for Economic Growth in elements such as agriculture, trade and investment, private sector competitiveness, and

the environment. The plan will also contribute to the Investing in People program area by reaching out to the very poor and vulnerable populations.

5. FY 2010 RESULTS/ INDICATORS/ TARGETS

Tanzania did not receive FY 2008 Global Food Security Response (GFSR) funds, meaning that FY 2010 results are based on only one year of implementation. Over 50,000 households (300,000 people) will benefit from USAID assistance in FY 2010. The longer-term goal is to reach one million households (5 million people) with increased resources from FY2011-2014. This goal would be jointly monitored under ASDP, CAADP, MDG and MKUKUTA.

5.1. INCREASE AGRICULTURE PRODUCTIVITY

Rehabilitation of 2,000 ha of irrigated land in FY 2010 will double rice yields and increase paddy rice production from 6,000 tons to over 15,000 tons per year. At least 100 km of feeder road will be upgraded to facilitate linkage of irrigation schemes with markets. Adoption of high-yield seeds, use of fertilizer, and improved agronomic practices will increase maize and rice productivity and profitability by 20% among farmers receiving direct USG assistance. The longer-term goal is to increase annual staples production by 25% (1.25 million tons.)

Rehabilitation of 2,000 ha of irrigated land in FY2010 will double rice yields and increase paddy rice production from 6,000 tons to over 15,000 tons/yr.

5.2. MAINTAIN NATURAL RESOURCE BASE AND PROMOTE ADAPTATION TO CLIMATE CHANGE

In FY 2010, the Rufiji and Ruvu-Wami River Basin Authorities in the target areas will have

developed appropriate water management models based on sound monitoring that incorporates seasonal and inter-annual to decadal climate information. The Authorities will use this information in water extraction permitting, particularly for new agricultural development.

Over 100 extension officers of the Tanzania Meteorological Agency and Ministry of Agriculture will be trained in the use of climate information tools through the scaled up RANET program. This will set the stage for FY 2011, when at least 20% of the target farmers will have access to and use reliable, timely and relevant climate decision-support technologies.

5.3. STIMULATE PRIVATE SECTOR

In FY 2010, 40 private firms will receive USG support to build capacity in technical and business skills. Capacity building to millers will result in a value of over \$ 0.5 million from import substitution of fortified products, with at least two medium to large millers certified to meet international standards. Further capacity building will be provided to at least 10 food processors. The program will leverage at least \$2 million in private sector investment through the DCA credit guarantee and will create 2,000 jobs in the staples value chain.

5.4. INCREASE TRADE

In collaboration with regional programs such as COMPETE, USAID support for warehouse receipt systems will help mobilize critical volumes for trade, while the Commodity Exchange will enhance market transparency. In FY 2010, 25 producer associations will be supported, with at least 10 associations organized into warehouse receipt systems and linked to regional staples markets, including through institutional procurement by organizations such as WFP. The warehouse activity is projected to result in turnover of approximately \$2 million annually.

At the macro-level, GHFSI will make crucial contributions to reducing total food import costs—currently \$200 million per year, of

which \$100 million is for rice. GHFSI will also help to contain inflation, as staples account for over 50% of the household budget share. Overall USG assistance in target value chains is expected to increase Tanzania's regional and international trade in those value chains by 5%.

5.5. ENSURE UNDERSERVED GROUPS BENEFIT FROM GROWTH

The plan pays special attention to the very poor, women, children, and those affected by HIV/AIDS, and aims to reduce the incidence of malnutrition by 5% in the short-term and by 25% in the long-term in target areas. In FY 2010, over 50,000 rural, poor smallholder farms will be productively engaged in the target sectors, with gender assessments detailing action plans for scale-up of women's participation, asset distribution, and improved savings.

5.6. POLICY REFORM AND GOOD GOVERNANCE

Recommendations from the AgCLIR Assessment that will be pursued in FY 2010 include issues of export and licensing controls, non-transparent tax regime, and ambiguous land tenure laws. The FY 2010 target is to achieve at least two milestones in policy reforms to enhance the enabling environment for farmers' profitability, private sector investment, and trade. At the end of FY 2010, ASDP will be mainstreamed into the CAADP process.

5.7. EXPAND KNOWLEDGE AND TRAINING BY SUPPORTING RESEARCH AND DEVELOPMENT

FY 2010 activities prioritize capacity building. At least 100 people from agricultural line ministries, regulatory authorities, and other stakeholders will receive technical, business and governance/policy training. At least 10 people will receive long-term graduate training in agricultural fields. Aggregated with training for farmers, this capacity building training would result in a total of at least 15,000 people trained in FY 2010.

To inform programming of anticipated increased resources in FY 2011, at least 10

feasibility studies and assessments will be undertaken in FY 2010.

Table 3: Tanzania: FY 2010 Targets (Reported in 2011)

Indicator	FY 2010 Targets
Operational Plan - Indicators	
Number of institutions/organizations undergoing capacity/competency assessments as a result of USG assistance	50
Number of individuals who have received USG supported short-term agricultural sector productivity training (gender balance 50/50)	15,000
Number of rural households benefiting directly from USG interventions	50,000
Percentage change in value of international exports of targeted agricultural commodities as a result of USG assistance	5%
Amount of private financing mobilized with a DCA guarantee	\$ 2 mil
Number of baselines or feasibility studies	10
GFSR - Indicators	
Volume and value of commodities entering USAID-supported storage	\$2 mil
Feeder roads completed as a result of USG assistance	100 km
IEHA - Indicators	
Number of agriculture-related firms that benefitted directly in this reporting year as a result of USG assistance	40
Male attendance at long-term agricultural sector productivity training in this reporting year as a results of USG assistance	5
Female attendance at long-term agricultural sector productivity training in this reporting year as a results of USG assistance	5
Number of new technologies or management practices under research in this reporting year as a result of USG assistance	2
Enhance productivity of smallholder-based agriculture. Indicator: % change in gross margin per hectare for commodities targeted by USG assistance	Rice=20%
Improved policy environment for smallholder-based agriculture. Indicator: milestone accomplished on reforms supported by USG assistance	2

6. KEY ISSUES AND ANALYTICAL ACTIVITIES LOOKING TOWARD FY2011

Critical analytical gaps and related targeted assessments and/or feasibility studies are identified under each investment area. They include, but are not limited to:

- Primary and secondary value chain assessments (including the first pilot MicroCLIR in staples);
- Policy-enabling environment (BizCLIR);
- Gender constraints and participation;
- CAADP – ASDP harmonization;
- Target irrigation scoping;
- Training/capacity building needs; and
- Nutrition (including the soon to be completed WFP National Food and Nutrition Vulnerability Assessment) and the Tanzania Nutrition and Food Security Assessment.

Priorities for analysis in micro-level issues will be informed by macro-level assessment. Those priorities will be refined as GHFSI develops within the early part of FY 2010.

7. PARTNERSHIP PLAN

7.1. USG INTERAGENCY CONSULTATION AND COORDINATION

The USG coordination framework for the agriculture sector will continue to mature as investments rise. Under a new and significantly scaled-up food security initiative, USAID would lead a working group on food security and agriculture. USAID, the Department of State, the Department of the Treasury and the USDA have developed an effective system of

information sharing and coordination. The US Department of Interior, US Forest Service and the National Ocean and Atmospheric Administration provide technical assistance as needed.

7.2. CONSULTATION AND COORDINATION WITH GOVERNMENT

Food security activities are coordinated under ASDP and agriculture-related ministries: the Ministry of Agriculture, Food Security and Cooperatives; the Ministry of Livestock and Fisheries; the Ministry of Industry, Trade and Marketing; the Ministry of Water and Irrigation; and the Prime Minister's Office, and also include Regional Administration and Local Government. ASDP has a steering committee consisting of permanent secretaries from these ministries and several thematic working groups.

The USAID GHFSI plan was developed in close consultation with the relevant advisory bodies and leadership within ASDP. A series of mid- to high-level

It was widely recognized by GOT and donors alike that the USAID comparative advantage is to help develop a thriving private sector-led agricultural transformation.

briefings with the GOT ended with USAID presentation of the draft GHFSI plan to the Agriculture Sector Consultative Group – the sector working group of the GOT and donors who support ASDP. The plan was extremely well received, and the GOT has pledged to help support the rapid roll out of the program should Tanzania be selected as a Phase II country. There was consensus that the USG program fits strategically within the ASDP framework and that it will allow the GOT to achieve greater impact within a shorter time frame. USAID would directly participate in the Consultative Group (from which we were excluded as we did not previously contribute to the ASDP basket). A joint monitoring system would be developed to evaluate the contribution of GHFSI to ASDP indicators. It was widely recognized by the GOT and donors

alike that USAID comparative advantage is to help develop a thriving, private sector-led agricultural transformation.

7.3. MULTILATERAL AND BILATERAL DONOR CONSULTATION AND COORDINATION

Key donors on food security in Tanzania are the World Bank, IFAD, AfDB, FAO, Japan, Ireland, and the EU, all of whom have been consulted in the development of this initiative. Tanzania has a well-established coordination mechanism among development partners through the 2006 Joint Assistance Strategy for Tanzania (JAST). USG is represented by the USAID EG Office on four Donor Partner Groups (DPGs): Agriculture, Private Sector and Trade, Water, and Environment/Natural Resources. USAID plays a key role in many of these groups as thematic lead. With increased agricultural funding, USG through USAID, would be ready to take an overall 'lead' role for one or more of these DPGs. Raising the level of USG participation in DPGs would be in line with the GHFSI objective of having USG assume leadership on global food security issues.

In addition to overall coordination under ASDP, bilateral negotiations are underway and beginning to yield results in enhancing partnership and synergy. For instance, the Government of Japan, through JICA, has shown interest in collaborating with USG to support the rice sub-sector.

7.4. CIVIL SOCIETY AND PRIVATE SECTOR CONSULTATION AND COORDINATION

The Tanzania Private Sector Foundation (TPSF) is the apex organization for all business associations in Tanzania and is the lead proponent of the *Kilimo Kwanza* (Agriculture First) Initiative, which is advocating for a major GOT program to push agriculture to the top of the country's development agenda. TPSF is an important partner for USAID in developing and monitoring the implementation of GHFSI. Other private sector organizations are the

Grain Council, Tanzania Horticultural Association, Tanzania Agricultural Council and Tanzania Seed Association. Many civil society organizations have taken lead roles in supporting *Kilimo Kwanza* and USAID will collaborate with the Foundation for Civil Society to identify food security champions in target areas, particularly as part of our capacity and training needs assessment in FY 2010.

7.5. DIPLOMATIC STRATEGY

Our diplomatic approach in Tanzania will advance the following three key GHFSI objectives: (1) increase sustainable market-led growth across the entire food production and market value chains; (2) prevent and treat undernutrition; and (3) increase the impact of humanitarian food assistance and social safety nets.

To increase agricultural productivity, we will advocate with GOT to make transparent agriculture policy decisions that encourage production and will expose key stakeholders and the general public to the benefits of biotechnology.

Natural resources and climate change will be addressed through engagement with the GOT on development of the expanded National Adaptation Plan of Action (NAPA), to tackle challenging questions such as decision-support science and research for the agriculture and water management sectors.

To stimulate private sector activity in agriculture, we will continue work to promote a conducive enabling environment for agribusiness and improved access to credit including secured finance reform, which has the potential to significantly increase access to credit, particularly for women.

Diplomacy for trade promotion will target policies inhibiting trade such as the use of intermittent export bans and very high ad-valorem tariffs and non-tariff barriers on staples imports. The AgCLIR and MicroCLIR assessments will detail additional recommendations for specific actions in areas

such as warehouse receipts, commodity exchange, export bans, import tariffs and restrictions and micro-impediments in the value chain impeding macro-level trade targets.

Increasing regional trade and opening up an integrated regional market for staples in eastern and southern Africa will allow countries to take advantage of regional diversity and different harvest periods. We will encourage Tanzania to work with its neighbors to support regional integration and will encourage the GOT, at the highest level, to harmonize and rationalize regional trade policies.

In the past two years, Tanzania's reform efforts to improve the business enabling environment and ease of doing business have lagged. We will build on the BizCLIR and AgCLIR assessments to identify recommended interventions for a more conducive enabling environment in agriculture and food security. Areas of focus for reform include land rights and tenure issues, especially as they relate to women's ownership of property, constraints to investment in agriculture, and policies that support adaptation to climate change.

Tanzania's plan for agricultural development is articulated in its 2006-2015 ASDP, which will also likely serve as a vehicle for implementing the CAADP in Tanzania. We will actively support and participate in Tanzania's fast-track process for signing of a CAADP Compact and will engage with the ASDP steering committee of Permanent Secretaries from the ministries of Agriculture, Livestock, Industry, Water, and Local Government and Regional Administration. We will engage at a high level (through DCM and Ambassador participation as necessary) to provide feedback and shape the way the GOT invests in agricultural development when it presents its CAADP investment plan. USAID will also collaborate with the Tanzania Private Sector Foundation, an umbrella organization for business associations, and the Foundation for Civil Societies to identify champions of food security.

Tanzania has a well-established coordination mechanism among donors through the 2006

Joint Assistance Strategy for Tanzania. We will broaden and intensify our participation in agriculture-related working groups, among others, to support achievement of GHFSI objectives.

Key food security donors include the World Bank, IFAD, AfDB, FAO, Japan, Ireland and the European Commission. Through the Financial Crisis Initiative, we are partnering directly with the World Food Program to support social safety nets, including school feeding programs, and increased agricultural production.

A robust public diplomacy effort will be initiated to support the achievement of GHFSI goals and clearly communicate that assistance under GHFSI is "from the American People." GHFSI public Diplomacy will be coordinated through the Interagency Public Diplomacy Working Group chaired by The Embassy Public Affairs Section.

8. FY 2010 CAPACITY BUILDING PLAN

With public service reforms beginning in 1990, the GOT suspended recruitment of new staff resulting in a wide age-career gap between senior and junior staff. As senior staff approach retirement, it is necessary to build the capacity of junior and mid-cadre staff to move into senior positions. ASDP has a capacity building component, but no systematic training needs assessment has been done to identify actual knowledge gaps.

Recently, the Permanent Secretary of the Ministry of Agriculture requested USAID to revive a training program for staff of the Ministry of Agriculture, Food Security and Cooperatives. Many senior staff within the Ministry and government research centers benefitted from USAID training/education assistance in the 1970s and 1980s. Sokoine University of Agriculture, established with support from USAID in the 1960s, is the only Tanzanian university offering academic training

in agriculture. Degree programs at Sokoine have also received targeted USG support since the University's inception.

FY 2010 Proposed Action: FY 2010 funds will strengthen the capacity of food-security implementing partners with over 200 partners to be trained on food security and nutrition; policy issues, strategic planning, monitoring and evaluation, entrepreneurship and agribusiness, value chain optimization, climate change adaptation, river basin management, and safety nets and outreach to vulnerable smallholder populations.

The Mission recently launched a Leadership Training Program which will be utilized to target capacity development of key high-ranking GOT officials involved in the management, programming and monitoring of food security initiatives. Target partners for capacity building are:

Agriculture Allied Ministries

Agriculture, Food Security and Cooperatives; Industry Trade and Marketing; Livestock and Fisheries; Water and Irrigation; and
Prime Minister's Office - Regional Administration and Local Governments.

Regulatory Institutions

Tanzania Food and Drug Administration; Tanzania Food and Nutrition Center; Staples Crop Board; Strategic Grain Reserve; National Seed Laboratory/Agency; Tanzania Meteorological Agency; National Environmental Management Council; and River Basin Authority.

Non-Governmental Organizations and Business Associations

Agricultural Council of Tanzania; Farmer Organization Network;
East African Grain Council;
Tanzania Private Sector Foundation;
National Business Council;
Tanzania Chamber of Commerce, Industry and Agriculture;

Rural Urban Development Initiative;
Tanzania Seed Association;
Tanzania Horticultural Association;
Pastoralist Livelihoods Council; Tanzania Association of Women Leaders in Agriculture;
Savings and credit cooperatives;
Producer associations in target regions;
Agro-dealers associations; and
DCA bank partners.

Training and Research Institutes

Sokoine University of Agriculture;
Katrin Rice Research Institute;
Selian Research Institute; and
Foundation Seed Farms.

A "Training and Capacity Building Needs Assessment for Food Security" assessment will identify and prioritize training needs and identify potential participants and training institutions. This will provide the basis for developing a program timeline and facilitating travel and training logistics for trainees. Some objectives will be accomplished through existing mechanisms in horticulture, but a new, training-specific mechanism is required. Special emphasis will be given to training needs of those GOT officials with responsibility within the GHFSI.

The USDA Cochrane Fellowship Program (CFP) will also be utilized to support short-term training to build capacity on agricultural trade, management, marketing, policy and technology transfer, targeting senior and mid-level specialists and administrators from both the public and private sectors.

Table 4: Tanzania Training Plan

Core Investment Area	Subject Matter	Target Group
Productivity	Sanitary & phyto-sanitary Technical (agronomy, breeding etc.)	Regulatory institutions (TFDA, TFNC) Ministry of Ag., Ministry of Trade, National Research System-NARS, Universities
	Public works procurement and contracts (irrigation, rural roads)	Irrigation contractors registered by Ministry of Irrigation
Trade & Investment	Value chain	NGOs, Ministry of Ag., Ministry of Trade
	Warehouse Receipt System	NGOs, Ministry of Ag., Ministry of Trade,
	Commodity exchange	NGOs, Ministry of Ag., Ministry of Trade
	Agribusiness/entrepreneurship	Agribusiness Associations, NGOs
	Agricultural finance	Banks with large ag. portfolios, DCA partners, NGOs
Enabling Environment	Food security, policy	Ministry of Ag.
	Biotechnology	Ministry of Ag.
	Bio-fuel	Ministry of Ag., Ministry of Irrigation
	Policy reforms	Ministry of ag., NGOs
Ultra-poor and Nutrition	Safety nets	Ministry of Ag., NGOs
	Food fortification	Regulators (TFNC, TFDA) Millers, Universities
	Food processing	Regulatory institutions (TFDA, TFNC), Millers
Climate change	Climate change Issues	Ministry of Ag., NARS, Universities
	Early warning	Ministry of Ag., NARS
	Environmental impact assessment	Ministry of Irrigation, NARS, Universities
	River basin management	River basin authorities
Capacity building	Food security & nutrition monitoring	Ministry of Ag.
	Management/ administrative	Ministry of Ag.
	Collaborative research exchange	Universities
	Academic (graduate training)	Universities, NARS, Ministry of Ag.

9. MANAGEMENT PLAN

9.1. WHOLE-OF-GOVERNMENT COORDINATION STRUCTURE

Under GHFSI, USAID would take the lead coordination role, given the Mission's expertise, successful prior implementation of agriculture programs, advanced procurement systems, and a strong cadre of dedicated technical staff. USAID is the only USG agency currently represented on the Agriculture, Private Sector and Environment Donor Partner Groups and is ideally positioned to effectively communicate the full range of USG efforts under the new initiative to both the GOT and donors. Communication and coordination is accomplished through the USG Democracy and

Economics Working Group, the logical platform to scale up USG coordination efforts led by USAID.

A 'whole-of-government' approach and a history of leveraging funding and coordinating efforts for greater impact already exist in Tanzania. We have a strong initial base from which to build an accelerated program platform of cooperation should we receive increased funding. The Mission works closely with the USAID East Africa and Southern Africa Regional Missions, particularly on issues related to regional transport and trade.

The National Oceanic and Atmospheric Administration (NOAA) has a pilot program developed in collaboration with USAID that

utilizes RANET to provide climate information for rural farmers that could be scaled up significantly. The Famine Early Warning Systems Network (FEWSNET) provides in-country forecast-based food security projections.

We coordinate with MCC on road upgrades linking agriculturally rich areas to larger markets, and will create strong linkages with MCC for a potential USAID rural roads programs. We also co-fund community development programs with MCC, act in an advisory role on USDA proposals for monetization, and have engaged Peace Corps volunteers in our agriculture programs for vulnerable populations.

The US Trade Development Agency (USTDA) is financing a concept paper on upgrading of the Central Railway Line that links the port of Dar es Salaam with Great Lakes countries. The US Treasury Office of Technical Assistance (OTA)

supports monetary and fiscal policy to enhance the trade and investment enabling environment. For 10 years we have leveraged the technical expertise of the US Department of Interior and US Forest Service in forestry and conservation management. We also work closely with the State Department on economic development. The scope of the USG inter-agency Economics Working Group was recently expanded to ensure effective, whole-of-government coordination of potential GHFSI investments.

The renamed Prosperity Group will move beyond information sharing and coordination to realize the full benefits of integrated assistance programs. For example, they will strengthen coordination with USDA's Cochran Fellowship and Food for Progress programs and participating in joint monitoring field visits.

Table 5: Tanzania Mission: Whole-of-Government Labor Division

GHFSI Core Investment Areas	Participating USG Agency/Department
Agricultural Productivity-Irrigation, Rural Roads, Farm Inputs	USAID (EG), MCC, USDA
Maintain Natural Resource Base and Promote Adaptation to Climate Change	USAID (EG, NRM), NOAA, USDA
Stimulate Private Sector	USAID (EG, EGAT, DCA), Treasury Department, State Department (Pol/Econ), MCC
Increase Trade	USAID (EG, EGAT, DCA), Department of Treasury, State Department (Pol/Econ), MCC, USTDA
Support Policy Reforms and Good Governance	USAID (EG, DG), Department of Treasury, State Department (Pol/Econ, Public Affairs), MCC, USDA
Vulnerable Populations/Nutrition	USAID (EG, HIV/AIDS, Health), PEPFAR, CDC, USDA (Food for Progress)
Training and Research	USAID (EG, Education), State Department (Public Affairs), USDA (Cochrane Fellowships)

9.2. REVIEW AND EVALUATION SCHEDULE

The Mission is beginning to see results from a recently awarded contract for Tanzania Monitoring and Evaluation Management Services (T-MEMS.) Building on lessons learned from this exercise, the Mission will update Performance Management Plans and will coordinate monitoring of GHFSI with the Ministry of Agriculture monitoring team to identify common indicators between the GOT ASDP and the Operational Plan in the Foreign Assistance Framework. Targets will be set early during development of the food security PMP, and regular field monitoring will be carried out by the Mission and the GOT when appropriate for joint ASDP monitoring.

9.3. STAFFING REQUIREMENTS

The staffing plan is designed to build key Mission capacity within the Economic Growth (EG) team while drawing on expertise and assistance from the USAID Mission including:

- Program Office (programming, gender, communications),
- HIV/AIDS Office (gender, nutrition),
- Contracts Office (procurement, grants management),
- Controller's Office (financial management), and
- Executive Office (HR management, information systems.)