

Eastern and Southern Africa Small Scale Farmers' Forum (ESAFF)



**Analysis of the implementation of the Comprehensive African Agriculture Development Programme (CAADP)
in EAC, A case of Small Scale Farmers' Participation in Tanzania**

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I. LIST OF ABBREVIATIONS

ABC:	Agricultural Budget Campaign
AFDB:	African Development Bank
AFSP:	Accelerated Food Security Project
AGRA:	Alliance for a Green Revolution in Africa
ASDP:	Agricultural Sector Development Programme
ASLM:	Agricultural Sector Leading Ministries
ASP:	Agricultural Strategic Plan (Zanzibar)
ATI:	Agricultural Transformation Initiative
AU:	African Union
CAADP:	Comprehensive African Agriculture Development Programme
CBO:	Community Based Organization
CFD:	Conference on Financing for Development
COMESA:	Common Market for Eastern and Southern Africa
CPI:	Consumer Price Index
CSO:	Civil Society Organization
EAC:	East African Community
EALA:	East African Legislative Assembly
ECOWAS:	Economic Community For West African States
ESAFF:	Eastern and Southern Africa Small Scale Farmers' Forum
FAO:	Food and Agriculture Organization
GDP:	Gross Domestic Product
GoF:	Government of Tanzania
ICC:	Inter- Ministerial Coordinating Committee
IFAD:	International Fund for Agricultural Development
IFPRI:	International Food Policy Research Institute
JAST:	Joint Assistance Strategy for Tanzania
LGA:	Local Government Authority
MAFC:	Ministry of Agriculture, Food Security and Cooperatives
MAP:	Millennium African Recovery Plan
MARN:	Ministry of Agriculture and Natural Resources (Zanzibar)
MGDs:	Millennium Development Goals
MIVARF:	Market Infrastructure Value Addition and Rural Finance Programme
MTEF:	Medium-Term Expenditure Framework
MVIWATA:	Mtandao wa Vikundi vya Wakulima Tanzania
NAI:	New African Initiative
NEPAD:	New Partnership for Africa's Development
NIEO:	New International Economic Order
NGO:	Non-Governmental Organization
NSGRP:	National Strategy For Growth and Reduction of Poverty (MKUKUTA)
OAU:	Organization of African Unit
PELUM:	Participatory Ecological land Use Management
PPF:	Pastoralist Policy Framework
PPP:	Public Private Partnership
RES:	Regional economic Forum
ReSAKSS:	Regional Strategic Analysis and Knowledge Support System
RISDP:	Regional Indicative Strategic Development Plan
SADC:	Southern Africa Development Community
SAGCOT:	Southern Agriculture Growth Corridor of Tanzania
SSF:	Small Scale Farmers
TAFSIP:	Tanzania Agriculture and Food Security Investment Plan
TALA:	Tanzania Land Alliance
TCD:	Technical Committee of Directors
TFNC:	Tanzania Food and Nutrition Centre
URT:	United Republic of Tanzania
UN:	United Nations
USAID:	United States Agency For International Development
WSSD:	World Summit for Sustainable Development
WTO:	World Trade Organization
ZSGRP:	Zanzibar Strategy for Growth and Reduction of Poverty (MKUZA)

I BACKGROUND

The Eastern and Southern Africa small scale Farmers' Forum – ESAFF, is a network of small holder farmers that advocate for policy, practice and attitude change that reflects the needs, aspirations, and development of small-scale farmers in east and southern Africa. It was established in 2002 after the World Summit of Sustainable Development (WSSD) held in Johannesburg in South Africa. ESAFF is registered in Tanzania under Non Governmental Organizations' Act 2002 of the United Republic of Tanzania. To-date, ESAFF operates in 13 countries in the eastern and southern Africa region. These countries are; Tanzania through MVIWATA; Kenya (Kenya Small Scale Farmers Forum – KESSFF), Uganda (ESAFF Uganda), Zambia (ESAFF Zambia); Zimbabwe (Zimbabwe Small Organic Smallholder Farmers Forum – ZIMSOFF), Lesotho (Lesotho Small Scale Farmers Forum); South Africa (ESAFF South Africa); Malawi (National Small Scale Farmers Movement -NASFAM); Rwanda (APPPE); Burundi (ESAFF Burundi); Madagascar (Confédération des Agriculteurs Malagas - CPM) ; Seychelles (Seychelles Farmers Association - SeyFA) and Mozambique (ROSA).

ESAFF envisions to become a strong effective forum of empowered Small Scale Farmers with united voices in the policy processes for ecological agriculture and poverty free Eastern and Southern Africa region. Its mission is empowering Small Scale Farmers in Eastern and Southern Africa to influence development policies and promote ecological agriculture through capacity strengthening, research and networking. The network was established to enable small farmers in Eastern and Southern Africa to speak as a united voice so that the issues, concerns and recommendations of farmers become an integral part of policies and practices at grassroots, national, regional and international levels.

2 AIM AND SCOPE OF THIS STUDY

The overall objective of this study is to conduct a desktop analysis on the implementation of the Comprehensive African Agriculture Development program (CAADP) in the East Africa Community, particularly in Tanzania to assess its implementation status and level of participation of Tanzania small scale farmers in the CAADP process.

3 SPECIFIC OBJECTIVE

- i. To review literature on ESAFF
- ii. Examine the genesis of NEPAD and evolution of CAADP and its current status within AU and EAC structures
- iii. Elaborate relevance of CAADP and its four pillars to small scale farmers (SSF) in Tanzania; *(pillar 1) Land and water management (Pillar 2) Market access (Pillar 3) Food supply and hunger (Pillar 4) Agricultural research and its structure and key actors*
- iv. Brief updated facts & figures on CAADP implementation and financing (the 6% and 10% goals).
- v. The meaning of CAADP Compact Signing, its genesis and its implication to agriculture in Tanzania.
- vi. Briefly examine Agrochemical Industries/Banks influence and possible use the avenue of CAADP COMPACT to advance their goal to monopolize agriculture from seeds to markets in the region.
- vii. Identify small scale farmers' key issues within CAADP that SSF should play role to influence.
- viii. Identify issues for SSF engagement within the Pastoralist Policy Framework (PPF) of the AU.
- ix. Identify key officials, names, contacts and their positions in driving CAADP processes as well as identify Farmer Organization/ CSOs which have been involved in CAADP dialogues in Tanzania.
- x. Outline key challenges that impede MVIWATA participation in CAADP National Dialogue and propose ways for effective participation.
- xi. Review effectiveness and extent of the Agricultural Budgeting Campaign (ABC) conducted by ESAFF/MVIWATA in 2010 -11 and its relevance to CAADP processes.
- xii. Proposed small scale farmers positions on CAADP and its 4 pillars *(pillar 1) Land and water management (Pillar 2) Market access (Pillar 3) Food supply and hunger (Pillar 4) Agricultural research*
- xiii. Examine roles that EALA can plan to strengthen oversight towards the CAADP achievement in EAC.
- xiv. Identify ways how MVIWATA can engage EALA national MPs as a way to lobby the EALA on CAADP

- xv. Outline other new emerging issues that small scale farmers should organize, lobby and campaign for or against; such as intra regional trade on agriculture produce, trade on seeds, GMOs, EPAs, Carbon Credit, land grab, bio fuel and global food crisis etc).

4 METHODOLOGY

The study uses the review of different literatures, relevant research documents and reports related NEPAD-CAADP to extract and analyze the information related to the current implementation status of CAADP in Tanzania and small scale farmers' participation in CAADP national dialogue process. The research tried to identify key stakeholders in the CAADP process, factors influencing CAADP implementation process in Tanzania, associated challenges in relation to the welfare of small scale farmers, and possible ways of addressing those challenges through lobbying, advocacy and campaign. Finally, the study drew conclusions and recommendation of actions that need to be taken to ensure inclusiveness and effective participation of stakeholders especially small scale farmers, the main beneficiaries for CAADP.

5 RESEARCH FINDINGS

5.1 Overview of the Agricultural Sector in Tanzania: potentiality and Performance

Tanzania is an emerging economy with high growth potential. While the economy is relatively diversified, the agriculture sector has been and still the driving force of the country's economy. The sector employs over 80 per cent of the population, majority of them being smallholder farmers and poor people living in rural areas. It is therefore through higher and sustained agricultural growth that Tanzania can realize the goals for economic growth and reduction of poverty. It is therefore assumed that the agricultural transformation from low productivity agriculture to a commercialized agriculture is the appropriate ways towards the attainment of the overall development objectives. Being the main sector of Tanzania's economy, agriculture provides important forward and backward linkages to other sectors of the economy that are essential for producing faster growth, reducing poverty, and sustaining the environment.

The performance of the sector is an indicator of the effectiveness of development efforts. Currently, Tanzania has an area of 95.5 million hectares of land out of which 44 million hectares are classified as suitable land for agriculture. Out of the available arable land only 10.1 million hectares or 23% of the arable land is under cultivation. It is also estimated that land suitable for livestock production is about 50 million ha but only 26 million ha are under use while the rest of the rangeland cannot be accessed due to tsetse fly infestation. The country has huge potential for irrigated agriculture. The area suitable for irrigation is estimated to be about 29.4 million hectares but only 0.33 million ha are currently under irrigation. Tanzania's agriculture is dominated by small scale subsistence farmers who operate on average 0.2 to 2 ha and traditional agro-pastoralists and fishers. Over 80% of the arable land is used by smallholders and only about 1.5 million ha is under medium and large scale farming. A significant proportion of crops are produced by these farmers including tea, sugar cane, coffee, tobacco, sisal and some horticultural crops.

The agriculture sector currently contributes about 26% of total GDP. In the past agriculture was the leading contributor to GDP but since 2000 its share has been decreasing due to growth in other sectors like mining and services. The growth of the sector has not been homogeneous among sub-sectors within it. For example the crop sub-sector grew faster than the livestock sub-sector. Within the crops sub sector the growth has not been uniform. Commercial crops have registered fluctuating trends in area cultivated, production and yield. The food crops sub sector performed better than the cash crop sub sector largely emanating from a gradual increase in area and production of non-food grains. Partly this has also been attributed to increased marketed surplus of food crops compared to their past role as subsistence crops. The growth of agriculture itself has been fluctuating around 4% while that of the overall GDP has been fluctuating around 6%. The targeted GDP growth rate by 2015 is envisaged to be 6.3% it is still significantly determined by the agriculture Sector.

5.2 Tanzania National Budget Allocation Trend for Agriculture

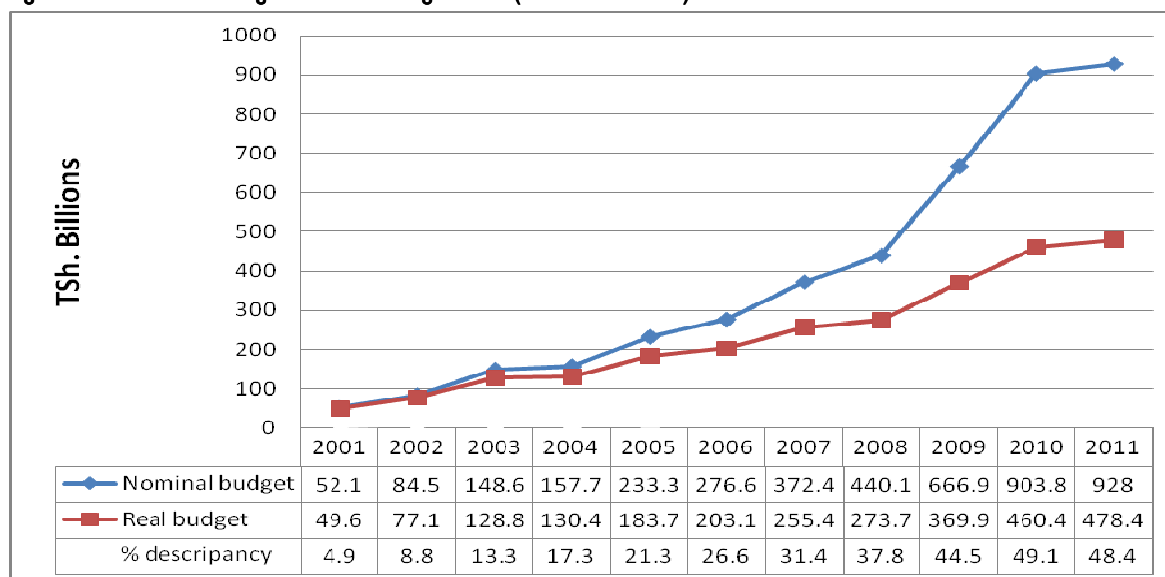
Since 2001/02 the agricultural budget in Tanzania has generally been increasing gradually. It was only TSh. 52.1 billion, equivalent to 3.0 percent of the national budget in 2000/1 and since then it had more than doubled to 7.8 percent in 2010/11. But there is no indication that this increment is associated with CAADP decision because the increment started the same year the Declaration was made in 2003, and dropped by 1 percent to 4.7 percent a year later. Two years later, in 2006/07 there was no increment at all. Worse still in this financial year (2011/12) the allocation has declined to 6.8 percent from the 7.8 percent allocated during the previous year (Dr. Gabagambi, 2011). The EAFF study on budget allocation to Agriculture Sector in Tanzania conducted in 2011 revealed that although the budget allocated to agriculture has been rising over time, the budget figures are nominal values, which do not necessarily reflect real increase in allocation because inflation is not taken into account. It is very much possible that the incremented budget is not as high as the public may be made to believe, or there might have not been any increment at all. To justify the problem associated with the inflation on the agricultural budget, Dr Gabagambi (2011) in his study deflated the nominal budget values into real values by dividing nominal values by respective consumer price indices (CPIs) over years. Therefore, taking 2000 as a base year (2000=100), data from the African Statistical Yearbook 2011 indicate that the CPIs for subsequent years were 105.1(2001), 109.6 (2002), 115.4 (2003), 120.9 (2004), 127.0 (2005), 136.2 (2006), 145.8 (2007), 160.8 (2008), 180.3 (2009), 196.3 (2010), 194.0 (2011). The resulting real values of budget allocated to agriculture in relation to the nominal budget values are presented in table 1 below.

Table 1: Trend of nominal budget allocation to agriculture in billions of TSH

Year	Total agric. budget	Total national budget	% increase in agric. budget	Agric. budget as % of national budget	% change in the allocation
2001/02	52.1	1764.7		3.0	
2002/03	84.5	2219.2	62.2	3.8	0.8
2003/04	148.6	2607.2	75.9	5.7	1.9
2004/05	157.7	3347.5	6.1	4.7	-1.0
2005/06	233.3	4035.1	48.0	5.8	1.1
2006/07	276.6	4788.5	18.5	5.8	0.0
2007/08	372.4	6000.0	34.6	6.2	0.4
2008/09	440.1	7216.1	18.2	6.1	-0.1
2009/10	666.9	9500.0	34.0	7.0	0.9
2010/11	903.8	11610.0	26.2	7.8	0.8
2011/12	926.0	13500.0	2.7	6.9	-0.9

Source: ESAFF: Study on budgetary allocation and absorption in agriculture sector ministries in Burundi, Tanzania and Uganda, 2011

Figure 1: Trend of real budget allocation to agriculture (2001/2– 2011/12)



Source: ESAFF: Study on budgetary allocation and absorption in agriculture sector ministries in Burundi, Tanzania and Uganda, 2011

Following the real budget obtained after deflecting the inflation rates, it could be noted that when the influence of inflation is factored in, more the budget comes to light. Therefore, although the agricultural budget has been increasing tremendously over the years, in real terms the increase has been lower than reported. For example, the difference between nominal and real budget ranges between 4.9 percent (2002) and 49.1 percent (2010), meaning the budget allocated to agriculture in 2010 was almost 50 percent of the stated figure in real terms.

5.3 Genesis of NEPAD and Evolution of CAADP and its current status in AU and EAC

5.3.1 Genesis of NEPAD and its Implementation Framework

5.3.1.1 *The Origin/genesis of NEPAD*

By the 1970s and 1980s, many African countries were liberated, but these were also decades that were characterized by political instability, military coups, one-party governments, dictatorships and the heightened influence of Cold War politics in African affairs. Faced with the onset of an economic crisis; huge foreign debts and declines in social development and the failure of the international financial institutions' free market policies, African countries tried to reverse these trends by calling for a new international economic order (NIEO) through which they could craft self-reliant, culturally relevant and state-influenced development strategies. In such a context, African leaders found it necessary to transform the focus of the Organization of African Unity (OAU) from political liberation to economic development. Hence, throughout the 1980s and 1990s African governments went on to design a series of pan-African development approaches which they felt were relevant to the needs of their people. These initiatives included: the Lagos Plan of Action (1980), the Final Act of Lagos (1980), Africa's Priority Programme for Economic Recovery (1986-1990), the African Alternative Framework to Structural Adjustment Programme (1989), the African (Arusha) Charter for Popular Participation and Development (1990), the Abuja Treaty (1991) and the Cairo Agenda (1994) amongst others.

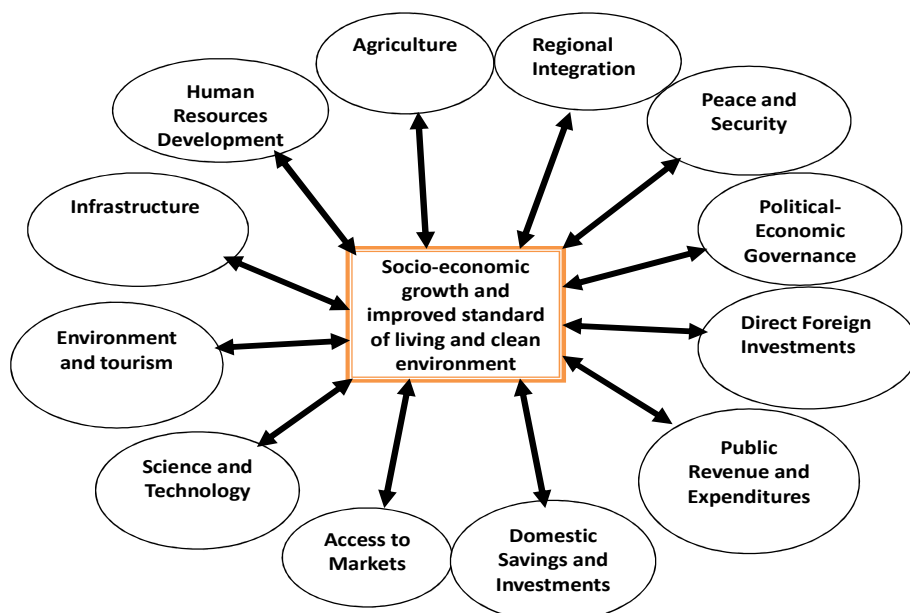
Faced with the failures of these plans, the ills of the structural adjustment programmes of modernization and falling growth rates when other regions such as Asia were on the rise, 'a new breed of African leaders' entered the 21st century with proclamations of a re-birth for Africa. It is in this regard that the New Partnership for Africa's Development (NEPAD) was born as result of three parallel initiatives. The first initiative was the Millennium Africa Recovery Plan (MAP), led by South

African President Thabo Mbeki and unveiled at the World Economic Forum in Davos in January 2001. The second initiative was the Omega Plan, crafted by the President of Senegal, Abdoulaye Wade, and presented to the Summit of Francophone African leaders in Cameroon in January 2001. MAP and the Omega Plan were then combined to give birth to a third initiative the New African Initiative (NAI) that then led to NEPAD in 2001.

All three initiatives shared a common interest in increasing the pace and impact of Africa's development. While these initiatives share common characteristics, there were also differences reflecting the regional and other priorities of the enactors. Compromises had to be made in order to merge the three proposals into one initiative. NEPAD thus reflects the compromises involved in arriving at a single initiative. NEPAD was adopted by African Heads of State and Government of the OAU in 2001 and was ratified by the African Union (AU) in 2002 to address Africa's development problems within a new paradigm. The primary objective of NEPAD is to eradicate poverty in Africa and to place African countries both individually and collectively on a path of sustainable growth and development to thus halt the marginalization of Africa in the globalization process. At the core of the NEPAD process is its African ownership, which must be retained and strongly promoted, so as to meet the legitimate aspirations of the African peoples. While the principle of partnership with the rest of the world is equally vital to this process, such partnership must be based on mutual respect, dignity, shared responsibility and mutual accountability. The NEPAD process has therefore come to be accepted not only by African countries and RECs but also by Africa's development partners as a framework mechanism for their development efforts.

The adoption of NEPAD was therefore considered as one of the most important developments of recent times for its conception of a development programme which places Africa at the apex of the global agenda for three major reasons. First of all NEPAD aimed to creating an instrument for advancing a people-centered sustainable development process in Africa based on democratic values. The other reason was that NEPAD recognized that Africa has an abundance of natural resources and people who have the capacity to be agents for change and so holds the key to her own development and finally, it aimed to provide the common African platform from which to engage the rest of the international community in a dynamic partnership that holds real prospects for creating a better life for all.

Figure 2: NEPAD Core Priority Result Areas



In terms of structural arrangement, NEPAD is structured into three components. The first component provides the preconditions for sustainable development, which are the Peace, Security, Democracy and Political Governance Initiatives; the Economic and Corporate Governance Initiative; and the sub-regional and regional approaches to development. The second component provides the sectoral priorities, which include bridging the infrastructure gap; the Human Resource Development Initiative; the Agriculture Initiative; the Environment Initiative; the Cultural Initiative and Science and Technology Platforms. The third component concerns the mobilization of resources, referring to the Capital Flows Initiative and the Market Access Initiative.

5.3.1.2 Relationship between NEPAD, African Union, SADC and other partners

NEPAD is a mandated initiative of the African Union. The NEPAD Heads of State and Government Implementation Committee has to report annually to the Union Summit. The Chair of the Union as well as the Chair of the Commission of the Union are ex-officio members of the Implementation Committee. The Commission of the Union is expected to participate in Steering Committee meetings. The linkage between NEPAD and the SADC Regional Indicative Strategic Development Plan (RISDP) was adopted by the Ministers of Foreign Affairs and Finance at their meeting in Blantyre on 13 September 2001, which came to the conclusion that, in terms of relationships, SADC is part of and feeds into NEPAD since the latter is premised on the regional economic communities (RECs). The Ministers recognized that NEPAD is a framework and process within the African Union, while SADC is a recognized REC of the Union. SADC participates, therefore, in both the African Union and NEPAD. To this end, by strengthening the implementation capacity of SADC, it was recognized that success in NEPAD would be enhanced. It was decided that the development of the RISDP and the SADC restructuring process should take NEPAD into account, and where appropriate, SADC and NEPAD programmes should be harmonized.

On other hands, NEPAD has not been constructed and come into existence in a vacuum. It was therefore very important to link NEPAD to existing initiatives and programmes for Africa. In providing the focal point and the overall strategic framework for engagement, NEPAD does not seek to replace or compete with these initiatives and programmes, but rather to consciously establish linkages and synergies. In this way, all activities focused on Africa are pursued in an integrated and coordinated fashion within the framework of priorities and needs identified by Africans for themselves. A major effort is also ongoing to continuously factor NEPAD imperatives into the outcomes of international conferences such as the Conference on Financing for Development (CFD), the World Summit for Sustainable Development (WSSD) and the World Trade Organization (WTO), to ensure the integration of NEPAD into the multilateral system. In a wider context, countries of the South subscribe to the priorities outlined in NEPAD and have generally welcomed it with words of solidarity and moral support, as well as an appreciation for South Africa's positive role in NEPAD.

5.3.1.3 Implementation of NEPAD

During the inaugural meeting of NEPAD implementing committee held in Abuja in October 2001, the Heads of State and Government established a 15 member Task Force for the implementation of NEPAD, three per OAU geographic region. Among those include Algeria, Egypt, Tunisia, Nigeria, Senegal, Mali, Cameroon, Gabon, Sao Tome & Principe. Others member countries were Ethiopia, Mauritius, Rwanda, South Africa, Botswana and Mozambique. The main function of the Implementation Committee is to set policies and priorities and the Programme of Action. The Implementation Committee meets three times per year and reports annually to the African Union Summit. The Steering Committee of NEPAD is composed of the personal representatives of the five initiating Presidents, and is tasked with the development of the Terms of Reference for identified programmes and projects, as well as overseeing the Secretariat. The full-time, small core staff of the Secretariat located at the Development Bank of Southern Africa in Midrand provides the liaison, coordination, and administrative and logistical function for NEPAD. It is also responsible for outsourcing of work on technical detail to lead agencies and/or continental experts.

Five task teams led by the personal representatives of the five initiating Presidents/countries have been established to urgently identify and prepare specific implementable projects and programmes. In terms of working arrangements, South Africa coordinate the Peace, Security, Democracy and Political Governance Initiative; Nigeria coordinates the Economic and Corporate Governance/Banking and Financial Standards/Capital Flows Initiatives; Egypt coordinates the Market Access and Agriculture Initiatives; Algeria coordinates the Human Resources Development Initiative; while Senegal coordinates the Infrastructure Initiative. In addition to that, the Implementation Committee developed a set of governance principles and a mechanism for peer review. Also the Steering Committee has a mandate to develop a strategic plan for marketing and communications at the national, regional, continental and international levels.

During its second meeting of the Heads of State and Government Implementation Committee held in Abuja on 26 March 2002, the Implementation Committee underlined the centrality of the commitment to peace in Africa. Regarding the enhancement of capacity for conflict prevention, management and resolution in Africa, the Heads of State and Government extended its full support to the ongoing efforts aimed at reviewing and enhancing the effectiveness of the African Union Central Organ (expected to be renamed the Peace and Security Council) including the review of its mandate, its membership, its methods of work and funding. It also underscored the need for greater coordination of REC mechanisms for conflict prevention, management and resolution; the African Union Mechanism for Conflict Prevention, Management and Resolution and the UN Security Council. Furthermore, the Heads of State supported the process of the ongoing discussions and consultations on the establishment of the Council of the Wise to complement the efforts of the envisaged African Union Peace and Security Council.

On Political Governance and the African Peer Review Mechanism, the Committee considered and strongly supported the Draft Report on Good Governance and Democracy as well as an African Peer Review Mechanism. Essentially, the proposals adopted seek to ensure the implementation of objectives contained in such documents as the Constitutive Act of the African Union, the African Charter on Human and Peoples' Rights (Arusha declaration), the Protocol on the Establishment of an African Court on Human and Peoples' Rights and the Framework for an OAU Response to Unconstitutional Changes of Government.

The African Peer Review Mechanism aimed to enhance African ownership of its development agenda, through a system of self-assessment that ensures that policies of African countries are based on best current knowledge and practices. The peer review states that an effective Mechanism, designed, owned and managed by Africans, must be credible, transparent and all-encompassing, so as to demonstrate that African leaders are fully aware of the responsibilities and obligations to their peoples, and are genuinely prepared to engage and relate to the rest of the world on the basis of integrity and mutual respect. If well implemented, this would enable the Continent to make the necessary interventions in any situation considered to be at variance with the principles contained in these agreed documents. In essence this refers also to the fact that the Continent should not be punished for reverses it might suffer in one or another of the 54 countries in Africa.

The Implementation Committee also reviewed the issue of Economic and Corporate Governance in Africa, with a view to promoting sound macro-economic and public financial management and accountability among members, while protecting the integrity of their monetary and financial systems. This was consistent both with the Treaty Establishing the African Economic Community, the Constitutive Act of the African Union and the founding document of NEPAD, which, among others, visualize the harmonization of economic policies among the African countries. The Report on Good Economic and Corporate Governance states that: "Good economic governance would attempt to evolve well-defined structures; harmonious and complementary fiscal, monetary, and trade policies; coherent development strategies and programs; promotion of a dynamic domestic private sector and establishment of monitoring and regulatory authorities for promotion and coordination of

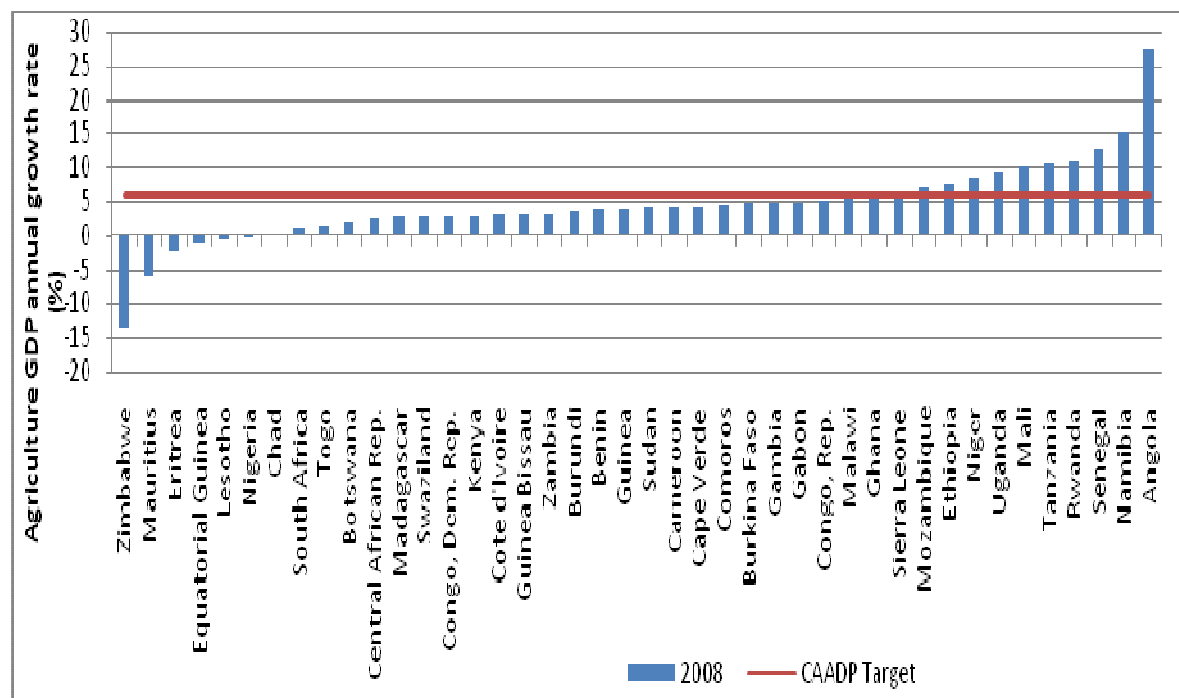
different economic activities". Following that, Eight Draft Codes and Standards for Economic and Corporate Governance for Africa and an African Peer Review Mechanism were approved, covering such areas as monetary, financial and fiscal policies; budget and debt management and transparency, corporate governance, auditing and bank supervision, while it was recommended that the technical aspects of the Peer Review Mechanism should be conducted by an independent, credible African institution, separate from the political process and structures to avoid interference.

5.3.2 Evolution of CAADP and its status in EAC and AU

In 2003, the African Union (AU) assembly adopted the Comprehensive Africa Agriculture Development Programme (CAADP) with an overall goal to eliminate hunger and reduce poverty through agriculture. CAADP is a framework under which African countries develop national and regional compacts and investment plans. It is entirely an African-led and African-owned programme focusing of the improvement of food security, nutrition and increasing national incomes by raising agricultural productivity by at least 6 per cent per year and public investments in agriculture by allocating 10 per cent of national budgets on agriculture annually. CAADP is also promoting agricultural development by improving co-ordination, knowledge sharing and cooperation at the regional, national and continental level.

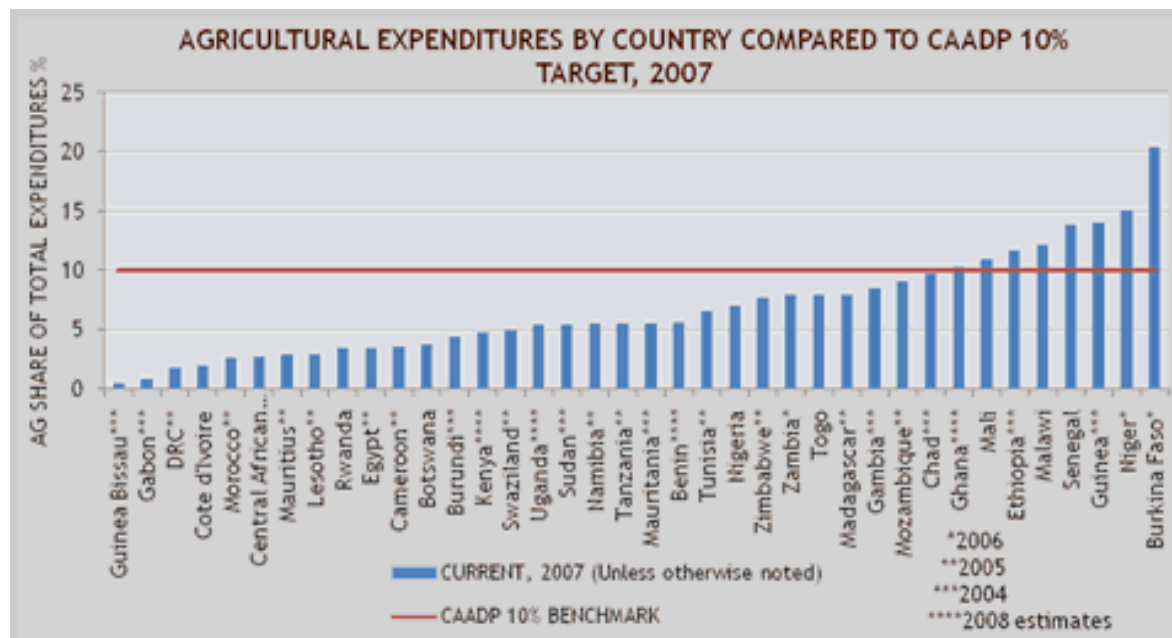
As of May 2011, 26 African countries including Tanzania had signed and incorporated the CAADP Compact into their agricultural agenda. Among those, 8 member countries (30.8% of those who signed the compact) have reached the public investment goal of 10 per cent budget allocation to agriculture and 9 countries (34.7% of those who signed the compact) have reached the goal of a 6 per cent annual increase in agricultural productivity. The African countries that have signed CAADP Compact so far include: Togo, Sierra Leone, Niger, Mali, Benin, Liberia, Nigeria, Gambia, Ghana, Cape Verde, Senegal, Guinea, Rwanda, Burundi, Ethiopia, Swaziland, Uganda, Malawi, Zambia, Tanzania, Kenya. Among those 7 member countries are from SADC region.

Figure 3: African Agriculture GDP growth by 2008



source: ReSAKSS calculations based on World Bank 2009.

Figure 4: Status of budget allocation to agriculture among AU states



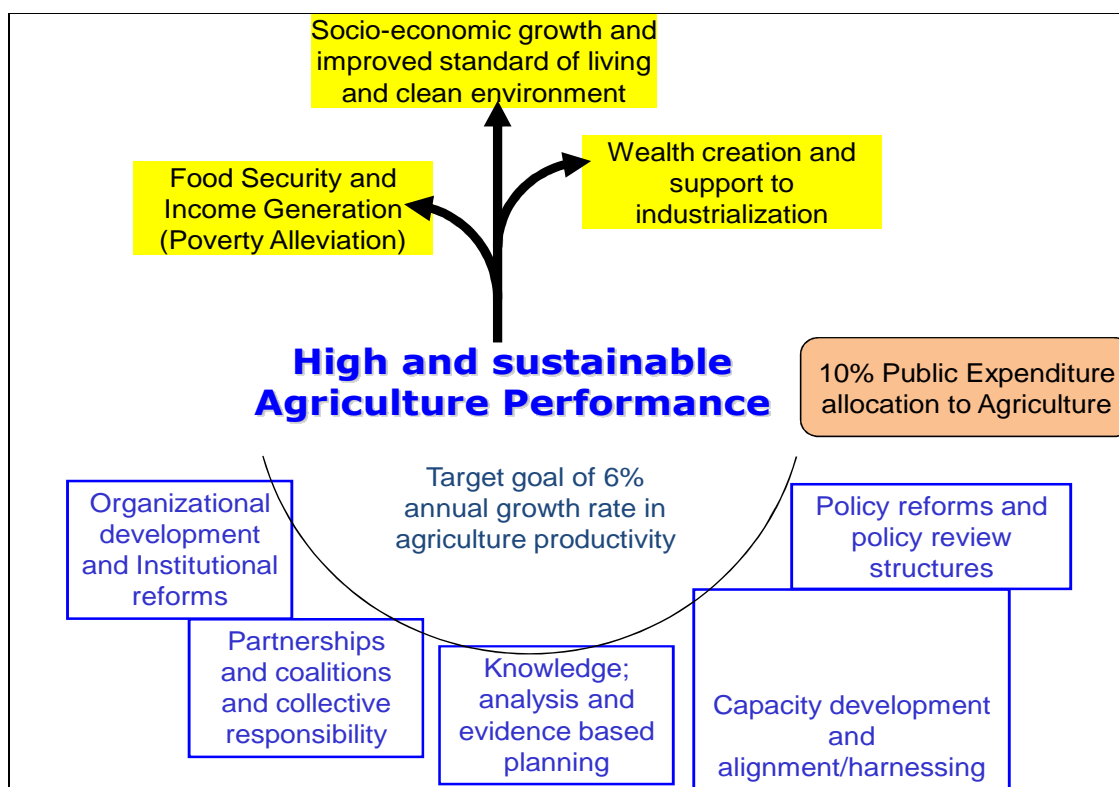
Source: ReSAKSS, 2009

CAADP therefore provides a framework for African countries to achieve economic growth and food security through the transformation of the agricultural sector. It reflects the commitment of all African leaders to broad-based agricultural development by directing the necessary resources to the sector and involving a broad range of stakeholders, but with a strong African leadership. CAADP aims at promoting interventions that respond to the widely recognized problems that face agriculture in Africa. It recognizes the importance of prioritizing investments, opportunities and interventions, and of using new and innovative ways of addressing Africa’s long standing problems facing the agricultural sector. To achieve these goals, CAADP focuses on four main pillars:

- i. **Pillar I:** Extending the area under sustainable land management and reliable water management systems;
- ii. **Pillar II:** Improving rural infrastructure and trade-related capacities for improved market access;
- iii. **Pillar III:** Increasing food supply, reducing hunger and improving responses to food emergency crises; and
- iv. **Pillar IV:** Improving agricultural research, technology dissemination and adoption.

CAADP is therefore based on sound principles that will ensure effectiveness and impact on countries’ economies. These principles include: Pursuing an average of 6% annual agricultural sector growth at country level, Allocating 10% of the national budget to agricultural development, strengthening local ownership and promoting interventions based on country’s opportunities and priorities, Building partnerships by involving non-state actors, Promoting dialogue and building consensus among all key stakeholders for the priority issues to be addressed, Enhancing on peer-review and sound analytical work to inform stakeholders in the sector, Enforcing mutual accountability to ensure sustainable resource utilization, Favouring regional complementarities within the framework of regional economic communities such as NEPAD, SADC, COMESA, ECOWAS and EAC, and Enhancing policy reforms for a more favorable environment to accelerate agricultural productivity.

Figure 5: Summary of CAADP Principles and Objectives



5.4 Tanzania Compliance with CAADP Principles and Objectives

The Government of the United Republic of Tanzania has adopted to implement CAADP principles and objectives through the so called “*Tanzania Agriculture and Food Security Investment Plan (TAFSIP)*”. TAFSIP is a ten-year investment plan (2011/12 to 2020/21) which maps the investments needed to achieve the CAADP target of six per cent annual growth in agricultural productivity. The URT is committed to pursue this target through allocating a minimum of ten per cent of the national budget to the agricultural sector from 2012/13 as per Maputo Declaration. The URT also seeks the support of the international community and the private sector in bridging the funding gap between the funding requirements and the amount that can be provided from a variety of domestic, international, public and private sources. TAFSIP is a sector-wide plan for coordinating and harmonizing the resources needed to accelerate implementation of existing initiatives and to launch new initiatives which address national, regional and sectoral development priorities. TAFSIP is therefore the financing mechanism and framework for the implementation of ASDP and ASP for the Mainland and Zanzibar respectively, and for emerging sectoral development initiatives on the Mainland which will be incorporated in the ASDP. In so doing, the Plan is anchored to, and aligned with Tanzania’s social and economic development aspirations expressed in Vision 2025 (for the Mainland) and Vision 2020 (for Zanzibar) together with a number of key policy and strategic statements including:

- i. The National Strategy for Growth and Reduction of Poverty (NSGRP/MKUKUTA) and the Zanzibar Strategy for Growth and Reduction of Poverty (ZSGRP/MKUZA);
- ii. Agriculture First (Kilimo Kwanza) and the Agricultural Transformation Initiative (ATI) for Zanzibar;
- iii. The Agricultural Sector Development Strategy (ASDS) for mainland Tanzania and the Agricultural Strategic Plan (ASP) for Zanzibar;
- iv. Tanzania’s agenda to meet the Millennium Development Goals (MDGs);
- v. The Tanzania CAADP Compact; and
- vi. Other various sub-sector policies, strategies and programmes/projects

Therefore, the development of the TAFSIP is a product of a broad based collaborative process which involved key stakeholders; including national and sectoral institutions from public and private sector, development partners, members of academia, civil society organizations, Regional Economic Communities (RECs), African Union Commission (AUC), NEPAD- CAADP Pillar Institutions and the National CAADP Task Force comprising representatives of all relevant stakeholders, ReSAKSS/IFPRI and other regional and international bodies. It addresses the core national problems of poverty and food insecurity in rural areas and on how to promote agricultural growth and food and nutrition security in Tanzania under the framework of the CAADP.

The Goal of the TAFSIP is to “contribute to the national economic growth, household income and food security in line with national and sectoral development aspirations”. The Development Objective aims to “rationalize allocation of resources to achieve annual 6 percent agricultural GDP growth. This objective is consistent with that national objectives to reduce rural poverty and improve household food and nutrition security” and CAADP objectives and principles. It embodies the concepts of allocating resources to invest more, produce more, sell more, nurturing the environment, and eliminating food insecurity; all of which are embodied in various national policy instruments. In order to achieve the above objectives, the investment plan is expressed in terms of seven thematic program areas each with its own Strategic Objective and major investment programmes. The main themes/investment areas are:

- i. Irrigation Development, Sustainable Water Resources and Land Use Management (CAADP Pillar I)
- ii. Production and rural Commercialization (CADP Pillar I)
- iii. Rural Infrastructure, Market Access and Trade (CAADP Pillar II)
- iv. Private Sector Development (CAADP Pillar II)
- v. Food and Nutrition Security (CAADP Pillar III)
- vi. Disaster Management, Climate Change Adaptation and Mitigation (Cross cutting)
- vii. Policy Reform and Institutional Support (CAADP Pillar IV)

Summarized Overview of TAFSIP Framework

Goal: Contribute to the national economic growth, household income and exports in line with national and sectoral development aspirations

Development Objective: Rationalize allocation of resources to achieve six percent agricultural GDP growth, consistent with national objectives to reduce rural poverty and improve food and nutrition security

Thematic Program Areas

Development, Resources and Investment	PA2: Production and rural Commercialization	PA3: Rural Infrastructure, Market Access and Trade	PA4: Private Sector Development	PA5: Food and Nutrition Security	PA6: Disaster Management, Climate Change Adaptation and Mitigation	PA7: Policy Institutional Support
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Strategic Objectives

Water resources for Use & Irrigation	SO2: Accelerate productivity rate & commercial agriculture	SO3: Improved & expanded rural marketing infrastructure	SO4: A thriving diverse and competitive agriculture private sector	SO5: Enhanced household and national food and nutrition security	SO6: Improved adaptive and mitigation capacity against disasters	SO7: Improved institutional support
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Expected outcomes

Water resource	<ul style="list-style-type: none"> Improved agricultural productivity; Smallholder catch up with commercial productivity levels; Growing commercial agric. Sustainable natural resource management; National self-sufficiency in production and supply of improved seeds. 	<ul style="list-style-type: none"> Lower transport costs; Increased competitiveness products in all-level markets; Expanded rural market structures Improved net forex balance; Improved quality and food safety; Increased profitability in the agric. sector; Improved trade facilitation services and utilities. 	<ul style="list-style-type: none"> Favorable policy, legal and regulatory environment for private sector participation Enhanced private sector capacity for market penetration and trade Effective public-private Sector partnership Private sector capacity for advocacy Agricultural based businesses Developed 	<ul style="list-style-type: none"> Improved national food self sufficiency ratio Increased calorie availability per rural household Reduced micronutrient deficiencies; Improved food quality, diversity, and reduced malnutrition Reduced vulnerability to acute food shortage Diversification of farming systems for improved diets 	<ul style="list-style-type: none"> Better preparation and response to natural disasters; Adaptability to impact and mitigation against causes of climate change. 	<ul style="list-style-type: none"> Consistent sector-wide policy regulatory and institutional capacity; Enhanced institutional capacity; Improved capacity of research institutions; More effective and affordable extension services Improved capacity of farm organizations and cooperatives.
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Main Document: October 2011

5.5 The Plan Costs and Financing for TAFSIP/CAADP

The financing of TAFSIP/ CAADP imbedded initiative is planned to start by 2011/12 (TAFSIP main document, 2010). It is estimated that the achievement of 6 per cent annual growth of sectoral GDP will require investments of around TShs. 8.7 trillion (USD 5.3 billion) over the first five years to be financed by the Government, Development Partners, Private Sector and other players. The share per investment area will be as follows:

- Irrigation Development, Sustainable Water Resources and Land Use Management TShs 1,200,111 million (14%)
- Production and rural ccommercialization TShs 6,220,600 million (71%)
- Rural Infrastructure, Market Access and Trade TShs 357,255 million (4%)
- Private Sector Development, TShs 15,561 million (0%)
- Food and Nutrition Security, TShs 211,433 million (2%)
- Disaster Management, Climate Change Adaptation and Mitigation TShs 66,312 million (1%)
- Policy Reform and Institutional Support, TShs 681,130 million (8%)

The indicative financing plan for TAFSIP focuses on the first five years (2011-12 to 2015-16). The financing plan is based on: (i) estimates of the likely availability of funding from various sources; and (ii) estimates of the size of the investments needed to generate a 6 per cent per annum growth in agricultural sector GDP. The difference between (i) and (ii) is the financing gap which is assumed to be filled by funds from other sources if the CAADP objectives are to be reached. The availability of funding is estimated on the basis of URT Medium Term Expenditure Framework (MTEF) projections. On this basis the agricultural sector development budget will increase from its current (2010/11) level of around TShs billion 906.673 to around TShs trillion 4.0 over the five years. Out of this amount, Tshs 3.8 trillion is for Mainland and Tshs 199.6 billion is for Zanzibar.

The budgetary control of the TAFSIP resources will be the responsibility of the Ministry of Finance, working with the Development Partners within the MTEF and the Joint Assistance Strategy for Tanzania (JAST) framework. Budgetary resources will be allocated in accordance with the five-year investment framework, with the Government of Tanzania CAADP commitment to allocate 10 per cent of its budget to the agricultural sector. The Agricultural Working Group (A-WG) of the Development Partners Group will coordinate the allocation of donor resources to the plan in accordance with the CAADP Compact and agreements reached at the Business Meeting.

5.6 TAFSIP Financing and Cost Estimates by Programmes

It is estimated that the achievement of 6 percent annual growth of sectoral GDP will require investment costs of USD 5,304.49 million over five years. Due to the fact that majority of Tanzania live in rural areas, the levels of investment have reasonably considered that more than 75 percent of the population lives in rural areas, hence over two-thirds of the resources will be allocated to Programme 2 reflecting the high priority given to agricultural productivity and commercialization, and the capital intensive nature of irrigation development which is expected to be one of the main drivers of productivity growth. Therefore, the financing of TAFSIP will be through a variety of sources including the Government, Development Partners, private sector, farmers' contributions and non state actors.

Table 3: Summary of TAFSIP Cost Estimates by Programmes in ‘000,000”

Programme	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Irrigation Development, Sustainable Water Resources and Land Use Management	187,002.46	214,165.22	235,929.46	264,612.54	298,401.49	1,200,111.18
Production and rural Commercialization	957,651.29	1,147,609.35	1,254,195.09	1,360,785.94	1,500,358.58	6,220,600.25
Rural Infrastructure, Market Access and Trade	66,208.44	76,474.19	79,051.34	72,285.29	63,236.34	357,255.60
Private Sector Development	3,500.52	2,835.72	2,997.02	2,999.02	3,229.52	15,561.78
Food and Nutrition Security	22,972.61	49,303.33	49,020.92	44,316.62	45,819.52	211,433.01
Disaster Management, Climate Change Adaptation and Mitigation	9,453.63	10,931.33	18,661.21	15,696.41	11,570.41	66,312.99
Policy Reform and Institutional Support	103,868.80	170,392.50	130,520.92	144,980.76	131,367.27	681,130.25
Total	1,350,657.74	1,671,711.64	1,770,375.96	1,905,676.58	2,053,983.12	8,752,405.05
US\$	818.58	1,013.16	1,072.96	1,154.96	1,244.84	5,304.49

Source: TAFSIP Main Document , 2011

Despite the above figure on budget allocation, the management and coordination of these resources to benefit the poor smallholder farmers in rural areas is a challenge. It will be more sound if strategies are put in place to increase participation of smallholder farmers through farmers organizations especially MVIWATA/ESAFF Tanzania in the planning, coordination and monitoring of these resources to ensure effective use of these resources to achieve the set objectives. The government should promote decentralization process to put resources in the hands of small scale farmers through initiation of community-driven projects that are implemented and monitored by farmers through the DADPs.

5.7 TAFSIP Funding Gap for 2011/12 to 2015/16

The funding gap is estimated to be USD 2.876 billion over five years – the difference between the USD 5.296 billion investment planned over five years and USD 2.42 billion agricultural sector development budgets available. It is assumed that the Government, Development Partners and Private Sector would finance the required additional amount. Available funds and funding gaps are described in the table below. If you look on the funds availability, you will realize that the amount of money to allocated to agriculture will be decreasing annually, while the gap in financing will be increasing. The interpretation of this scenario is that many multiannual activities that will be initiated in the first year are likely to fail due to failure to finance them fully on time and this have a negative impact on the implementation process and outcomes of TAFSIP.

Table 4: Summary of TAFSIP Financing Plan 2011/12 to 2015/16

Programme	Annual – (Currency in Million TZS “000,000”)					
	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Total Available Funds (As per Five Year Development Plan 2011/12-2015/16)	906,673.00	807,758.00	787,684.00	747,863.00	755,883.00	4,005,861.00
Proposed Funds for TAFSIP	1,350,657.74	1,671,711.64	1,770,375.96	1,905,676.58	2,053,983.12	8,752,405.05
Financial Gap	(443,984.74)	(863,953.64)	(982,691.96)	(1,157,813.58)	(1,298,100.12)	(4,746,544.05)
US\$	(269.08)	(523.61)	(595.57)	(701.71)	(786.73)	(2,876.69)
% Gap	15.43	19.10	20.23	21.77	23.47	100

Sources: TAFSIP Main Document, 2011

5.7.1 Implications of TAFSIP Financing Mechanisms

The proposed financing plan indicates the following sources of funds for TAFSIP over a period of five years: in Tanzania Mainland, the government will contribute 20%, development partners 45%, private sector 25% while others (NGOs and farmers) are expected to contribute 10% of the planned budget; In Zanzibar, the government will contribute 20%, development partners 65%, private sector 10% and other including NGOs and farmer 5%. It is assumed that Development partners' commitments to existing initiatives and the level of new funding of TAFSIP over the next five years seem to be adequate to bridge the funding gap. The continued donor support for the expanded ASDP is expected to run at around USD 200 million per annum (most of this flowing through the basket fund); USAID is expected to provide around USD 300 million over five years to fund Feed the Future initiative; MIVARF (IFAD/AfDB/AGRA) will invest around USD 170 million; and the Bread Basket initiative (AGRA/Private Sector) is expected to provide USD 173 million. SAGCOT is estimated to invest USD 3.4 billion over 20 years, funded largely by the private sector with support from the World Bank and other donors.

If you analyze critically the above financing mechanism, it is evident that success or failure of TAFSIP remains in the hands of development partners. TAFSIP will not only be successful if all donors' commitments are honored but also it will depend on the proper accountability of the government towards better and effective utilization of such resources. Additionally, the prevailing financial gaps for TAFSIP (table 4) pose another challenge that for sure if not well addressed may lead to failure of TAFSIP, hence failure to achieve the intended objectives. Resources availability is much tied with social economic and political situation at country and global levels. Therefore, the funding for TAFSIP will likely depend on global social, economical and political stability in the funding countries.

Since agricultural activities including support service delivery is a continuous process, funds are also needed for availability continuously. Any delay in disbursement of funds to the plan will cause stoppage of activities thus compromising the quality of interventions, a situation that may cause failure of the programme to meet CAADP objectives and farmers to lose interest to continue support the initiative. However, TAFSIP implementation plan targets much the Southern Agriculture Growth Corridor of Tanzania (SAGCOT) which aims to promote large scale investments in agriculture. Therefore, this process needs to be handled carefully otherwise, there is danger for eviction and displacement of small scale farmers to leave space to large scale investors and this may fuel land conflicts between investor and small scale farmers. MVIWATA should invest more in strengthening capacities of its members in the target regions to enable them engage in the process and make close follow up the implementation process to ensure farmers rights are protected.

5.8 Stakeholders participation in the Implementation and Coordination of TAFSIP

The institutions supporting the implementation of agricultural and rural development will involve all players including public, private sectors, non-state actors and main players being farmers. Despite that, the involvement of smallholder farmers has been not sufficient to include their views in the development process of TAFSIP plan. In this regard, the plan suggests to have high-level strategic guidance from the Inter-Ministerial Coordinating Committee (ICC) to direct multi- sectoral involvement in implementation of the Plan, with particular emphasis on creating conditions conducive to the participation of the private sector and non-state actors. Since TAFSIP is a sector-wide investment plan to be implemented through a harmonized programme operating within and building on the existing sector-wide ASDP/ASP institutional framework. Therefore, the involvement of many Ministries will require high-level responsibility for management and implementation oversight. The proposed coordination mechanism will involve a Presidential Retreat, an Inter-Ministerial Coordinating Committee, a Technical Committee of Directors, thematic working groups and ASDP Secretariat /CAADP Country Team. The ICC will maintain close communication with Cabinet with regard to TAFSIP implementation as needed.

5.9 The Proposed Management Hierarchy for TAFSIP

5.9.1 Presidential Retreat

The Presidential Retreat will be an annual event attended by Ministers of the ASLMs; the Ministers of Finance and Economic Affairs from the Mainland and Zanzibar; the Parliamentary Committee for Agriculture and Land; Ambassadors and Heads of Missions; and representatives of farmer, private sector, and civil society organizations. It will be chaired by the President of the United Republic of Tanzania and attended by the President of the Revolutionary Government of Zanzibar. The meeting will discuss performance of the agricultural sector and agree on way forward within the TAFSIP framework and the Medium-Term Expenditure Framework (MTEF).

5.9.2 National Coordination Meeting

Annual National Coordination Meeting will also be held once a year. The meeting will be co-chaired by the Minister of Agriculture, Food Security and Cooperatives for the Mainland and the Minister of Agriculture and Natural Resources for Zanzibar. The meeting will be open to a broad range of stakeholders and development partners. The meeting will be used to assess the agricultural sector's overall performance, including the key indicators of sector performance, and to identify policy and other constraints for immediate action. The National Coordination Meeting will also be used to set the TAFSIP agenda for subsequent year's activities.

5.9.3 The Inter-Ministerial Coordinating Committee (ICC)

The ICC will include the Permanent Secretaries of the ASLMs, Development Partners, farmer organizations, CBOs and private sector representatives. The ICC membership will also include representatives of SAGCOT, Feed the Future Initiative, FAO, Steering Committee of the Local Government Development Grant Programme, and the expanded Steering Committee of the ASDP/ASP. In view of the importance of food and nutrition security component of TAFSIP, the ICC will also have a representative of the Ministry of Health and Social Welfare or the Tanzania Food and Nutrition Centre (TFNC). The TAFSIP ICC will be co-chaired by the Permanent Secretary of MAFC and Principal Secretary, MANR, Zanzibar. Its major role will be overall coordination in terms of providing strategic policy guidance, key institutional linkages, and monitoring of performance to ensure that TAFSIP objectives are achieved. It will meet quarterly, or more frequently, if the need arises and will report to the Cabinet twice a year, unless circumstances call for more frequent meetings.

5.9.4 Technical Committee of Directors

The ICC will be supported by a Technical Committee of Directors (TCD), which will meet quarterly, or more frequently, if needed. The TCD is a committee made up of Directors of ASLMs with responsibility for approving annual work plans and budgets for all programmes and projects that will be engaged in implementation of the ASDP/ASP. It will ensure the sector activities are well prioritized, coordinated and adequately funded within the TAFSIP resource envelope. It will review annual performance of the sector and ensure lessons learned are well addressed and will make recommendations to the ICC for further action. The TCD will be cochaired by the Director of Policy and Planning, MAFC and the Director of Policy, Planning and Research, MANR, Zanzibar. The TCD will be backed up by the sectoral Programme Technical Working Groups (P-TWGs) and the CAADP Country Team.

5.9.5 Zonal Coordination Meeting

Zonal Coordination Meetings for the seven agro-ecological zones will be held once a year to review implementation at the Zonal level with the aim to review the status of ASDP/TAFSIP investments, identify capacity limitations and identify policy and other implementation problems and issues, share lessons learned and other knowledge across the zone. The meeting will be chaired by one of the Regional Commissioners on a rotating basis. The meetings will be attended by the Regional Commissioners, Regional Administrative Secretaries and Regional Agricultural Advisors. It will also be attended by the District Directors, District Agriculture Development Officers, District Agricultural and Livestock Development Officers, Community Development Officers, Planning Officer, private sector representatives, farmers and farmers' organizations, development partners, and CSOs. The information from the Zonal Coordination meetings will feed into the A-TWGs and TCD for action and onward forwarding to higher management hierarchy for action, particularly the ICC.

5.9.6 Development Partners' Agriculture Working Group (A-WG)

The A-WG of the Development Partners Group (DPG) will coordinate the allocation of donor resources under TAFSIP in accordance with the CAADP Compact and agreements reached at the Business Meeting (the business meeting was held on 10th and 11th November 2011). Through TAFSIP, various development partners are expected to continue using a range of aid modalities including general budget support, sectoral basket funding, earmarked funding, discrete projects, and off-budget activities. The projects and programmes to be funded through these modalities will all be aligned with the TAFSIP and integrated within the ASDP/ASP framework. The development partners will also work towards a harmonized set of operational procedures, including joint design and review missions, reporting procedures, and sharing of information.

5.10 Monitoring and Evaluation of TAFSIP Impacts

M&E of the sector-wide program (ASDP/AFSP) being financed through the TAFSIP will employ and strengthen the existing systems used to monitor and evaluate sector performance. The results framework details the activities and outcomes that are expected under each of the 7 Strategic Objectives (SOs) and milestone indicators which can be used to monitor progress towards each of the objectives. These indicators will be embedded in the M&E systems of the actual and planned flagship programmes and projects in the sector-wide programme that will be implemented under the TAFSIP umbrella. The current sector M&E frameworks for ASDP/ASP will be revised/expanded to integrate, harmonize and aggregate M&E data from programmes and initiatives not included in the current ASDP basket fund. The scope of the ASDP/ASP M&E frameworks will also be expanded to accommodate other stakeholders (linked Ministries/institutions, private sector, non state actors, civil societies, CAADP Country Team) to become a sector-wide M&E system which tracks performance of all TAFSIP funded sector activities; and feeds the aggregated results into the higher level MKUKUTA II/MKUZA II M&E systems. At regional level, the capacity of officers responsible for agricultural sector issues reporting directly to the ASLMS will be strengthened to facilitate M&E and smooth flow of information to reduce communication gaps currently existing between the LGA and ASLM's H/Q.

5.11 Integration of CAADP principles into National Policies and Plans

CAADP principles complement the national and sectoral strategies for economic growth and poverty alleviation which is in line with Cluster I of the second generation strategies for poverty reduction, the National Strategy for Growth and Reduction of Poverty (NSGRP II) for Tanzania Mainland and the Zanzibar Strategy for Growth and Reduction of Poverty (ZSGRP II) for Zanzibar. Likewise, the four pillars of CAADP address the same priority areas that have been agreed upon in ASDP, ASP and Kilimo Kwanza and the Agricultural Transformation Initiative (ATI) in Tanzania Mainland and Zanzibar respectively. Kilimo Kwanza is built on ten pillars including the following: Land and water resources management (CAADP Pillar I); Improvement of infrastructure and market access (CAADP Pillar II), Ensuring Food Security and Nutrition (CAADP Pillar III); and Science, technology and human resources development (CAADP Pillar IV). ASDP and ASP are important for achieving the targets for economic growth and poverty reduction in Tanzania as proposed in the NSGRP II for Tanzania Mainland and ZSGRP II for Zanzibar respectively, that are currently under preparation and which build on, and broaden, the space for country's ownership of the development agenda by fostering effective participation of civil society, private sector, and other stakeholders.

These strategies also aim at forging fruitful local and external partnerships and strengthening commitment to regional and other international initiatives for social and economic development, such as the Millennium Development Goals. Both also recognize agriculture as an important sector in economic growth and poverty reduction. For example, Goal 2 of NSGRP targets reducing income poverty through promoting inclusive, sustainable, and employment-enhancing growth, while Goal 2 for ZSGRP is to promote sustainable and equitable pro-poor and broad-based growth, especially in the agricultural sector. The NSGRP II states for example, that “with vast natural resources — rich agro-climatic zones, minerals and water resources, potential irrigable land, forestry and wildlife resources and above all, its population size - rural development and particularly agriculture stands out as a sector that requires priority attention since the rural sector accommodates the majority of the poor population”.

As a way of strengthening partnership and obtaining commitment from stakeholders, each member country including Tanzania prepared and signed the CAADP Compact (October 2010 for Tanzania). According to CAADP Tanzania stock — taking brochure, the Compact was developed through broad-based stakeholder consultations and round-table processes that ensure that the CAADP agenda reflects a broad consensus on the country's priorities to which efforts will be devoted by all concerned. The process of developing the Compact has therefore involved a number of steps beginning with creating a public awareness on the CAADP agenda, followed by a process of stock taking to identify priority issues that are needed to be addressed as part of the CAADP agenda. CAADP main document indicates that sectoral priorities which were identified through stakeholders consultations were validated and agreed upon by all stakeholders before detailed strategic investment plans are developed to be implemented over the short, medium and long term. Even though, it was difficult to access the information on the names of those stakeholders especially small scale farmers who were involved in the awareness creation and priority setting process.

The Compact was signed by key government ministers, representatives of Development Partners, the private sector, farmers, Regional Economic Communities (RECs) and civil society organizations. The Compact outlines the agreed policies, strategies, priority areas, investment plans, and resource requirements for the development of the agricultural sector in the country that will lead to economic growth and food security and overall reduction of poverty.

Tanzania is to build a modern and commercial agricultural sector that is highly productive and profitable and utilizes natural resources in a sustainable manner (Tanzania vision 2025). Therefore, the country's efforts target ensuring food self-sufficiency, enhancing export earnings and reducing poverty levels. To achieve these goals, actions are being taken to increase primary production and productivity, enhance agro-processing and value addition and to increase profitability for all involved in the sector. The basic principles of ASDP and ASP are therefore very much in line with the CAADP principles and objectives. Within the frame of the on-going preparation of ASDP II and ASP III, CAADP provides an opportunity for Tanzania to further strengthen its agricultural development efforts towards achieving greater impact on the country's economy and food security.

5.12 The relevance of CAADP and its pillars in relation to key priority areas for investment

CAADP aims at promoting interventions that respond to the widely recognized problems that face agriculture in Africa. It recognizes the importance of prioritizing investments, opportunities and interventions, and of using new and innovative ways of addressing Africa's long standing problems facing the agricultural sector. In Tanzania, The Government has adopted to implement CAADP principles and objectives through the so called "*Tanzania Agriculture and Food Security Investment Plan (TAFSIP)*". The Goal of the TAFSIP is to "contribute to the national economic growth, household income and food security in line with national and sectoral development aspirations". The Development Objective aims to "rationalize allocation of resources to achieve annual 6 percent agricultural GDP growth, consistent with national objectives to reduce rural poverty and improve household food and nutrition security" and CAADP objectives and principles. This objective embodies the concepts of allocating resources to invest more, produce more, sell more, nurturing the environment, and eliminating food insecurity; all of which are embodied in various national policy instruments.

However, the experience shows that in areas where the government has tried to promote investment in agriculture, there are so many challenges that emerge later due to poor and loose coordination of the process by respective authorities and failure of investors to abide to pre-defined rules and regulations. Among the common challenges that have happened in many areas of investments include land conflicts due smallholder farmers evicted from the land without compensation sometimes with short notice. Another challenge that need to be addressed by the plan if it to be successful is fairness among larger scale farmers and smallholder farmers to access, use, own land legally so that they can also use as collateral to access credits and other social benefits. The issue of market access for all vis – a - vis export for agro produce should also be looked at with greater attention. Larger scale will have better chance to compete or export their crop. Although smallholders farmers within the corridor will have chance to sale their crop produce to investors as out growers, small holder farmers outside of the corridor may face the problem of export ban being imposed to them by the government whenever food shortage occurs in the country for food security.

In order to achieve CAADP objectives, the investment plan is expressed in terms of seven thematic program areas each with its own Strategic Objective and major investment programmes as discussed here under:

5.12.1 Irrigation Development, Sustainable Water Resources and Land Use Management

Irrigation development is a high priority for increasing agricultural productivity based on a combination of commercial and smallholder schemes (which may be small, medium or large in scale). In view of the capital intensive nature of irrigation development, irrigation is likely to account for a large share of investments under the TAFSIP. Priorities for investment include equipment and human resources, irrigation infrastructure and integrated water management services. More resources are needed to improve traditional irrigation schemes, to rehabilitate deteriorated schemes, and to expand the area under irrigation in the identified irrigation potential areas. To do so, the URT will create an enabling environment for private sector

investment (local and international investments) in irrigation; including exploring alternative sources of water in drier areas especially in Dodoma, Singida, Shinyanga, Tabora, Mwanza and Mara.

Conservation and utilization of water resources is a high priority through watershed management initiatives, water harvesting, and improved irrigation and drainage systems to increase water use efficiency and ensure the sustainability of irrigation investments. According to TAFSIP main Document, the increased irrigation activities will go hand in hand with the establishment of environmental monitoring network to track impacts of irrigation and use of agro chemicals on environmental pollution. Increases in production are also expected from investments to expand the utilization of land resources. Whilst there has been an expansion in the cropped area in recent years, Tanzania still has large areas of arable land that are not used for crop production, but could be developed for commercial farming. This form of extensive agriculture is rather capital intensive and will require substantial private sector participation, including possibly foreign direct investment. Most of the incremental production from the smallholder sub-sector is expected to come from yield improvements, whilst in the commercial sector, area expansion will be a source of growth. Area expansion needs to be accompanied by measures to safeguard customary property rights especially land related rights.

TAFSIP stresses that Water resources for both irrigation and fisheries is available through rivers, lakes, ocean and streams hence efforts are required to utilize the nation's land and water resources for irrigation and sustainable agricultural production. This would require water use efficiency through sustainable extraction rates, maintenance of irrigation and drainage infrastructure development, land use planning and environment management. All irrigation schemes should conform to the Environmental Management Act to safeguard the sustainability of the schemes, water sources and community health while production systems should observe climate change and its impacts. The Compact emphasizes that SO1 will spearhead efforts to conserve and utilize Tanzania's natural resources in a sustainable and productive manner. It will ensure that opportunities to adopt sustainable land and water management systems are maximized and threats to sustainable use of natural resources are averted. Equally important is the prevention and reversal of arable and rangeland degradation in the rain fed areas which cover most of the country.

5.12.2 Production and rural Commercialization

The Tanzania Government's first priority for the agricultural sector is to increase productivity and production and agro-industrial development. Therefore SO1 is expected to achieve a sustainable increase in agricultural productivity and production over the ten-year life of the TAFSIP equivalent to a six per cent annual compound growth rate. This would be sufficient to raise sectoral GDP from TZS 9,600 billion (USD 6.4 billion) in 2010-11 to around TZS 30,600 billion (USD 20.4 billion) in 2030-31(TAFSIP, October 2010). GDP per capita among the rural population would increase from around USD 180 to USD 360 over the same period. Increased productivity and production is a prerequisite for food security (SO4) and agricultural commercialization.

Productivity gains are expected to come from closing the large gap between large scale commercial farmers and the majority, small scale farmers whose productivity performance is far below potential. Proven and appropriate agricultural technologies will be up-scaled through a revitalized agricultural research and extension system, combined with improved supply channels for farm inputs. The focus will be on simple and affordable agronomic packages including the use of improved seeds, fertilizers, soil fertility management, weed, pests and disease control, and improved harvest and post-harvest management. Investments in developing the capacity of the agricultural extension system will enable this initiative to be rolled out on a large scale in conjunction with improved input supply systems.

It is envisaged that the private sector initiatives that are focusing on this area will add value to the government efforts. Of significance will be the contributions of the private sector led Southern Agriculture Growth Corridor of Tanzania (SAGCOT), which will provide models for production and productivity enhancement through PPPs and also through collaborative efforts of large and small scale farmers working together for mutual benefits. Other initiatives including Feed the Future will also be implemented under the TAFSIP umbrella and will support value chains development through PPP models at grassroots level. The linkages from production to marketing will be fostered within the ASDP activities and augmented with other efforts including the Market Infrastructure, Value Addition and Rural Finance (MIVARF) programme supported by IFAD/ AGRA which aims to empower farmers along the commodity value chain.

As per TAFSIP Plans, the Government's input subsidy voucher scheme will cover the whole country and a wider range of crops to be a key pillar of the effort to improve agricultural productivity and production. This scheme, funded from the recurrent budget with support from several development partners (including the World Bank Accelerated Food Security Project (AFSP)), provides poor smallholder farmers an opportunity to begin climbing the technology ladder from traditional to modern farming methods, and to begin making the transition from subsistence to small-scale semi-commercial farming. TAFSIP will support efforts to expand the package under input subsidy voucher scheme and improve the impact of this expenditure through refinement of targeting methods to ensure that support reaches the "productive poor" who are able to respond; extension services are provided to ensure that the subsidised inputs are efficiently and effectively used; enhancement of private sector engagement in seed and fertiliser supply channels; and mechanisms for graduation of successful farmers out of the subsidy programme.

TAFSIP will focus on increasing productivity of the main food and export crops as well as livestock and fisheries/aquaculture through increased use of improved farm inputs including better seed/breeds/fingerlings, fertilisers, extension and continued research services. Priority food crops are maize, rice, cassava, wheat, beans, sorghum, sugar and oil seed crops. Priority export crops include coffee, cotton, tea, tobacco, cashew, horticultural crops, and spices. Strategies will also include sustainable land and water management improved access to mechanization and irrigation technologies as well as appropriate control and prevention of pests and diseases. Other crop production priorities include support for urban and peri-urban agriculture and agro-forestry. The choice of these crops is based on their significant contribution to food security, income generation and poverty reduction at both household and national levels.

Livestock development will also make a significant contribution to TAFSIP objectives. Tanzania has a large livestock resource mostly of indigenous types kept in traditional systems that are not commercially oriented. Production can be increased through genetic and nutritional improvement, commercialization, increasing processing capacity and improvement of marketing efficiency. Strategic interventions for the improvement of livestock will follow a value chain approach. Fisheries and aquaculture also play a vital role in food nutritional value and in some communities a major cash earning source. Specific measures will therefore be undertaken to improve fisheries and aquaculture production and management including infrastructure and sanitary measures.

The productivity and production initiative also calls for increasing recognition of the importance of post-harvest losses, which are a major factor in household food security, and due to quality issues, limit the capacity of smallholders to commercialize their agricultural activities. Coordination issues between research and extension also need attention, and the capacity of Tanzania's extension workforce needs to be improved with further training, equipping, operational support and stakeholder involvement over an extended period. Finally, there is a need to improve cooperative and private sector participation in the supply of agricultural inputs, particularly the production and distribution of high quality seed and encouraging private sector

investment in the creation of agro-dealership networks. Priority areas for investment include extension, research, training and financial services. Under TAFSIP, Government plans to support at least one agricultural extension worker per village, and to employ diverse and lower cost extension methodologies based on the principles of farmer-to-farmer extension. The establishment of Business Development Centres will also support economically-active smallholders to make the transition from subsistence to small-scale commercial farming.

Poor access to financial services by farmers and agribusiness enterprises limits the level of investment and the pace of agricultural commercialization. The existing commercial banks are reluctant to lend to the sector, and have limited outreach in rural areas. There are numerous microfinance institutions (MFIs) targeting farmers, but they have limited capacity to reach the large number of rural households due to lack of skilled personnel, branch networks and finance. Through TAFSIP, the Government plans to establish an Agricultural Development Bank to provide a specialized funding window for investment in the sector. The outcomes that SO2 is expected to influence and the milestone indicators showing progress towards these outcomes. SO2 will build on the achievements of SO1 by helping farmers to graduate from subsistence farming to semi-subsistence/semi-commercial status, practicing farming as a business. This recognizes that food security is a necessary condition for escaping poverty, but

While the focus for TAFSIP will be clearly on the smallholder sub-sector, greater private sector participation will also be encouraged, both in commercial agricultural production and in marketing, agro-processing and farm input supply chains. The commercialization initiative is expected to produce fundamental changes in the structure and functions of Tanzania's agricultural sector including: increases in the amount of agricultural produce entering market channels (including both domestic and export markets); diversification of smallholder production into higher value (non-staple) crop and livestock products; increased supply of raw materials to the industrial sector; improved farmer access to agricultural inputs and financial services and lower transaction costs in input and output supply chains as volumes and competition increase, infrastructure and communications improve and more farming households participate in cooperatives and other forms of farmer organizations. The higher levels of commercial activity are also expected to enlarge opportunities for rural non-farm business enterprises and both farm and non-farm employment. Agro-processing and value addition are important elements of increased agricultural commercialization. These activities can generate additional employment in rural areas. They also have strong forward linkages: for example, grain milling can produce animal feed to support the expanding livestock industry and increase farmers' access to urban consumers. For staple food crops such as maize, millet and sorghum, agro-processing can generate additional market opportunities in sectors which demand processed grain.

5.12.3 Rural Infrastructure, Market Access and Trade

Improved rural infrastructure (roads, markets, storage facilities, electrification etc) is a high priority. Improvement and construction of rural roads and market infrastructure are important for efficient inputs and output marketing. Investment in infrastructure is also important for attracting private investment in agricultural related activities such as agro-processing, increasing producer prices and farmer incomes. Improving access to the market can play a key role in strengthening incentives to improve productivity. Improved transport infrastructure, dissemination of market information and easing of cross-border trade restrictions can all play a role. The East African Common Market, launched in 2010, opens up new regional trade opportunities, but also exposes Tanzania's domestic market to increased competition. The private sector is expected to take the lead in processing and marketing of agricultural commodities so that they satisfy consumer demand for quantity, quality and safety. As domestic and regional markets expand and become more discriminating in terms of quality and food safety, the issue of sanitary and phytosanitary standards will become increasingly important, calling for improved regulation and certification services.

5.12.4 Private Sector Development

Through TAFSIP, Tanzania envisages a diverse, competitive and robust private sector to spearhead the development of the agricultural sector by way of increased flows of private investment and services in the sector. This will be achieved with the improved conditions and systems in which the private sector operates. Focus on private sector development will be upon improvement in the investment climate, trade capacity building and facilitation, business to business linkages and support to business organization to improve capacity for advocacy and service delivery. Efforts will also be directed to promote more effective public–private dialogue and increased formalization of informal activities in the sector. Research and development will be encouraged and supported to identify determinants of private sector growth in the agricultural sectors, areas of competitive advantages and more effective modalities of supporting private sector. Further research will focus on private sector cluster that have greatest capacity to create employment and reduce poverty.

In order to attract private investment in the sector, including foreign investment, the Government will maintain a transparent system of agribusiness investment guidelines and incentives; and accelerate implementation of the policy framework for agricultural commercialization. Improving financial services to the sector is a key policy issue in order to facilitate private investment. The proposed SACGOT Catalytic Fund, MIVARF credit guarantee scheme and the Agricultural Development Bank are several initiatives which will be incorporated into an integrated rural commercialization policy framework. In addition, the Government has established an agricultural lending window in the Tanzania Investment Bank, as an interim step prior to the creation of an Agricultural Development Bank. Specific measures to stimulate private sector investment and participation need to be implemented. A number of opportunities for private sector engagement have been identified including out grower, block farming, and contract farming arrangements with smallholders. SAGCOT, an ambitious new initiative in agricultural and rural development, is heavily linked to private investment in the sector and incorporates specific mechanisms for private sector engagement, including the proposed Catalytic Fund which will finance early stage “social venture capital” to address up-front costs of agribusiness investment such as transport infrastructure and communications.

5.12.5 Food and Nutrition Security

Food and nutrition security takes a number of forms, all of which affect the quality of life and productivity of rural people. Chronic, transitory and emergency food insecurity due to poor agricultural productivity, food inaccessibility and natural disasters all play a role. A 2005 survey found that 15 per cent of households in selected locations were food insecure and another 15 per cent were highly vulnerable (TAFSIP, October 2010). Northern and central regions were worst affected and the level of food insecurity in some areas was high as 45 percent. Food security is highly dependent on rain-fed agriculture which also is susceptible to the vagaries of weather. Therefore there is need to promote and embark on irrigated agriculture and diversification of crops (drought resistant crops) for greater reliability of food supplies. The issue of strategic food reserves needs to consider: (i) an appropriate level of stocks to hold; (ii) transparent protocols and rules for the acquisition and release of stocks, stock rotation, and the use of financial instruments to complement physical stock-holding; and (iii) policies and procedures for dealing with food price spikes of the type currently being experienced.

Malnutrition is one of the most serious constraints to labour productivity and economic growth. Chronic malnutrition is also high with 38 per cent of children less than five years of age being stunted, making Tanzania one of the ten worst affected countries in the world and third worst in Africa (TAFSIP, October 2010). Over the last five years (2005 to 2010) the levels of chronic malnutrition and calorie deficiency were only reduced slightly. Malnutrition reduces labour productivity and earning potential most within the agricultural sector where physical stature and body strength are critical. In children, malnutrition often contributes to increased child mortality, and for those who survive, it diminishes their ability to grow, learn and earn

a decent income as adults. There will continue to be a proportion of rural households needing special support to help them achieve food security and protect them against shocks, principally droughts. It is expected that advancements in other areas of the TAFSIP will progressively reduce the number of households requiring food aid and other forms of assistance to survive. The effectiveness of targeting social safety net programmes for vulnerable groups will be sharpened, and the prevalence of child and maternal malnutrition is expected to decline. As the size and cost of the safety net programme begins to decline, more resources will be available for disaster risk management including disaster preparedness and mitigation. S05 also aims at strengthening social protection systems, particularly for the most vulnerable households by improving their food and nutrition security and asset creation while promoting human capital development through education.

The Tanzania National Food Centre (TNFC) is currently finalizing the National Food and Nutrition Policy. A key policy issue is the need to ensure that significant numbers of beneficiaries graduate from chronic food insecurity to enable them to advance towards becoming small-scale semi-commercial farmers; and for households to improve their knowledge about how to use increasing food availability to improve the nutritional status of their children. Increasing the rate of graduation is contingent upon the rate of progress under the other three strategic objectives and should be responsive to the needs of vulnerable households affected by natural disasters. As such, it is not advisable to prescribe the rate at which social safety net programmes can be scaled down, and to retain the capacity to respond to weather-related and other crises should circumstances deteriorate, for example through a severe and widespread drought or epidemic. To achieve this objective, rural households, especially the more vulnerable and disadvantaged ones need to understand the importance of diet in overall wellbeing and have the knowledge to use the food that they have in the best possible way. In this context there are potential tensions between policies that encourage agricultural commercialization and the need to maintain diversification of farming systems and diets.

Current standards of food safety need to be greatly improved including microbiology, pesticide residues, labeling standards and safe storage and transport. The new food fortification standards for oil, wheat and maize flour need to be enforced. The development and enforcement of standards needs to be balanced with public education on safe food handling practices. This is also important in accessing export markets and will be increasingly important in maintaining a competitive position in the high end of the domestic market. In addition to the above, the following priority areas will be addressed: (i) finalization and implementation of nutrition strategy; (ii) establishment of high level nutrition steering committee in the Mainland ; (iii) effective 2012 designate budget line in the national budget for nutrition; (iv) stronger integration of nutrition into agricultural activities; (v) establishment of nutritional focal point at district level; and finalization and implementation of guidelines related to food fortification.

5.12.6 Disaster Management, Climate Change Adaptation and Mitigation

Climate change/variability also poses challenges such as rising temperatures, drought and floods which increase frequency of extreme climate events. Food insecurity is one of the consequences of changing climate. The continued increase of the average global temperature will further aggravate the situation leading to increased vulnerability and affecting sectors such as agriculture, livestock and fisheries. Thus, mitigation and adaptation strategies to cope with climate change will therefore be given more attention in the implementation of TAFSIP. Climate change presents Tanzanian farmers and pastoralists with a new set of challenges. Whilst most of the anticipated climate change is still in the future and there are uncertainties about the nature and extent of change in the different agro-climatic zones of the country, there are indications that the drier areas may become even hotter and more arid; and, over large parts of the country, the frequency of extreme events may increase.

This calls for the development of more robust and resilient farming systems that are able to adapt to a range of possible climate change outcomes as they unfold over the life of the TAFSIP and beyond. Many of the initiatives proposed under SOI will, in fact, contribute to such an outcome. In addition to mitigation measures, which are mainly of a long term nature, there is a more immediate need for Tanzania to contribute to climate change/variability adaptation, even though the nation's contribution to the global problem is very minor. In this regard there are possibilities to increase carbon capture through reforestation, agro-forestry and agronomic innovations that increase soil organic carbon levels, and which also have beneficial impacts on soil fertility and hydrology and fertilizer response.

5.12.7 Policy Reform and Institutional Support

5.12.7.1 Policy Reforms

Whilst Tanzania's policy framework for agricultural and rural development is comprehensive and stable, the TAFSIP process has highlighted a number of areas where reviews, adjustments, and refinements may be beneficial. The specific policies that need to be reviewed and necessary for the successful implementation of TAFSIP include Land Policy (1997); Food and Nutrition Policy (1992); National Environmental Policy (1997); Agricultural and Livestock Policy (1997). Other dimensions of the enabling environment for rural commercial development requiring on-going policy review including: (i) rural microfinance policy and microfinance institutions supporting smallholder farmers, rural non-farm entrepreneurs, and small and medium sized rural enterprises; (ii) the need to maintain a competitive trade policy and address sanitary and phytosanitary barriers to trade; (iii) implementation of the policies on PPPs and cooperative development; (iv) implementation of food safety and quality improvement policies to increase consumer confidence in the quality and safety of Tanzanian foods; and (v) encouraging both male and female farmers/family members to become members of farmer organizations involved in commercial agriculture.

TAFSIP's greatest policy challenge is coordination of agricultural development initiatives through an expanded sector-wide development program, which includes those initiatives that are currently outside the ASDP basket fund. This suggests a new high level coordination body that will comprise the Cabinet, a Presidential Retreat and the National Coordination meeting chaired by Prime Minister, President and Minister respectively. This level is empowered to ensure an appropriate balance between development and recurrent budget allocations; provide leadership, management and supervision of implementation at national and local levels; and enhance capacity to monitor and evaluate at sectoral level. Such a body would work alongside the agricultural donor working group (A-WG) to ensure that development partner contributions are fully aligned with and supporting the TAFSIP.

5.12.7.2 Institutional Reforms and Support

There are institutional capacity weaknesses that need to be strengthened and gaps filled to ensure full implementation of the TAFSIP. The challenges are first to enhance government capacity and second to strengthen the capacity of other players such as farmer organizations, private sector and non-state actors. TAFSIP therefore includes capacity building as one of the key strategic objectives. The focus is on strengthening institutional capacity, enhancing human resources and creating an efficient communication system. These will be implemented to support planning, policy analysis, research, extension, irrigation, agro-processing, financing, donor coordination, M&E among all the key stakeholders at all levels. In all capacity building initiatives gender equity will be emphasized to ensure that the disadvantaged, especially women and youth play a major role.

Whilst Government will take the lead in TAFSIP implementation, it will not act alone. The public sector notably ASLMs, TNFC, other MDAs, Regional Administration, and LGAs will have the role of creating an enabling environment including setting up

standards, ensuring food safety, providing public investments, negotiating on trade matters, organizing safety nets for marginal groups, defining access to and management of natural resources, and providing agricultural statistics. It is envisaged that the private sector including CBOs/NGOs and producer organizations will participate in activities such as input supply, financial services, marketing, storage and extension services. The private sector is also expected to invest in the sector and to undertake the tasks of agricultural production, commercialization and/or agro-processing. Agricultural transformation requires productive human resources for generation and diffusion of technology. There is a need for a major shift towards introduction of new generation of farmers who are equipped with the necessary skills to revitalize agriculture. While professionalism and expertise will be taken seriously, agricultural skills and knowledge will be imparted at various levels in the education system. Investment in human resources will be complemented by better use of information and communication technology.

5.13 Anticipated benefits from TAFSIP/CAADP

According to TAFSIP main document of October 2011, the principal benefits of the programme will be: (i) increased and sustainable production of food and non-food agricultural commodities to improve the nutritional status of rural households, boost national food security, and provide raw materials for the agro-industrial sector; (ii) reduction in the prevalence of under-nutrition and malnutrition in rural communities and protection from the impact of natural disasters; (iii) accelerated commercialization of the rural sector generating increased cash incomes from farm and non-farm enterprises; (iii) protection and enhancement of the long-term productive capacity of Tanzania's natural resource base through more sustainable land and water management practices and measures to adapt to climate change; and (iv) improved institutional capacity to mobilize and manage resources in support of agricultural sector development.

A number of other benefits also expected to accrue as the sector develops including: (i) reduction in harvest and post harvest losses; (ii) increased export earnings; (iii) diversification of production into higher value agricultural products; (iv) improved access to financial services by smallholder farmers and rural entrepreneurs; (v) reduced transaction costs and improved efficiency in pre and post-farm gate value chains; (vi) increased participation in cooperatives and other forms of farmer organizations; (vii) improved access to markets through infrastructure development; (viii) increased rural employment; (ix) higher productivity and reduced vulnerability to droughts from expansion of irrigated agriculture; (x) maintenance of agricultural biodiversity; and (xi) improving the system of disaster risk management by exploring the use of innovative risk management tools.

Benefits will also arise from several of the crosscutting themes of the TAFSIP including: (i) improved institutional capacity and human resources at all levels; (ii) more balanced participation of men and women in development and income-generating activities and both household and community-level decision-making processes; (iii) recognition of the special needs of rural households affected by HIV/AIDS and/or poor nutrition and efforts to improve household nutrition and curb the spread of the disease; and (iv) improving the adaptability of the agricultural sector to climate change and reducing Tanzania's contribution to global greenhouse gas emissions. A positive economic impact will be assured by requiring all proposed investments to be subject to thorough technical and financial feasibility studies to ensure that those likely to generate robust financial and economic returns are given high priority, and all proposed investments meet a minimum (hurdle) rate of return.

5.14 Targets Groups and Main Beneficiaries of TAFSIP Plan

Whilst all Tanzanians stand to benefit from the TAFSIP, the primary beneficiary group will be smallholder farming, pastoral and fishing households adopting improved agricultural practices that increase food production and cash income generation. However, through consultations with MVIWATA officials, the study reveals that instead of involving MVIWATA (the national

small scale farmers' forum in Tanzania), the Agricultural Council of Tanzania (ACT) was invited to represent farmers in the process and for endorsement of the investment plan (TAFSIP) for prior to submission to EAC and SADC and NEPAD. The situation deprived the chance for smallholder farmers to contribute their views and inputs to the investment plan while the same plan recognizes and stresses that small scale farmers are the main target as they constitute the majority of people involved in the agricultural sector in the country.

TAFSIP recognizes that smallholder farmers are not a homogenous group. They comprise farmers (both subsistence and cash croppers), pastoralists, fishers and combinations of these. They also span a range of poverty profiles including the destitute poor, the economically active poor, transitory poor etc, all of whom have different development needs and capabilities. It is indicated that various programmes and projects which constitute TAFSIP will each specify their target groups and targeting methods within this diverse group known collectively as smallholder farmers. However, this focus is not intended to exclude larger scale and commercial operators whose participation is essential to maintain sectoral growth momentum and leverage investment in downstream value addition and employment generating initiatives.

Medium and large scale farmers will also be able to participate through the development of commercial agriculture including irrigation schemes. In the lower rainfall and pastoral areas, disadvantaged and vulnerable households will benefit from sustainable natural resource management initiatives as well as continued social safety net protection under SO5. Under SO2 agro-industrial enterprises will benefit from increased availability of raw materials, and other value chain participants will generally gain from increased volumes of produce entering market channels. Both rural and urban consumers will also benefit from improved availability, quality and lower prices for food commodities. It is expected unemployed and under-employed people will benefit from improved income earning opportunities from employment in rural farm and non-farm enterprises.

It is assumed that future generations of Tanzanians will benefit from measures to prevent environmental degradation and sustainably manage natural resources. This applies particularly to the beneficiaries of irrigation development, smallholder farmers in areas where soil conservation and watershed management activities are undertaken; pastoralists and agro-pastoralists who benefit from rangeland management/rehabilitation and livestock improvement; and all rural households who face the long-term challenge of adapting to climate change. The number of beneficiaries of social protection programmes is expected to decline as other TAFSIP initiatives bear fruit. GoT/RGoZ will however retain a vital social safety net programmes for those who need them with particular emphasis on meeting basic nutritional requirements in both quantitative (calorie) and qualitative (micronutrient) perspectives.

5.15 The influence of Multinational Companies on Tanzanian Agriculture through CAADP

The influence of Multinational companies and CAADP on Tanzanian agriculture is perceived through the institutional arrangement for TAFSIP implementation and the hierarchical management and coordination of TAFSIP. Just to remind you that TAFSIP is the national implementation framework of CAADP in Tanzania. The institutional arrangement provides more power for ICC in the coordination of TAFSIP. ICC include main donors from the international community particularly investors and other stakeholders and thus will have more power to influence both financing and implementation of TAFSIP. In this case, Multinational Companies who are the main financier of TAFSIP will have much power to influence the decisions and direction of TAFSIP implementation on one side and this is supported by the fact that decisions about resources allocation is the mandate of Development Partners' Agricultural Working Group who are actually the main donors of TAFSIP and other initiatives that will be implemented along way with TAFSIP such as SAGCOT and Feed the Future Initiative.

The A-WG of the Development Partners Group (DPG) will coordinate the allocation of donor resources under TAFSIP in accordance with the CAADP Compact and agreements reached at the Business Meeting (the business meeting was held on 10th and 11th November 2011). Through TAFSIP, various development partners are expected to continue using a range of aid modalities including general budget support, sectoral basket funding, earmarked funding, discrete projects, and off-budget activities. The projects and programmes to be funded through these modalities will all be aligned with the TAFSIP and integrated within the ASDP/ASP framework. The development partners will also work towards a harmonized set of operational procedures, including joint design and review missions, reporting procedures, and sharing of information. On the other side, the influence of Development Partners' Agricultural Working Group on TAFSIP financing and budget allocation will help much to make the country accountable towards effective implementation of TAFSIP by allocating enough funds to the agriculture sector to achieve the objectives underlined in CAADP compact document and the outcomes that are expected under each of the 7 Strategic Objectives of TAFSIP

6 EFFECTIVENESS OF THE AGRICULTURAL BUDGETING CAMPAIGNS DONE BY MVIWATA, PELUM AND ESAFF IN 2010/11

In June 2010, MVIWATA in collaboration with PELUM Tanzania and ESAFF organized a press conference to facilitate smallholder farmers to comment on the national budget and express their position on the budget allocated to agriculture and ways of improvement. Among issues that were evoked and presented by farmers during the conference include the need for the government to fill its obligations of implementing Maputo declaration which called for agriculture sector to reach 10 per cent by the year 2009 in all NEPAD members states while increasing the national economic growth to 6% annually. Farmers in that conference highlighted that the research carried out in April 2010 in some districts of Tanzania showed that some districts were using approximately 40 percent of the agriculture budget to pay allowances among the officials and an average of 20 per cent for transport rather than using it for the intended purpose.

Smallholder farmers emphasized that the agricultural budget should provide much room for investments in small farmers' agriculture in order to have direct benefit to them and increase motivation in production. In addition to that, smallholder farmers indicated that transparency should be improved to enable effective participation of stakeholders and small farmers in planning, implementation and evaluating the agriculture budget from village, ward and council levels. One of the outcomes from the press conference was a visit organized by the members of Parliamentary committees for agriculture and land to discuss get farmers opinions on various issues related to land and agriculture. During that visit smallholder farmers got another chance to emphasize more on issues of their concern so that they can be discussed by the Parliament and get solutions.

The wish of key stakeholders in agriculture sector especially stallholder farmers is to see the budget allocated to agriculture increased to 10% as per Maputo declaration of 2003. However, this will only be effective if the government make serious review of the current budget allocation within the sector, its coordination and monitoring systems to ensure that the allocated money reach the target as intended. Based on the trends of budget allocation to agriculture since 2004, the United Republic of Tanzania has not reached the target of 10% budget allocation to agriculture sector to meet Maputo declaration requirements.

Even though, the budget allocated to agriculture has been increasing gradually every year. However, although the budget for agriculture has generally been rising over time, technically these budget figures are just indicative values which do not necessarily reflect a real increase in allocation because no inflation has been taken into consideration. Over the five-year implementation period of TAFSIP (2011/12 to 2015/16), it is planned that the budgetary resources will be allocated in

accordance with the five-year investment framework, with the Government of Tanzania CAADP commitment to allocate 10 per cent of its national budget to the agricultural sector.

The Agricultural Working Group (A-WG) of the Development Partners Group will coordinate the allocation of donor resources to the plan in accordance with the CAADP Compact and agreements that were reached at the Business Meeting held in November 2011 in Dar es Salaam. The above commitment on 10% budget allocation to agriculture indicated in TAFSIP Plan are in line with ESAFF lobbying and advocacy initiatives undertaken in 2010/11. These could be attributed to subsequent Agricultural Budgeting Campaigns that were conducted by ESAFF in collaboration with MVIWATA and PELUM Tanzania in 2010/11 with the aim to push the Tanzania Government fulfill its promise towards increasing the annual budget for agriculture to 10%.

The programme should ensure that the allocation of the agricultural budget go hand in hand with management and control of funds at village and district level to ensure that deliberate efforts are furnished to see that the large portion of the budget is utilized for development activities rather than being used for allowances and transport.

7 THE AU PASTORALISTS POLICY FRAMEWORK (PPF) AND ITS EFFECT TO PASTORALIST IN TANZANIA

The African Union adopted the AU Pastoralists policy framework (PPF) during its Eighteenth Ordinary Session of the Executive Council that was held from 24-28 January 2011 in Addis Ababa - Ethiopia. The framework provides a major opportunity to highlight government commitments and responsibilities towards pastoralists at a time when we see negative statements and actions in Uganda, Ethiopia and Tanzania. Here we can cite the case of pastoralists' evictions in Mbarali district, Ngorongoro district and so many places. The AU encourages governments to implement the framework into their own policies by reviewing their policies with a view to develop a comprehensive policy which takes into account the specific needs of pastoralism and to build adequate human, financial and technical capacities to support pastoral policy development. The Policy Framework for Pastoralism in Africa contains guiding and cross-cutting principles, two main objectives, and a set of strategies for each objective. The two objectives of the framework are as follows:

- Objective 1: Secure and protect the lives, livelihoods and rights of pastoral peoples and ensure continent-wide commitment to political, social and economic development of pastoral communities and pastoral areas.
- Objective 2: Reinforce the contribution of pastoral livestock to national, regional and continent-wide economies.

In specific terms, the policy framework is intended to:

- Provide a both a vision and a practical framework for achieving multiple development objectives in pastoral areas; catalyzing political will and raising awareness among key stakeholders, devising effective governance frameworks, and enhancing and synergizing the effectiveness of revised national policies;
- Coordinate the collective efforts of key stakeholders to define the principles, guidelines, strategies and practical approaches for: (i) identifying the needs of pastoral communities, empowering them to participate effectively in the identification of, and decisions about new policies and innovations envisaged in the AU policy development process; (ii) determining the policies and investments that affect their livelihoods; and (iii) further integrating them into the mainstream national and regional economies, and related policy processes;

The framework defines the modalities for attracting sustainable and well- managed public and private sector investments, including those of development partners in pastoral areas, such as physical infrastructure, livestock production and marketing,

water resource development, education and human capital development, and healthcare provision; it encourages members states to develop strategies to ensure the involvement of pastoral communities in policy processes, so that the needs of pastoral people are far better reflected in national policy and planning frameworks; define practical approaches for managing risks and thereby reduce the vulnerability of pastoral people to climatic events, particularly droughts and floods, and to conflicts; it also provide a platform to guide and tailor actions towards issues considered critical in pastoral communities such as equitable access to key natural resources (land, water etc.) and technological resources , maximizing the productivity of pastoral livestock and strengthening pastoral economic systems; Enhancing and facilitating greater participation of pastoral people in decision making and policy debates; and giving pastoral communities the opportunities to define their own priority needs.

Despite the intention of the AU to recognize the rights, existing economic contributions and potential future contributions of pastoralists to development, the government of Tanzania might not have taken the same initiatives to involve and consult pastoral communities in the design of TAFSIP plan. The plan doesn't clearly define how pastoralist treated in relation to access, utilization and ownership of resources such as land and water as it has been clarified for irrigation for agriculture. TAFSIP' priorities for investment include equipment and human resources, irrigation infrastructure and integrated water management services. More resources will be used to improve traditional irrigation schemes, to rehabilitate deteriorated schemes, and to expand the area under irrigation in the identified irrigation potential areas.

8 CHALLENGES IMPEDING SMALLHOLDER FARMERS AND LIVESTOCK KEEPERS PARTICIPATION IN TAFSIP THAT NEED LOBBYING AND ADVOCACY ACTIONS

Capacities for small scale farmers to cope with current agricultural transformation processes

Statistics show that the majority of about 80 percent of total Tanzanians are engaged in agriculture of which more than 77.7 percent are small scale farmers (Speech by the President of the URT, Excellency Dr. Jakaya Mrisho Kikwete during CAADP Business Meeting, 10th to 11th November 2011). while constituting the main labour force and engine to boost agricultural sector in the country, their livelihood is so poor in a way that they forego most basic needs in life only. Despite that, it is believed that agriculture's role in the country economy changes as a country develops. As people get richer, agriculture's share in national income and employment falls, small farms find it harder to compete with larger ones, more mechanized farms and consumers diversify their diets into higher value products and more processed and pre-cooked foods, hence small scale farmers sinking in deep poverty due to failure to compete with the remaining actors.

As the country become wealthier, farms become progressively larger, more commercial and more specialized in higher value-products and many small farms disappear because of that while others adapt either by finding high-value niches in which they can compete or by becoming part time farmers and labourers. These changes are a normal part of the economic transformation of the country and this is the same scenario Tanzanian that we are likely to experience through the envisaged agricultural transformation in Tanzania. The major challenge will be the speed and scale of agricultural transformation processes that if not well managed will jeopardize the existence of small scale farmers who are the majority of the national population engaged in the sector. To cope with this challenge, small scale farmers should develop strategies to ensure that their voices are heard and reflected in the current TAFSIP programme and other agricultural related policies. Under risk and risk management of TAFSIP, it is indicated that despite smallholder farmers being the primary target group of the TAFSIP, there is risk that smallholder farmers will be marginalized against a background of rapid agricultural commercialization.

Right for smallholder farmers to access, own and utilize land and other resources such as water and forestry resources to improve their livelihood

In order to address the core national problems of poverty and food security in rural areas and to promote agricultural growth and food nutrition security under the framework of CAADP Compact, the Government of the United Republic of Tanzania has developed the so called Tanzania Agriculture and Food Security Investment Plan (TAFSIP), a ten years (2011/12 – 2020/21) holistic initiative towards agricultural transformation process. TAFSIP plan encourage foreign and local investment in agriculture whereby small holder farmers will benefit through working with investors in their undertakings. According to SAGCOT, a Blue Print for a Green Revolution in Tanzania and Southern Africa, foreign and local investment agricultural will benefit small scale farmers in number of ways including the following benefits: (1) improved access to infrastructure (eg feeder roads, electricity and potable water) while also gaining employment opportunities with agricultural firms throughout the value chain; (2) production of higher yielding crops, (3) access to irrigation and other agricultural support services, (4) and access to inputs, value-adding services and markets.

Unfortunately, TAFSIP does not clearly indicate how farmers will be protected against land grabbing incidences to ensure their protection for access, use and ownership for land and other natural resources including water and forestry resources. If the issues of proper land planning and sustainable natural resources management are not carefully handled to meet present and future needs of small scale farmers and future generation, social conflicts particularly between farming communities and investors be it foreign or local investors are probable to emerge following land allocation for investment in agriculture. The experience shows that failure of so many development initiatives has been associated with poor involvement of rural communities and other stakeholders in planning and priority setting accompanied by poor coordination, implementation, and monitoring and evaluation of the impact of the process on the livelihood of the target group.

In his research on Kilimo Kwanza entitled "Kilimo Kwanza and Small Scale Producers: An Opportunity or a Curse?" Mr Richard Mbunda from the Political Science department of the University of Dar es Salaam said that despite the fact that commonsense dictated that small farmers should be key actors to agriculture transformation, smallholder farmers are sidelined. He added that the preparation of Kilimo Kwanza (KK) was an affair of the business community under the Tanzania Business Council and no deliberate efforts were done to consult small scale producers (The Citizen of 16th March 2011). It is also the same way that TAFSIP has been developed with little consultation and participation of small holder farmers and farmer organizations. Mr Mbunda said even again that credit conditions from the agriculture window of the Tanzania Investment bank that has been entrusted with financing KK leaves out small producers. "TIB only lends between Sh100 and Sh1 billion for agriculture-related projects. Poor farmers, who form the majority, cannot afford to borrow that much," Mr Mbunda said (The Citizen of 16th March 2011).

The same research conducted found that the start of the implementation of Kilimo Kwanza strategy has now left small scale producers in farming, livestock, fisheries and beekeeping at the crossroads partly because they do not understand the project or are unaware of their role. The immediate feeling that they get when they hear about Kilimo Kwanza is provision of power tillers and tractors that are either very difficult for smallholder farmers to buy or not useful to them given their topography and nature of the soil. The strategy presents to them a dreadful feeling of losing their land to large-scale investors through land grabbing and a fear of being displaced from agriculture itself, which is their lifeline," Mr Mbunda said when presented the draft report of his research. Therefore, the notion that Tanzania has ample idle land, as indicated in TAFSIP documents, also serves to justify the fears of small scale farmers. This assumption could be misleading if you take into consideration poor land planning and the high population density and the high birth rate of Tanzania at this moment.

Following the above situation, there is a need for the Tanzanian government to establish measures to safeguard customary property rights especially land related rights. To deal with this challenge, MVIWATA in collaboration with the Tanzania Land Alliance (TALA) should develop lobbying and advocacy strategies based on evidenced information and cases on land grabbing in while at regional level, the same measures/strategies should be undertaken by the East African Land Alliance to ensure access, ownership and utilization of land by smallholder farmers in respective country members of EAC.

Access to market and Infrastructure development

Inadequate market information to support commercial decision-making and improve the bargaining power of farmers and their cooperatives/associations has been the major challenge for small holder farmers to benefit from their involvement in agricultural production. According to TAFSIP Plan, the linkages from production to marketing will be fostered within the ASDP activities and augmented with other efforts including the Market Infrastructure, Value Addition and Rural Finance (MIVARF) programme supported by IFAD/AfDB/AGRA which aims to empower farmers along the commodity value chain. The experience has shown that the failure to involve smallholder farmers in planning and decision making processes has led to failure of most of rural market infrastructures built under the AMSDP to operate or be effectively utilized by farmers for marketing purposes. The same scenario could again happen if factors such as effective involvement of the private sector and farmer organizations in the process are not resolved.

As per TAFSIP Plans, the Government's input subsidy voucher scheme is now planned to cover the whole country and a wider range of crops as a key pillar of the effort to improve agricultural productivity and production. This scheme, funded from the recurrent budget with support from several development partners (including the World Bank Accelerated Food Security Project (AFSP)), is supposed to provide poor smallholder farmers an opportunity to begin climbing the technology ladder from traditional to modern farming methods, and to begin making the transition from subsistence to small-scale semi-commercial farming. However, the management and coordination of such initiative has proved failure in many districts due to poor management of funds allocated to input subsidies and monitoring of the process to ensure that inputs get in the hand of smallholder farmers. MVIWATA as farmer organization should therefore make sure that there is effective representation in the local committees managing the voucher system wherever its members are present. More capacity building interventions are also required to enable smallholder farmers participate effectively in the monitoring and coordination of local development initiatives while effectively participating into remunerative activities to increase their production and income.

Fair trade to enhance small scale farmers' participation in the world free market economy and EAC common market

Free market economy is another challenge facing small scale farming. Currently, the market forces tend to accentuate the gap between the haves and the have-nots. The rich utilize their resources to accumulate wealth leaving the poor spectators in the process. You will agree with me that major beneficiaries of the new high-value and liberalized agriculture are the larger, commercially-oriented farms, and ones which are well connected to roads and markets. For Example, Tanzania has a great potential to become the food basket for the EAC. Even before the common market was launched on 1st July 2010, Tanzania was already selling substantial amount of food stuffs especially cereals in the neighboring countries formerly and informally and the demand for Tanzania's grain is ever increasing.

This is due to the fact that Tanzania has huge and potential arable land suitable for agriculture production if well utilized. However, despite the better chance for Tanzania to benefit from the common market by selling farm products to other EAC members, the neoliberal thinking of Tanzania's government that makes the government trust the free market economy to deliver desirable goods to the society for the benefit of all without taking into consideration country specific challenges and capacities is a big challenge. In order for this to happen, farmers must be well prepared and capacitated to become active players along respective value chain. Again, the government should be aggressive in scaling up success stories in value chain

development for the whole country. additionally, there is need for the government to ensure that there is conducive environment for small scale farmers to invest in agriculture through availing the necessary services required by them. These may include services such as provision of public goods (scientific research, public health, education, infrastructure, and protecting the vulnerable groups against insatiable profit and growth motives of the Multinational companies).

Low price of agro produce that do not meet production costs and gain on production

The income poverty of small scale farmers in Africa and Tanzania in particular is paradoxical in nature. Although farmers are the main producers of all agro products that are marketed in the economy, they are the poorest group of actors in the agricultural production and marketing system. Through their engagement in agriculture, smallholder farmers can survive without other actors in the sector such as transporters, processors, service providers, traders, etc.

However, while supporting all other actors in the agricultural sector, small scale farmers have been marginalized and poor and are becoming more poor and poor day after day. This has been attributed to some extent to lower prices for agro products they produce which do not sufficiently recover for economic costs incurred by farmers during production of such goods. To work out this challenge, there is need for the government to increase farmer's market share and access to better consumer's price through establishment of well informed market information system to enable farmers have benchmark for price bargaining power. The experience has shown that the impoverishment of a small scale farmer is due to termination of ownership of his products early along the commodity value chain, a situation that denies him chance to benefit from added value by marketing functions. Instead of that, the benefits accrue to traders, transporters, processors, and other market actors who buy the produce from the farmers.

Compliance and adherence of Tanzania with CAADP principles and objectives: 6% economic growth and 10% budget allocation to agriculture

Currently, the statistics show that the agriculture sector in Tanzania contributes about 26% to the national GDP. Despite its significant contribution to the national economy, agriculture has been receiving less than 10 percent of the national budget. Conscious of the need to reverse the current declining trend in African agriculture and to prioritize the sector in order to harness its full potential so as to guarantee sustainable food security and ensure economic prosperity for its peoples, African Heads of State and Government, at the Second Ordinary Assembly of the African Union in July 2003 in Maputo, adopted the Maputo Declaration on Agriculture and Food Security in Africa. The Declaration contained several important decisions regarding agriculture but prominent among them was the commitment to the allocation of at least 10 percent of national budgetary resources to agriculture and rural development policy implementation within five years that followed the declaration.

The Declaration contained the following two important decisions: (1) all Member States made a commitment to allocate at least 10 percent of their national budgets to agriculture and rural development and (2) the Comprehensive Africa Agricultural Development Programme (CAADP) framework for agricultural development in Africa was endorsed. However, since the decisions to make more budgetary allocation and endorsement of CAADP were made, it is not known with any degree of certainty the extent to which respective nations have implemented these decisions. According to NEPAD implementation review report of 2011, only 26 countries including Tanzania had signed the compact and incorporated the CAADP Compact into their agricultural agenda by May 2011. Among those, 8 member countries (30.8% of those who signed the compact) have reached the public investment goal of 10 per cent and 9 countries (34.7% of those who signed the compact) have reached the goal of a 6 per cent increase in agricultural productivity. The budget that was allocated to agriculture during the financial year 2010/11 was 7.8% (table 5) of total budget which is far below CAADP targets.

Coordination, management and implementation national policies/Programs/initiatives

For many years, the government of Tanzania has been struggling to promote socio-economic development through initiation of various development initiatives/programs/projects and through policy formulation and reform processes to ensure conducive environment for implementation of such initiatives in a successful manner. Despite all these efforts, the life of smallholder farmers has not improved rather, they are sinking in deep poverty as time goes on. Among factors that contributed to this situation is poor coordination and management of the development initiatives proposed by the government accentuated by corruption, unstable institutional arrangements and weak link between research and extension systems. Corruption has led to wastage and loss of resources that could have contributed to poverty reduction and increased income at farmers level and at national level. Changes of Ministries and Ministerial departments through shifting some departments from one Ministry to another has led to ongoing and continuous policy formulation and review processes every after five year, a situation that has much affected the implementation of policies and programmes due to changes in coordination and management of new institutions.

Economic empowerment for smallholder farmer

One of the strategies to promote smallholder farmers' engagement in agriculture is to empower them economically. This should be done through creation of projects such as savings and credit, cereal banking, value chain addition, market linkages, extension services and development of business and entrepreneurship skills in rural areas to enhance accessibility for smallholder farmers to such important economic services. This strategy should not therefore be left for farmer organization only as lack sufficient financial resources and human capacities to carry over such task. To ensure economic empowerment for smallholder farmers, there is need for effective engagement of all actors both from public and private institutions to ensure that such service are availed to farmers especially in rural areas where the majority of smallholder farmers live. The experience shows that only well organized, powerful farmer organizations with good market linkages have thus far been able to make their voices heard to the extent that policies and programs are adapted to their needs.

Other organizations working with farmers often provide the platform to enable their concerns to be heard but with little or limited influence on policies. Appropriate actions should therefore be taken to ensure that farmer organizations such as MVIWATA participate effectively or have influential status in policy or research process so that the interests of smallholder farmers are taken into consideration so that farmers' voices can have an impact on agriculture related policies. The best way to achieve this is to empower farmers to organize themselves into quality producers groups so that they can bulk and process their produce through their associations, access appropriate technologies, and credit to benefit from economy of scale, access better market price and information and sell their value added product with quality at a negotiated price.

Access to information particularly in remote areas

Due to the potentiality of information in development, there is need to find ways by which smallholder farmers especially in rural areas can be provided with information on various issues such as agricultural policies, marketing information etc for informing them about whatever situation and initiatives going on in the country in relation to the socio-economic welfare and this will help them to be equipped with the physical and intellectual tools they need to utilize to build on their own knowledge. To achieve this, there is need for an interconnected agricultural knowledge system that link smallholder farmers to agricultural information providers that will enable farmers get advice from appropriate person best qualified in knowledge management. The government and other actor in the agricultural sector should also promote the establishment of village information centers that are strengthened to ensure the availability of information at such lower level easy to access by rural communities and where policies and development related information should be availed for access to rural communities.

Capacity building for small scale farmers and farmer organizations

Smallholder farmers' influence on agricultural policies and programmes is generally weak due to lack or limited capacity to effectively engage in different policy formulation processes. Even where they are engaged, smallholder farmers are often involved in the process at a late stage when it is difficult to influence the decisions. Therefore, there is need for strategies to enhance capacities of smallholder farmers and their organization to ensure the effective participation and representation in the agricultural policy formulation process.

Promoting win – win situation

The lack of adequate skill for price negotiation and bargaining has led to failure for small scale farmers to realize benefits from farming activity and get fair price for their products in relation to other actors in the commodity value chain. Generally, smallholder farmers' power balance with agribusinesses is very weak in favor of the agribusinesses. An equal partnership and smallholder farmers participation in the value chain is required to enable mutual growth and fair deals between smallholder farmers and other actors in the value chain.

9 CONCLUSION

Tanzania is an emerging economy country with high growth potential. However, while the economy is relatively diversified in Tanzania, the agriculture sector has been and still the major driving force of the national economy. Currently, sector employs over 80 per cent of the population, majority of them being smallholder farmers. This being the case, it is through higher and sustained agricultural growth that Tanzania can realize the goals for economic growth and reduction of poverty, and this will only be achieved if smallholder farmers who are the majority in sector are given higher consideration and involvement in planning and implementation of policies and programmes related to agriculture.

To promote agricultural growth, food security and poverty reduction, Tanzania has developed a ten year investment plan (2011/12 – 2021/22) known as Tanzania Agriculture and Food Security Investment Plan to comply with DAADP principles and objectives towards agricultural transformation from low productivity agriculture to a commercialized agriculture. This document was developed as response to the resolutions from Maputo declaration of 2003, where the Heads of African States committed to achieve a 6% annual economic growth and 10% national budget allocation to agriculture in their respective countries within five years after signing the declaration. The commitment for allocating 10% of Tanzania annual budget to agriculture has been advocated for by ESAFF at national and regional levels and thus the commitment of Tanzania to do so through TAFSIP could to some extent be attributed to subsequent Agricultural Budgeting Campaigns that were conducted by ESAFF in collaboration with MVIWATA and PELUM Tanzania in 2010/11. So far, as of May 2011, only 26 countries including Tanzania had signed and incorporated the CAADP Compact into their agricultural agenda. Among those, 8 member countries (30.8% of those who signed the compact) have reached the public investment goal of 10 per cent and 9 countries (34.7% of those who signed the compact) have reached the goal of a 6 per cent increase in agricultural productivity.

Despite the efforts made by Tanzania to realize the commitment of ensuring national economic growth by 6% and allocation of 10% of its national budget to agriculture as stipulated in the TAFSIP which is the framework for the implementation of CAADP in Tanzania, there are so many challenges and issues that need to be addressed in order to achieve the set objectives and reach the intended impact. The availability of funding to finance TAFSIP plan for 2011/12 to 2015/16 is estimated on the basis of the URT Medium Term Expenditure Framework (MTEF) projections. On this basis the agricultural sector development budget is estimated to increase from its current (2010/11) level of around TShs billion 906.673 to around TShs trillion 4.0 over the five years out of which an amount of TShs 3.8 trillion is allocated for Mainland and TShs 199.6 billion is for Zanzibar.

Although TAFSIP Main document indicates that the primary beneficiary group to benefit from TAFSIP will be smallholder farming, pastoral and fishing households, the process has provided little or no room for smallholder farmers to contribute their views. According to the Post Compact Road Map and Implementation of CAADP, the following step was the formulation of country investment plans involving all stakeholders including representatives from farmer organizations in that case MVIWATA. Through consultations with MVIWATA officials, the study reveals that instead of MVIWATA, the Agricultural Council of Tanzania (ACT) was invited to represent farmers in the process and for endorsement of the investment plan (TAFSIP) for prior to submission to EAC and SADC and NEPAD. The situation reduced the chance for smallholder farmers to contribute their views and inputs to the investment plan.

Therefore, one of the key challenges that are likely to impede the implementation of TAFSIP is the financing mechanism for the plan. TAFSIP plan will mainly be financed by development partners who provide about 50% of the overall budget and the government with slightly 20% of funds to be allocated to the initiative. The A-WG of the Development Partners Group (DPG) are the one to coordinate the allocation of donor resources under TAFSIP in accordance with the CAADP Compact and agreements reached at the Business Meeting (the business meeting was held on 10th and 11th November 2011). A weak coordination of budget processes is also probable among ASLMs and among Development Partners. Different development partners have differing requirements for reporting, accounting and auditing systems. As TAFSIP is expected to attract more development partners, there is risk for the government to fail to comply with additional donor requirements. Since a large amount of the financing is expected to come from Development Partners, the private sector and beneficiaries, the latter have more power to influence the implementation directions and delays in funds disbursement are likely to happen. If that is the case, the implementation process will seriously be affected leading to failure to meet the target impact.

Smallholder farmers capacity to cope with the speed and scale of the new agricultural transformation processes is also challenging. If not well managed and coordinated, the new agricultural transformation process will jeopardize the existence of small scale farmers who are the majority of the national population engaged in the agricultural sector. To cope with this challenge, small scale farmers should develop strategies to ensure that their voices are heard and reflected in the current TAFSIP programme and other agricultural related policies. TAFSIP indicates that despite smallholder farmers being the primary target group in its implementation process, there is risk that smallholder farmers will be marginalized against a background of rapid agricultural commercialization.

Additionally, TAFSIP does not clearly indicate how smallholder farmers will be protected against land grabbing incidences that are likely to happen as result from investment in agriculture in order to ensure their protection for access, use and ownership for land and other natural resources including water and forestry resources. If the issues of proper land planning and sustainable natural resources management are not carefully handled to meet present and future needs of small scale farmers and future generation, social conflicts particularly between farming communities and investors be it foreign and/or local investors are likely to emerge following allocation land that have been used by farmers for so many years for investment. Therefore, MVIWATA in collaboration with the Tanzania Land Alliance (TALA) should develop lobbying and advocacy strategies based on evidenced information and cases on land grabbing in Tanzania while at regional level, the same measures/strategies should be undertaken by the East African Land Alliance to ensure access, ownership and utilization of land by smallholder farmers in respective country members of EAC.

Despite the better chance for Tanzania to benefit from the common market by selling farm products to other EAC members, the neoliberal thinking of Tanzania's government that makes the government trust the free market economy to deliver desirable goods to the society for the benefit of all without taking into consideration country specific challenges and

capacities is a big challenge faced by smallholder farmers to get access to better price for their agro produce. following this situation, farmers must be well prepared and capacitated to become active players along respective value chain. The government should be aggressive in scaling up success stories in value chain development for the whole country and make sure that there is conducive environment for small scale farmers to equally invest in agriculture through availing the necessary services required by farmers.

For many years, the government of Tanzania has been struggling to promote socio-economic development through initiation of various development initiatives/programs/projects and through policy formulation and reform processes to ensure conducive environment for implementation of such initiatives in a successful manner. Despite all these efforts, the life of smallholder farmers has not improved rather, they are sinking in deep poverty as time goes on. Among factors that contributed to this situation is poor coordination and management of the development initiatives proposed by the government accentuated by corruption, unstable institutional arrangements and weak link between research and extension systems. Changes of Ministries and Ministerial departments by shifting some departments from one Ministry to another has led to ongoing and continuous policy formulation and review processes every after five year, a situation that has much affected the implementation of policies and programmes due to changes in coordination and management of new institutions.

Economic empowerment for smallholder farmer is another to be given more focus when implementing TAFSIP through creation of projects such as savings and credit, cereal banking, value chain addition, market linkages, extension services and development of business and entrepreneurship skills in rural areas to enhance accessibility for smallholder farmers to such important economic services. Effective engagement of all actors in the implementation both from public and private institutions is a pre-requisite to ensure that such service are availed to farmers especially in rural areas where the majority of smallholder farmers live. Again, appropriate actions should be taken to ensure that farmer organizations such as MWIATA participate effectively or have influential status in policy or research process so that the interests of smallholder farmers are taken into consideration so that farmers' voices can have an impact on agriculture related policies.

The involvement of farmers organization in formulation and implementation of agriculture related policies will increase farmers' access to information required to engage seriously in the agriculture sector. An interconnected agricultural knowledge system that link smallholder farmers to agricultural information providers is required to enable formers get advice from appropriate person best qualified in knowledge management. The government and other actor in the agricultural sector should also promote the establishment of village information centers that are strengthened to ensure the availability of information at such lower level easy to access by rural communities and where policies and development related information should be availed for access to rural communities.

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