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**Brief No.**

## **INSTITUTIONAL STRENGTHENING IN THE AGRICULTURAL SECTOR**

# Tanzania

### **Introduction**

***T**anzania is currently implementing reforms in the agricultural sector that are redefining the roles of the public and the private sectors in a strategic shift from state-led to private sector-led agricultural development.*

Further anticipated result of the reforms is that the private sector, including NGOs and producer organizations will perform most of the market-chain functions such as input provision, credit, marketing, storage and extension services. The public sector assumes the role of creating an enabling environment; this includes setting and enforcing 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. The Government will also be expected to play a role in land policy and administration, particularly on issues of security and distribution of land rights, land use and land management, in order to avoid land conflicts and the marginalization of certain groups.

In order for the public and private sector players including civil society to more effectively perform their respective tasks and functions, it is necessary to clarify their roles and build their capacity. This involves not only the financial and institutional strengthening of the public sector and capacity building of producer organizations, but also the establishment of consultation arrangements and conflict-resolution mechanisms between the players in the sector. Particular emphasis needs to be placed on the production and marketing roles of producer organizations, which often is the only solution available for small-scale farmers to deal with market challenges.

In the agricultural sector, Agricultural Sector Development Programme (ASDP) is one of the major sector reforms for coming up with a new way of doing business. It is a way of engaging in development cooperation based on the principles of coordinated support for locally owned development. The ASDP is implemented in all Local Government Authorities through District Agricultural Development Plans (DADPs) and about 75 percent of sector resources devolve to the local level. The programme is also implementing Decentralization by Devolution (D by D) policy.

The improvement of governance within the agricultural sector requires agreement by all the stakeholders involved in national development strategies. It is therefore necessary to use appropriate analytical and consultative processes that are inclusive and cover the following aspects of the agricultural sector:

- Environment: Markets, national economy, development policies
- Organization: Institutions of value chain actors and their inter-relationships
- Development options: Specialized products, diversification, new markets, value addition

It also requires the development of an effective communication and sharing mechanism that keeps all stakeholders informed and facilitates their active participation in strategic decisions concerning the development of the sector.

### **Institutional Arrangement and Challenges**

The institutional and implementation arrangement of the ASDP have been established with clear defined roles. These include: Basket Fund Steering Committee, Committee of Directors, ASDP regional coordinators, Thematic Working Groups, and Facilitation Teams (National, District and Ward). Annual Joint Review (AJIR), Sector Consultative Group and Sector Consultative meetings are also in place. The programme is implemented at National and Local level. However as it has been with SWAps, coordination and prioritization of activities remains a challenge. The desired sector coordination requires various sectors to be committed to working together. This challenge must be addressed as a priority.

The institutional arrangement for Zanzibar includes regional, district, ward and village levels. Funding arrangement is through Government allocations. Furthermore, capacity of private sector and non-state actors/associations to partner with Government, also remain to be a challenge both in the Tanzania mainland and Zanzibar.

## Proposed Interventions

In order to strengthen the institutional framework for the development of the agricultural sector, the following interventions are proposed for integration into the next phases of ASDP and ASP:

### 1. Strengthening Coordination, Communication And Harmonization For Implementation Of Asdp/Aspii

Tanzania has adopted and implemented a sector-wide approach for the development of the agricultural sector (Ag-SWAp). This approach allows for improved harmonization of stakeholders' support towards a common goal within a shared sector policy framework and development strategies, a common expenditure framework (Medium Term Expenditure Framework - MTEF), harmonized implementation systems, funding arrangements, client consultative mechanisms and a single sector performance monitoring system.

The ASDS as agreed upon by all stakeholders, together with the NSGRP and ZSGRP, provide the strategic framework for the agricultural sector in Tanzania mainland and Zanzibar. These frameworks have been operationalized into ASDP and ASP for Tanzania mainland and Zanzibar respectively.

The Ag-SWAp entails adopting a sector-wide MTEF, determining resource availability and allocating them among sub-sectors on the basis of priority requirements. An Ag-SWAp also allows for the tracking of expenditure for the entire sector, by adopting standard budgeting, funding, procurement, auditing and reporting systems. Thus the implementation of ASDS requires a well-coordinated effort on the part of stakeholders - ASLMs, LGAs, Development Partners, NGOs and the private sector. This in turn needs a facilitative and functional institutional structure.

## Way Forward

To further consolidate the standardization of the agricultural sector interventions, the government, together with other stakeholders, both public and private, should work together to:

- 1.1 Review the ASDS to take into account new challenges, new opportunities, and new players in the sector and thus align all future interventions in the sector to the NSGRPII, Kilimo Kwanza resolutions and ZSGRPPII and Agriculture Transformation Initiatives (ATI) outcome clusters.
- 1.2 Review and update all sub-sector policies to reflect the Ag-SWAp.
- 1.3 Enhance accountability and commitment amongst the players as per CAADP principles.
- 1.4 Finalize the PPP Act and Policy currently under formulation and develop its implementation strategies.
- 1.5 The Council Management Team (CMT), District Consultative Council (DCC) and Regional Consultative Council (RCC) must be strengthened to discuss ASDP agenda.
- 1.6 Replace Basket Fund Steering Committee with ASDP Steering Committee to accommodate more players in the sector.

### 2. Strengthening the Involvement of the Private Sector, NGOs, CBOs and other Non-State Actors in the Implementation of ASDP II/ASP II

While the ASDP spells out the need for the close involvement of the private sector in the planning and implementation of sector support interventions, the absence of a specific platform for private sector involvement at a national level leads to limited participation of the private sector.

At the LGA level it was envisaged that the private sector, including NGOs and farmer organizations, would be involved directly as members of the District and Ward Facilitation Teams (DFTs and WFTs) in the

planning and follow-up of the District Agricultural Development Plans (DADPs). They were also expected to participate as service providers (research, extension, training, irrigation, input and output market) to farmers in the different localities. In practice, the incorporation of the private sector in ASDP activities through DFTs and WFTs or as service providers remains limited.

At the same time, the private sector in Tanzania has a limited capacity to play its expected role in the development of the agricultural sector. Further policy reforms are also necessary to provide more incentives for the private sector to develop its entrepreneurship skills and to participate more actively in sector development, particularly in the areas that require heavy investment like irrigation, agro-processing, warehousing, marketing and other infrastructures.

#### Way Forward.

To strengthen private sector participation in the implementation of ASDPII/ASPII towards agricultural and rural development, specific actions are recommended as follows:

- 2.1 Strengthening National Consultative meetings for public-private consultation on policies and strategies related to agricultural development.
- 2.2 Create financing mechanisms that will be appropriate for different players in the sector, including small, medium and large-scale producers.
- 2.3 Build the entrepreneurial capacity of emerging agricultural service providers at District level.
- 2.4 Ensure stronger representation and involvement of the private sector and other non-state actors in the DFTs, WFTs and Shehias.
- 2.5 Strengthen producer organizations, particularly the various forms of cooperatives, so that they can serve as reliable service providers to their members.
- 2.6 Utilizing PPPs where possible for areas requiring heavy investments.

### 3. Establishing a Sector Wide Monitoring Framework and Knowledge Management System

The performance of the sector will need to be assessed using a common monitoring framework to report on financial and physical performance at district and national levels. The monitoring and evaluation (M&E) frameworks for ASDP and ASP have been finalized, but will need to include all the relevant indicators for the sector, for example those relevant to fisheries. The ASLMs have prepared Local Government Monitoring Data Base Version II (LGMDII) which is a system based for linking ASLMs and LGAs. The system is being piloted in Dodoma and Morogoro regions.

#### Way Forward.

- 3.1 To establish a system for up-dating the sector with the proposed monitoring framework and to roll out the LGMDII to all LGAs.
- 3.2 Establishing a strategic analysis and knowledge support system in the country that will facilitate the sharing of analytical work for evidence-based decision making and policy formulation.

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