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Investing in rural people

Proposed programme and draft terms of reference for the 2014 country visit of the Executive Board to the United Republic of Tanzania

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For: Information

Proposed programme and draft terms of reference for the 2014 country visit of the Executive Board to the United Republic of Tanzania

Overview of IFAD country programme

1. Despite impressive growth in GDP over the last decade, the United Republic of Tanzania remains one of the world's poorest country in terms of per capita income. The sustained average annual GDP growth rate of 7 per cent, which is double the average rate of the 1990s, cannot conceal the great disparities across sectors and geographical areas. The agricultural sector, which is largely composed of smallholders, has not benefited from the same momentum and is still in need of investment and modernization. Furthermore, it remains highly sensitive to extreme weather patterns such as the recent droughts that severely affected crop production, livestock farming and energy generation. As a result, people in rural areas remain extremely poor and in some case live well below the accepted poverty line indicators.
2. The Executive Board approved IFAD's first loan to the United Republic of Tanzania in 1978 (the second loan ever approved by the Board). Since then, IFAD has approved and financed 14 projects with a total cost of US\$769 million through IFAD loans of US\$360 million (48 per cent of project costs). The United Republic of Tanzania has the second-largest IFAD portfolio (in terms of volume of lending) in the East and Southern Africa (ESA) region (after Ethiopia).
3. Since the beginning of IFAD's operations in the country, the Government has provided cofinancing for US\$71.96 million to IFAD-supported projects (or 9.6 per cent of total portfolio costs). The major cofinanciers (in terms of value of cofinancing) have been the World Bank (1.5 per cent) and the African Development Bank (11.4 per cent).
4. The third results-based country strategic opportunities programme (COSOP) was launched in 2007 for the 2007-2013 period. The Independent Office of Evaluation of IFAD (IOE) is expected to initiate a country programme evaluation in April 2014, and the findings will guide the preparation of the next COSOP, to be presented to the Board in December 2015. In order to be able to draw lessons from the recommendations of the country programme evaluation, the implementation period of the current COSOP is being extended to the end of the current PBAS cycle, which is December 2015.
5. The current COSOP is aligned with the National Strategy for Growth and Reduction of Poverty. The 2007 COSOP was introduced after the establishment of the Development Partners Group and the one-UN initiative. Before preparation of this COSOP, IFAD had already contributed to basket funding in a sector-wide approach for the agricultural sector (through the Agriculture Services Support Programme). The 2007 COSOP acknowledged that a funding gap existed in the United Republic of Tanzania's National Agricultural Sector Development Programme, despite the participation of several development partners (the World Bank, the African Development Bank, the European Union, Irish Aid and the Japanese International Cooperation Agency) and proposed continuing IFAD's contribution to the sector-wide approach (SWAp) as well as financing separate operations.
6. More precisely, the 2007 COSOP set four strategic objectives, each of them de facto corresponding to the envisaged IFAD operations, as follows:
 - (i) Improved access to productivity-enhancing technologies and services. This consists of contributing to the agricultural SWAp through two ongoing loans (the Agricultural Sector Development Programme – Livestock: Support for Pastoral and Agro-Pastoral Development; and Agricultural Services Support

Programme) and a new programme (the Agricultural Sector Development Programme [ASDP]).

- (ii) Enhanced participation of farmers' organizations in national sector-wide planning, again consisting of supporting the national ASDP through loans and grants but with a special focus on improving the planning and advocacy capacity of farmers' organizations.
 - (iii) Increased access to sustainable rural financial services. This is being realized through the IFAD loan for the Marketing Infrastructure, Value Addition and Rural Finance Support Programme (MIVARF), which is the successor of a national rural finance programme also supported by an IFAD loan.
 - (iv) Increased access to markets and opportunities for rural enterprise. This is being realized through the IFAD loan for the Rural Micro, Small and Medium Enterprise Support Programme (MUVI, by its Kiswahili acronym), which is a follow-up loan to a previous IFAD-funded programme on agricultural marketing, and aims to expand the model to other districts.
7. The current active portfolio consists of five projects, with an IFAD investment of US\$212 million, aimed at reaching about 3 million households (12 million people). The ongoing portfolio is shown below:

<i>Loan number</i>	<i>Name</i>	<i>Approval</i>	<i>Effective/ entry into force</i>	<i>Completion</i>	<i>Closing</i>	<i>Disbursement (31/12/13)</i>	<i>Funding modality and location</i>
642-TZ	Agricultural Services Support Programme	2/12/2004	30/1/2007	31/3/2014	30/9/2014	100%	basket fund – mainland and project for Zanzibar
672-TZ	Agricultural Sector Development Programme – Livestock: Support for Pastoral and Agro-Pastoral Development	8/9/2005	30/1/2007	31/3/2015	30/9/2015	100%	basket fund – mainland and project for Zanzibar
708-TZ	Rural Micro, Small and Medium Enterprise Support Programme (MUVI)	14/12/2006	12/7/2007	30/9/2014	31/3/2015	64%	programme/project – mainland
765-TZ	Agricultural Sector Development Programme (ASDP supplementary loan)	17/12/2008	21/8/2009	30/9/2016	31/3/2017	100%	basket fund – mainland
823-TZ	Marketing Infrastructure Value Addition and Rural Finance Support Programme (MIVARF)	15/12/2010	25/2/2011	31/3/2018	30/9/2018	9%	programme/project – mainland and Zanzibar

8. The ASDP has: (i) made a significant achievement by introducing a sector-wide approach for agriculture from national-level down to village level; (ii) streamlined planning, monitoring, evaluation and reporting; and (iii) facilitated significant development of institutional and human resource capacity. Challenges have included: (i) weak supervision and accountability of resources at local level due to limited capacity in financial management, procurement and reporting; (ii) weak planning and management of investments; (iii) weak monitoring and evaluation capacity with a resulting dearth of data on programme performance and achievements at the outcome and impact level; (iv) weak research and extension linkages due to limited support to staffing, funding, transport and office equipment; and (v) limitations in budget allocation and political influence at local level which undermines implementation of local subprojects.
9. Some lessons can be drawn from the previous country programme evaluation (2003) and the recent implementation experience with the MUVI and MIVARF programmes: (a) procurement has taken a long time, because capacity at central and local level is weak; (b) there is incomplete understanding of what a value chain

approach means and weak perception that farming can and should be operated as a business; in general government ministries are not clear about what drives the private sector; and (c) coordination among government services has taken much longer than initially expected, and, consequently, results are far below the set targets.

10. Given the constraints faced under the basket-funded programmes and the implementation experience gained, the focus of both the Government and development partners is gradually shifting to supporting the delivery objectives of the Big Results Now (BRN) initiative,¹ and promoting linkages with the private sector to improve efficiency and ensure more sustainable markets. One of the principal accomplishments under the basket fund arrangements has been a decentralized strengthening of implementation capacity, and this is something future programmes will continue to build upon.
11. IFAD is in the process of preparing its investment programme for 2013-2015; and is discussing investment options with the Government, which may include support to the BRN and the Southern Agriculture Growth Corridor of Tanzania initiatives which are centred on transforming smallholder farming into a profitable commercial venture.
12. IFAD appointed a liaison officer in 2003 in the country after the approval of the Field Presence Pilot Programme. In 2008 IFAD out-posted the first country programme manager, and the previous liaison officer became a country programme officer. As of March 2014, IFAD outposted a new country director to in Dar es Salaam. The country director is also responsible for the IFAD country programme in Rwanda.

Terms of reference for the country visit

13. In line with the new procedure approved at its session in December 2012, the Executive Board has decided to undertake its 2014 country visit to the United Republic of Tanzania.
14. The visit is intended as an opportunity to gain knowledge and understanding of IFAD's work in the field, including the challenges and constraints faced by IFAD-supported operations. The visit will allow Board members to witness IFAD's work on the ground, and observe at first hand the opportunities and challenges that IFAD faces in carrying out its mandate.

Objectives

15. The main objectives of this country visit are to: (i) visit projects cofinanced by IFAD and the Government of the United Republic of Tanzania to raise Board members' awareness of activities on the ground and allow them to meet clients and stakeholders; (ii) promote dialogue with government officials regarding, among other themes, IFAD's role in the United Republic of Tanzania and the issues encountered in strengthening partnerships on the ground; (iii) gain insights into lessons emerging from IOE evaluations of IFAD-supported operations in the country to provide Board members with a more comprehensive perspective of the country situation and the challenges faced by IFAD operations; and (iv) enable Board members to provide informed guidance on strategic and operational matters to the rest of Executive Board to enhance their critical oversight and strategic role.

¹ The Government in 2013 introduced the BRN initiative, aimed at enabling the country to realize its National Development Vision 2025. Modeled along the lines of Malaysia's Big Fast Results approach, the BRN is under the overall direction of President Kikwete with implementation overseen by a Presidential Delivery Bureau. The BRN aims to accelerate the achievement of results, and focuses on six priority areas of the economy, i.e. energy and natural gas, agriculture, water, education, transport and mobilization of resources. Under this initiative, the United Republic of Tanzania envisions that by 2025, it will have commercialized the agricultural sector to ensure nationwide food security and food self-sufficiency, while increasing incomes through viable internal and international trade.

16. The programme for the 2014 country visit has two parts.
 - (a) Part one will include visits to IFAD-supported operations in the country's mainland and Zanzibar. During the field visits, the Board members will have an opportunity to hold discussions with beneficiaries, farmers' organizations, cooperatives, private-sector representatives and local government authorities.
 - (b) Part two will entail discussions with high-level government authorities at the national level and development partners.
17. At the central level, Board members will meet with the Prime Minister and the Minister for Agriculture, Food Security and Cooperatives, who is the IFAD Governor. In addition, they will have meetings with the Ministers for Finance, for Livestock and Fisheries Development, for Industry and Trade and for Foreign Affairs and Economic Cooperation, and the Ministers for Agriculture and Natural Resources and for Livestock Development of Zanzibar to discuss the Government's vision and framework for IFAD activities for the coming years. Members will also hold discussions with selected multilateral aid agencies such as the World Bank, the United Nations Country Team and other development partners who are members of the Agricultural Working Group on how to promote effective synergies and/or scaling up of the successful models supported by IFAD over the last 20 years.
18. The Executive Board will report on the country visit at the 2014 September session and will share its findings; it will also provide IFAD Management with recommendations for future field visits.

Draft programme

A more detailed programme reflecting feedback received from the Executive Board and the Government will be shared with Board members at a later stage.

<i>Date and Time</i>	<i>Details</i>	<i>Remarks</i>
Sunday, 11 May	IFAD country officer welcomes Board members and IFAD staff at Dar es Salaam airport	The VIP lounge will be at the disposal of members at Dar es Salaam airport and an information folder for the visit will be distributed upon arrival
Time of arrival to be confirmed by the Office of the Secretary	Overview of the country programme and the main lessons from IOE evaluations of IFAD-supported operations in the country	
	Board members are accompanied to the hotel	
	Reception by the IFAD Governor (the Minister for Agriculture, Food Security and Cooperatives). The Prime Minister will welcome Board members	To be arranged based on confirmation of attendance
Monday, 12 May	Round-table discussion chaired by the IFAD Governor, with the participation of the Ministers for Finance; Livestock and Fisheries Development; Industry and Trade; and Foreign Affairs and Economic Cooperation or their representatives.	
	Courtesy call to President or Prime Minister of the United Republic of Tanzania (TBD based on availability of President)	
	Departure for Arusha/Kilimanjaro and arrival at hotel	Government and ICO to assist with arrangements
	Reception offered by the district commissioner and local government authorities	
Tuesday, 13 May	Field visits to IFAD-supported operations in the Arusha/Kilimanjaro area	Government and ICO to assist with arrangements
	Round table discussion with NGOs, civil society groups, and other non-governmental partners	
Wednesday, 14 May	Travel to Zanzibar and arrival at hotel	
	Round-table discussion chaired with Ministers for Agriculture and Natural Resources, and Livestock Development of Zanzibar	
	Field visits to IFAD-supported operations in Zanzibar	Government and ICO to assist with arrangements
	Reception held by the President of Zanzibar	
Thursday, 15 May	Field visits to IFAD-supported operations	
	Round-table discussion with NGOs, civil society groups, and other non-governmental partners	Government and ICO to assist with arrangements

Friday, 16 May

Return to Dar es Salaam and arrival at hotel

Round table discussion on the role of public-private partnerships in transforming smallholder farming into a profitable commercial venture with Big Results Now (Presidential Delivery Bureau), the Southern Agriculture Growth Corridor of Tanzania (SAGCOT) Secretariat and EcoEnergy

Round-table discussion with selected multilateral aid agencies, the United Nations Country Team and other development partner members of the Agricultural Working Group

Government and ICO to assist with arrangements

Members participate in an "IFAD Day" event organized by the Prime Minister's Office to showcase 35 years of development cooperation between the Government of the United Republic of Tanzania and IFAD

Wrap-up meeting with IFAD Country Programme Management Team and the Regional Director, East and Southern Africa Division

Saturday 17 May

Departure for Rome

Time of departure to be confirmed by the Office of the Secretary
