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United Republic of Tanzania
Country Strategic Opportunities Programme
2022–2027

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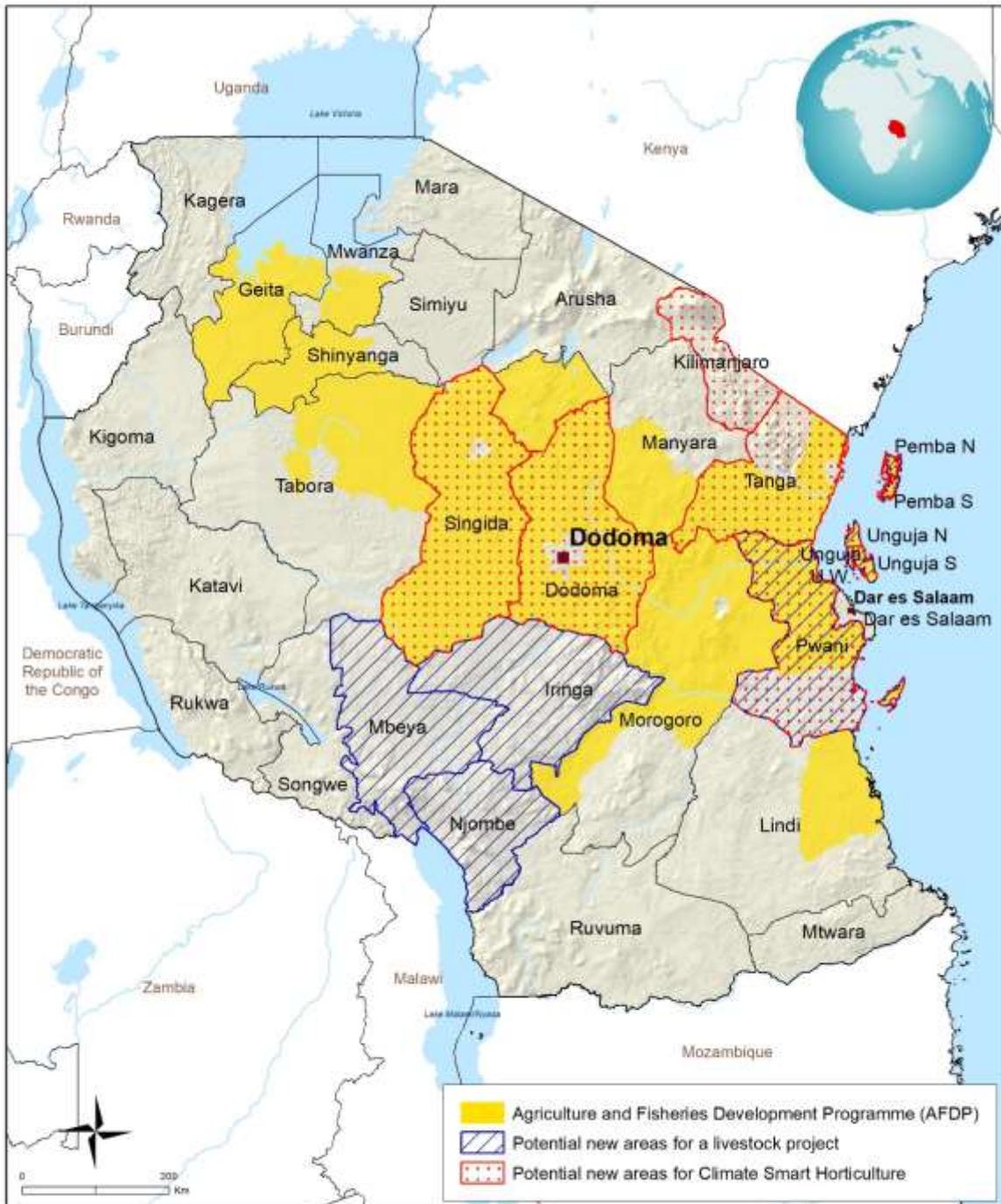
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Map of IFAD-funded operations in the United Republic of Tanzania



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.
 Map compiled by IFAD | 19-11-2021 | Source of the country borders: FAO GAUL

Executive summary

1. The United Republic of Tanzania reached an important milestone in July 2020, when it graduated from low-income country to lower-middle-income country status. The United Republic of Tanzania averaged 6.5 per cent GDP growth over the past decade. Pandemic-induced shocks slowed the country's GDP growth rate in 2020 and 2021. A real GDP growth rate of 4.5–5.5 per cent is expected over 2022 and 6 per cent over the medium term.¹ The United Republic of Tanzania is projected to remain one of the stronger economic performers in sub-Saharan Africa.
2. The country strategic opportunities programme (COSOP) for the United Republic of Tanzania 2022–2027 will cover IFAD financing under the Twelfth Replenishment of IFAD's Resources (IFAD12) for the period 2022–2024 and IFAD13 for 2025–2027. The COSOP has been developed in the context of an uncertain economic outlook triggered by COVID-19 and the country's re-engagement with IFAD. The COSOP preparation was guided by the third Five-Year Development Plan (FYDP-III 2021/22–2025/26), the Agricultural Sector Development Programme (ASDP-II 2017/2018–2027/2018), the draft United Nations Sustainable Development Cooperation Framework for the United Republic of Tanzania (UNSDCF 2022–2027), IFAD's Strategic Framework 2016–2025 and the findings and recommendations from the 2016–2021 COSOP completion review.
3. The COSOP's overall objective is to transform agrifood systems for higher productivity, better nutrition, and improved income and resilience for poor rural people. The COSOP is guided by two mutually reinforcing strategic objectives (SOs):
 - SO1: Enhanced climate-resilient production systems for increased productivity of smallholder producers; and
 - SO2: Improved smallholder producer access to markets and to micro, small and medium-sized enterprises.
4. The two SOs will contribute to Sustainable Development Goals 1 (no poverty), 2 (zero hunger), 10 (reduced inequalities) and 13 (climate action), and to the FYDP-III priority area of "realizing an inclusive and competitive economy". The COSOP theory of change is grounded in the sustainable food systems approach, targeting 1.3 million smallholder households involved in different segments of the food system to improve productivity, increase incomes, create jobs and optimize nutrition while ensuring resilience to climate change and other threats. The COSOP will support investments in three priority programme areas: blue economy transformation, dairy value chain development and climate-resilient horticulture.
5. The COSOP expects to achieve greater geographic concentration by consolidating and deepening investments in the mainland's central corridor and Zanzibar, where poverty and climate change vulnerabilities are higher, and gradually expanding into parts of the Southern Highlands (Mbeya, Njombe and Iringa) for the dairy value chain, and to the Northern Highlands (Kilimanjaro, Tanga) and coast regions where there is good potential for high value horticulture (fruits and vegetables).
6. The total financial envelope for the COSOP is estimated at US\$400 million, sourced from the IFAD12 and IFAD13 financing cycles, cofinancing from other development partners (Tanzania Agricultural Development Bank, African Development Bank, Green Climate Fund and Global Environmental Facility) and the private sector. The United Republic of Tanzania has also expressed interest in accessing the Borrowed Resource Access Mechanism and could leverage IFAD's Private Sector Financing Programme.

¹ World Bank, 17th Tanzania Economic Update.

Country Strategic Opportunities Programme

I. Country context and rural sector agenda: key challenges and opportunities

1. **Macroeconomic context.** The United Republic of Tanzania, a country with an area of approximately 945,000 km² and a population of 59.73 million people, reached an important economic development milestone in July 2020 when it graduated from low-income country to lower-middle-income country (LMIC) status.² The United Republic of Tanzania is projected to remain one of the stronger economic performers in sub-Saharan Africa, with real GDP of US\$55.48 billion in 2019 and a sustained average of 6.5 per cent GDP growth over the past 10 years. Due to the global economic downturn triggered by COVID-19, real GDP growth declined from 5.8 per cent in 2019 to an estimated 2.0 per cent in 2020 and 4.3 per cent in 2021. A real GDP growth rate of 4.5–5.5 per cent is expected over 2022 and 6 per cent over the medium term as exports and domestic demand recover from the COVID-19 pandemic. The country's risk of external and public debt distress increased to moderate, mainly due to the pandemic's effect on tourism exports.
2. For the medium-term outlook, which continues to be subject to considerable uncertainties due to the impact of COVID-19, two scenarios are foreseen (appendix II):
 - **Baseline scenario** with satisfactory implementation of the Tanzania COVID-19 Socioeconomic Response Plan (TCRP): if economic reforms and envisaged developments in the business climate materialize, medium-term growth could reach 6 per cent.
 - **Conservative scenario** with slower implementation of TCRP: this would entail GDP growth of between 4.5 per cent and 5.5 per cent over the medium and long term.
3. **Political context.** On 19 March 2021, President Samia Suluhu Hassan, former Vice-President, became the sixth President of the United Republic of Tanzania, and the first woman to occupy the presidency, following the demise of former President Magufuli. The new administration's policy objectives continue to be guided by the Tanzania Development Vision 2025 and are outlined in the third Five-Year Development Plan (FYDP-III 2021/22-2025/26). FYDP-III reaffirms the importance of agriculture as a key productive sector and engine of economic growth. It also reaffirms the need to proactively engage with multilateral and bilateral partners, and with the private sector.
4. **Poverty and human development.** Despite reaching LMIC status and reducing the number of people living in poverty from 34.4 per cent in 2007 to 26.4 per cent in 2018, the United Republic of Tanzania had a Human Development Index score of 0.529 in 2019³ and ranked 163rd out of 189 countries. According to the 2021 Multidimensional Poverty Index,⁴ about 26.4 million Tanzanians lived below the national poverty line in 2019. The number rises to 49.5 million as measured by the international standard of people living on less than US\$1.90 a day. Poverty is more prevalent in rural areas, where more than 80 per cent of the poor live: the poverty rate is twice as high in rural areas (31.3 per cent) than in urban areas (15.8 per cent).

² World Bank 2021. Tanzania Economic Update, July 2021 issue 16.

<https://documents1.worldbank.org/curated/en/794611627497650414/pdf/Transforming-Tourism-Toward-a-Sustainable-Resilient-and-Inclusive-Sector.pdf>.

³ United Nations Development Programme (UNDP). 2020 Human Development Report. The Next Frontier.

<http://hdr.undp.org/sites/default/files/hdr2020.pdf>.

⁴ UNDP and Oxford Poverty and Human Development Initiative 2021. Global Multidimensional Poverty Index 2021.

http://hdr.undp.org/sites/default/files/2021_mpi_report_en.pdf.

5. **Gender, youth and disability.** The United Republic of Tanzania is positioned 150th out of 160 countries in the 2019 Gender Inequality Index. Although women represent 52 per cent of the labour force in the agriculture sector, their contribution to the rural economy is underestimated. The United Republic of Tanzania's population is very young, with 47 per cent under 15 and 32 per cent between the ages of 15 and 34. Agriculture employs 22.9 per cent of Tanzanian working youth. Youth unemployment stood at 11.5 per cent in 2019. There are 4.2 million Tanzanians living with a disability,⁵ representing approximately 9.3 per cent of the total population.
6. **COVID-19.** During 2020, the United Republic of Tanzania's response to COVID-19 was modest by regional standards. The measures adopted were not strict, and were lifted in the midst of the pandemic. However, the Government developed a COVID-19 response plan for agriculture and food security that mobilized funding from development partners, including IFAD's Rural Poor Stimulus Facility (RPSF). The Government is also implementing a nationwide COVID-19 vaccination programme; however, to contain the spread of the virus and lay the foundation for a robust recovery, the pace of vaccination would need to accelerate. The uncertainty generated by new variants could further delay the recovery.⁶
7. **Agriculture and food security context.** The United Republic of Tanzania's economy continues to be dominated by agriculture, which employs about 61.5 per cent of the United Republic of Tanzania's workforce. Agriculture contributes about 26 per cent of the country's GDP and accounts for about 30 per cent of total exports. The United Republic of Tanzania has 95.5 million hectares of land, of which 44 million hectares are arable, with only 23 per cent under cultivation. About 80 per cent of agricultural production comes from rainfed, low-input smallholder farms that are highly vulnerable to climate change. There are several constraints faced by agriculture, including low levels of adoption of productivity-enhancing technologies, over-reliance on rainfall, unsustainable exploitation of fisheries resources, insufficient storage and value-addition facilities, poor infrastructure, limited access to rural finance and markets and poor entrepreneurial skills. The 2021 State of Food Security and Nutrition in the World reports that the number of people affected by severe or moderate food insecurity in the United Republic of Tanzania increased from 28.3 million to 32.7 million between 2004–2006 and 2018–2020, with a prevalence increasing from 55 per cent to 56.4 per cent during the same period.⁷
8. **Nutrition.** The number of undernourished people in the United Republic of Tanzania increased from 12.1 million in 2004–2006 to 14.5 million in 2018–2020, although the prevalence of undernourishment decreased from 31.6 to 25.6 per cent during the same period. The prevalence of stunting decreased from 44 per cent in 2005 to 32 per cent in 2018 but, due to population growth, the absolute number of children affected by stunting increased from 2.5 million to 3.0 million. The underlying causes of malnutrition are linked to food unavailability, high food prices, inadequate diet and poor nutrient intake, and inappropriate feeding and dietary practices.
9. **Environment and climate change.** The United Republic of Tanzania is vulnerable to increasing climate variability over most parts of the country. Rising temperatures, longer dry spells, more intense heavy rainfall and sea level rise hinder poverty alleviation and rural development efforts. Production losses are

⁵ Disability Inclusive Development Tanzania Situational Analysis June 2020 update.

<https://opendocs.ids.ac.uk/opendocs/bitstream/handle/20.500.12413/15509/DID%20Tanzania%20SITAN%20%20June%2020.pdf?sequence=1&isAllowed=y>

⁶ World Bank, 17th Tanzania Economic Update.

⁷ The Food and Agriculture Organization of the United Nations (FAO), IFAD, United Nations Children's Fund, World Food Programme (WFP) and World Health Organization. 2021. The State of Food Security and Nutrition in the World 2021. Transforming food systems for food security, improved nutrition and affordable healthy diets for all. Rome, FAO. <https://doi.org/10.4060/cb4474en>.

expected to rise for most crops with more frequent droughts. The nationally determined contributions recommend a number of actions, including scaling up agricultural land and water management; increasing yields through climate smart agriculture (CSA), protecting smallholder producers against climate-related shocks, strengthening capacity of agricultural research institutions, and strengthening knowledge, extension services and agricultural infrastructure to target climate actions.

II. Government policy and institutional framework

10. The Government of the United Republic of Tanzania launched the FYDP-III for the period 2021/22–2025/26 in July 2021, with the theme “Realizing Competitiveness and Industrialization for Human Development”. Its main objective is to accelerate the realization of the National Development Vision 2025 goal of making The United Republic of Tanzania a middle-income country by 2025.
11. FYDP-III reaffirms that agriculture remains central to the United Republic of Tanzania’s industrialization agenda and defines the broad direction planned for agriculture, emphasizing competitiveness and forward and backward linkages to other sectors by targeting strategic crops to improve both value and productivity. These priority areas are further defined in the second Agricultural Sector Development Programme (ASDP-II 2017/2018–2027/2028). The overall objective of ASDP-II is to transform the agricultural sector (crops, livestock and fisheries) through higher productivity, increased commercialization and higher incomes for smallholder producers to improve livelihoods and guarantee food and nutrition security. ASDP-II implementation is coordinated by the Prime Minister’s Office (PMO) and led by the Ministries of Agriculture, Livestock and Fisheries, in cooperation with other agriculture line ministries (ASLM). There are approximately 20 specialized government agencies responsible for ASDP-II implementation.
12. The Government has developed several policies and initiatives, including the National Agriculture Policy, National Livestock Policy, Fisheries Policy, Agriculture Marketing Policy, National Multi-sectoral Nutrition Action Plan, Livestock Modernization Initiative, Zanzibar Agricultural Transformation Initiative, Zanzibar Blue Economy Policy and National Adaptation Strategy. Many of these policies are due for review or require better alignment and implementation plans to further support investments in transforming agriculture.

III. IFAD engagement: lessons learned

13. The country strategic opportunities programme (COSOP) design was informed by the findings and recommendations from the 2016–2021 COSOP completion review and by lessons from IFAD’s experience in the United Republic of Tanzania and elsewhere in the region, as outlined below.
14. **Larger projects tend to achieve better development outcomes.** Programme evaluations by the World Bank and the African Development Bank (AfDB) and the Twelfth Replenishment of IFAD’s Resources (IFAD12) business model recommend designing larger projects with greater outreach and tangible impact on the lives of IFAD target groups. One of the successful programmes in the United Republic of Tanzania was the Marketing Infrastructure, Value Addition and Rural Finance Support Programme (MIVARF).⁸ At programme completion, MIVARF had achieved most of its development outcomes, benefiting over 3.1 million people, increasing their incomes and assets. **The 2022–2027 COSOP will be more selective and targeted to a few large impactful projects that can resolve systemic challenges in priority value chains.**
15. **Effective targeting can deepen and sustain impact.** Lessons learned from ASDP-I programme/project evaluations show that nationwide projects have often

⁸ See MIVARF programme performance evaluation, December 2021.

faced implementation challenges and generated fragmented results by spreading resources too thinly. **This COSOP will ensure greater geographic concentration and thematic focus by consolidating programme interventions in the mainland's central corridor and Zanzibar, and gradually expanding to parts of the Southern and Northern Highlands to generate multiplier effects at the local level.**

16. **Scaling up access to financial services and digitalization can reach more rural people.** The Smallholder Credit Guarantee Scheme (SCGS) and community-based financial institutions such as savings and credit cooperative societies and village community banks were considered a breakthrough in the United Republic of Tanzania's agricultural financing ecosystem, reaching 2.5 million smallholder producers. The widespread uptake of mobile phones and digital technologies offer opportunities for scaling up SCGS and other emerging fintech innovations to reach more rural people. **The new COSOP focuses on digital agriculture and access to financial services as key accelerators for impact at scale.**
17. **Reducing complexity and strengthening monitoring and evaluation (M&E) systems can improve performance and impact.** The complexity of the 2016–2021 COSOP, with four strategic objectives and a multiplicity of outcomes and indicators, coupled with weak M&E capacities, undermined its effectiveness and performance. **The new COSOP will focus on two strategic objectives and a limited number of core outcome indicators. It will build on some positive M&E systems to strengthen M&E capacities both at programme and project levels.**
18. **Public-private-producer-partnership (4P) arrangements and value chain development are effective approaches.** As demonstrated by several IFAD-funded projects, 4Ps have been effective in promoting backward and forward market linkages for smallholder producers and empowering producers' organizations. At the same time, value chain development needs to include all value chain segments as increasing productivity remains a critical component of such projects. **The COSOP will scale up 4P arrangements to access more competitive markets, and a holistic approach to value chain development will be promoted.**
19. **Country-level policy engagement should be strengthened.** For over six years the United Republic of Tanzania did not access IFAD lending resources, due to changes in government priorities. There is a new momentum generated by the current conducive policy environment to fully engage with IFAD and other development partners. **The COSOP includes policy engagement as one of the three accelerators for impact and sustainability.**
20. **Maximizing the use of grants promotes innovation.** National and regional grants are key instruments to complement loan investments by bringing in innovative approaches and technologies. However, the integration of grant-funded activities in country programmes continues to be a challenge. **The COSOP will strengthen the linkages between loans and grants to ensure that the promising outcomes of grants are fully incorporated into the investment portfolio.**
21. **Partnerships are key.** Strategic partnerships are essential for the achievement of the COSOP's strategic objectives. Partners' financial and technical engagements and harmonized implementation modalities should be defined and formalized before project implementation. **The COSOP will forge strategic partnerships and ensure that contributions and cooperation modalities are fully endorsed by all parties.**

IV. Country strategy

A. Comparative advantage

22. IFAD has supported the United Republic of Tanzania's agricultural and rural sector since 1980, investing US\$402.5 million in 16 projects with a total value of over US\$917 million and benefiting over 4.2 million households. IFAD's comparative advantage lies in its focus on inclusive and sustainable rural development, targeting millions of smallholder producers in the different food system segments, improving their productivity, stabilizing their holdings in a vulnerable environment, linking them to markets and facilitating access to financial services while ensuring resilience to climate change and other threats. IFAD's unique pro-poor targeting strategies and mainstreaming priorities emphasize gender equity and women's empowerment, youth employment, better nutrition and climate change adaptation – all of which are necessary to achieve the Government's ambition of realizing an inclusive and competitive economy for human development.

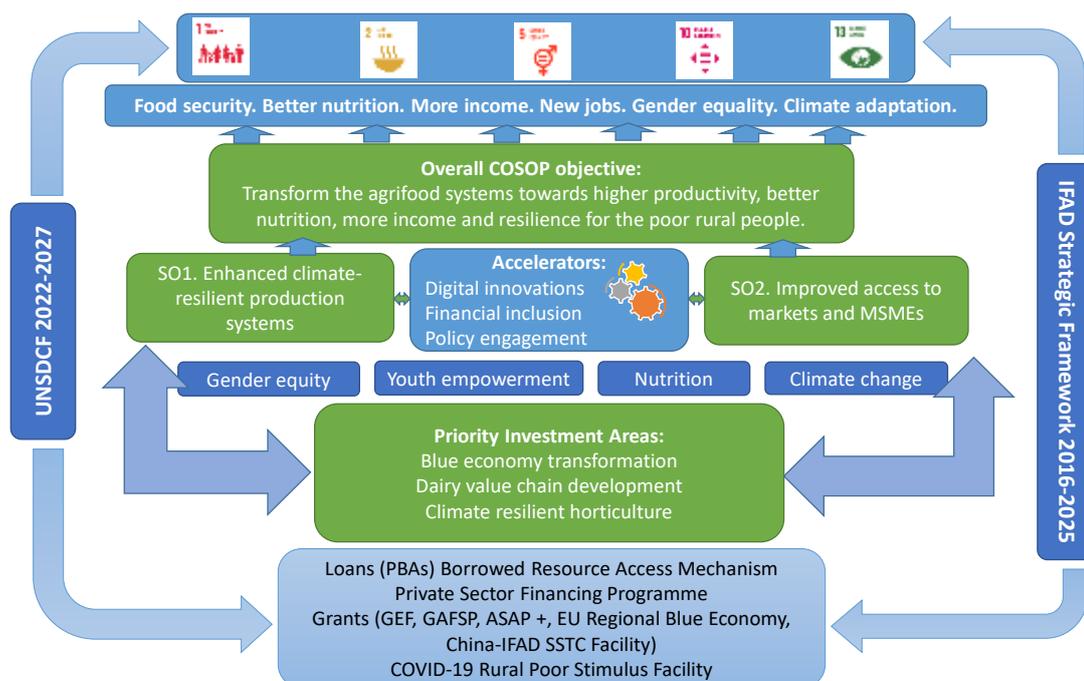
B. Target group and targeting strategy

23. The COSOP targets 1.3 million poor rural households (representing 6.5 million people) engaged in family farming (crops, livestock, aquaculture and fisheries), who face several challenges, including a lack of access to quality inputs, technologies, financial services and knowledge, poor infrastructure, low human capital and exposure to climate shocks. The COSOP targeting strategy will: (i) focus on rural people living in poverty, who can take advantage of opportunities offered by the country strategy; (ii) extend outreach to those with fewer assets and opportunities, and identify their needs and priorities; (iii) focus on women as well as young women and men within the various target groups, to identify their differentiated needs and opportunities; and (iv) target persons with disabilities to ensure they benefit from programme interventions.
24. The COSOP aims to achieve greater geographic concentration by consolidating and deepening investments in the mainland's central corridor (Morogoro, Manyara, Singida, Dodoma, Tabora, Mwanza, Shinyanga, Geita, Tanga, Pwani) and in Zanzibar, where poverty and climate change vulnerabilities are higher. It will gradually expand into parts of the Southern Highlands (Mbeya, Njombe and Iringa) for the dairy value chain, and to the Northern (Kilimanjaro, Tanga) and coast regions for high value horticulture (fruits and vegetables).

C. Overall goal and strategic objectives

25. **The COSOP's overall goal is to transform agrifood systems through higher productivity, better nutrition, and higher incomes and resilience for the rural poor in the United Republic of Tanzania.** This objective is anchored in SDG 1, SDG 2, SDG 5, SDG 8, SDG 10, SDG 13 and SDG 14. It is fully aligned to the FYDP-III strategic priority area of realizing an inclusive and competitive economy for human development, and specifically with FYDP-III's objective of increasing value and productivity of agricultural production for income and employment creation and diversification of products. It is also aligned with UNSDCF outcome 2: people in the United Republic of Tanzania working in micro, small and medium-sized enterprises (MSMEs) and small-scale agriculture, especially the most vulnerable, achieve increased, more sustainable productivity and incomes with more equitable access to productive resources; and relevant outputs.
26. The COSOP's objective is fully aligned with the ASDP-II's overall objective to transform the agricultural sector (crops, livestock and fisheries) through higher productivity, greater commercialization and increased incomes for smallholder producers to improve livelihoods and guarantee food and nutrition security.

Figure 1



27. The COSOP will pursue two mutually reinforcing strategic objectives (SOs):
28. **SO1: Enhanced climate-resilient production systems for increased productivity of smallholder producers.** The COSOP interventions will promote large-scale adoption of CSA technologies in priority value chains (fisheries, dairy, horticulture, edible oil, maize) by facilitating access to quality seeds (early maturing, stress tolerant, drought resistant varieties), quality breeds and feeds, integrated water management (small-scale irrigation, water harvesting), integrated soil fertility management and land governance. With the Agriculture and Fisheries Development Programme (AFDP), the COSOP will invest in sustainable deep-sea fishing and aquaculture, and pursue complementary investments in blue economy transformation, particularly marine spatial planning and sustainable management of coastal catchments.
29. **SO2: Improved smallholder producer access to markets and to micro, small and medium-sized enterprises.** Programme interventions will target rural producers and MSMEs to enable them to access more competitive markets. The COSOP will scale up the 4P approach to promote backward and forward market linkages, facilitate access to inputs and rural financial services, and build social capital. The COSOP interventions will sustain and expand MIVARF investments in rural infrastructure (access roads, warehouses and markets) and processing facilities and promote renewable energy innovations. Investments will be aimed at reducing post-harvest losses and strengthening local food processing industries, with an emphasis on food safety and quality standards; strengthening business support; and building entrepreneurial capacities for more competitive rural MSMEs.
30. The SOs align with ASDP-II priority programme areas: (i) sustainable water and land use management; (ii) enhanced agricultural productivity and profitability; and (iii) commercialization and value addition. The COSOP theory of change is grounded in the sustainable food systems approach. The COSOP will invest in strengthening the different segments of the food system (production, aggregation, processing, distribution and consumption). SO1 will support interventions in the upstream segments of production to sustainably improve productivity and the

capacity to supply markets with more diverse and nutrient-dense foods. SO2 will support interventions in the midstream and downstream segments (processing and distribution) to develop more efficient and inclusive MSMEs, enabling smallholder producers to access more competitive markets.

31. Achieving impact at scale will necessitate investments in three accelerators: digital innovations, access to financial services and policy engagement. Digital agricultural solutions will improve access to technologies, information and support services. They also provide attractive options for youth to engage in entrepreneurial activities. The COSOP will scale up the SCGS and other innovative financing mechanisms to incentivize the uptake of CSA technologies and more competitive MSMEs. Support to policy engagement through analytical work, capacity development and policy dialogue will help to ensure that ASDP-II implementation is inclusive, sustainable and climate change proof. Ultimately, the COSOP will benefit 1.3 million rural households who will increase and diversify their production, supply markets with safe and nutritious food, increase incomes and create jobs, thus ensuring that the rural poor can build better and more resilient livelihoods.

IFAD Mainstreaming priorities

32. The COSOP will emphasize a more systematic integration of the four mainstreaming priorities in all its operations.
- (i) **Gender equality and women's empowerment.** The COSOP will gradually promote gender transformative approaches to: (i) ensure that at least 40 per cent of beneficiaries are women; (ii) enhance their access to resources, finance and services; (iii) promote labour, water, energy and time-saving technologies; and (iv) support women's participation in decision-making at household, programme and community levels.
 - (ii) **Youth.** All projects under the COSOP will be youth-sensitive, targeting at least 30 per cent of youth (15 to 35 years) as direct beneficiaries. This will be achieved by accelerating the digital revolution, financial inclusion, entrepreneurship training and supporting the development of on-farm and off-farm MSMEs.
 - (iii) **Nutrition.** The COSOP will promote several nutrition-sensitive agriculture pathways: (i) increased and diversified production of safe and nutritious food (dairy, fish, vegetables and fruits, edible oil, pulses and cereals); (ii) reduction of post-harvest losses; and (iii) nutrition education and behaviour change communication to promote diet diversification.
 - (iv) **Environment and climate change.** The COSOP will be climate-focused with the objective of allocating at least 30 per cent of programme resources to climate change adaptation and mitigation interventions, focusing on CSA, water use efficiency and renewable energy for production, post-harvest, processing, storage and distribution systems.

D. Menu of IFAD interventions

33. To achieve the SOs, the COSOP is built around the following elements:
- Accelerate implementation of AFDP and seek additional resources to sustain and expand positive results, by reinforcing smallholders' participation, operationalizing 4Ps in seed production and deep-sea fishing, and strengthening market linkages;
 - Access the IFAD12 and IFAD13 performance-based allocation system (PBAS) and the Borrowed Resource Allocation Mechanism, and mobilize international and domestic cofinancing for two to three new projects on climate-resilient horticulture, smallholder dairy value chains, and other emerging opportunities (green growth, digital agriculture, agrifood MSMEs);

- Leverage IFAD’s Private Sector Financing Programme (PSFP) to scale up SCGS, private sector engagement and rural enterprise development; and
 - Mobilize grants-based financing from IFAD’s enhanced Adaptation for Smallholder Agriculture Programme (ASAP+), the Global Environmental Facility (GEF), and the Green Climate Fund (GCF) through the Africa Rural Climate Adaptation Finance Mechanism.
34. **Country-level policy engagement (CLPE):** The COSOP places CLPE at the core of its strategy as one of the three accelerators. Key areas of policy engagement will focus on increasing investments, improving policy coherence and coordination and improving the business environment for priority value chains. CLPE will prioritize: (i) formulation and implementation of the national digital agriculture transformation policy, public-private partnerships in agrifood, youth agribusiness, and climate change adaptation; (ii) strategic participation and leadership in the United Nations Country Team (UNCT), agriculture sector working groups and high-level policy events; and (iii) capacity-building and institutional strengthening for policy analysis, implementation and service delivery.
35. **Capacity-building:** To address persistent capacity gaps, the COSOP will leverage regional grants and non-lending activities, targeting four key areas: (i) M&E and knowledge management (KM); (ii) mainstreaming priorities (gender transformative approaches, nutrition-sensitive agriculture, youth employment and climate change); (iii) technical skills in programme accelerators (digital agriculture, financial inclusion and policy engagement); and (iv) procurement and financial management. The COSOP will also strengthen national capacity to access climate change and environment financing, with a focus on GCF, GEF and emerging adaptation funds.
36. **Knowledge management:** The COSOP will develop a comprehensive KM and communication plan that will be centrally managed to ensure that knowledge and communication products are well packaged and disseminated to support policy engagement and programme visibility. The COSOP will place emphasis on the application of digital platforms and tools to reach a wider audience. The plan will include an explicit dissemination strategy for knowledge uptake and use by policy and decision-makers, target groups and relevant stakeholders.
37. **South-South and Triangular Cooperation (SSTC):** The COSOP will further consolidate and expand cooperation with CGIAR and regional organizations to facilitate generation of innovation and knowledge, policy engagement and regional cooperation. New SSTC partnership opportunities will include: (i) Indian Ocean Tuna Commission, Freshwater Fisheries Research Center and the European Union-IFAD regional blue economy initiative; (ii) Heifer International on smallholder dairy innovations; (iii) the China-SSTC facility for processing, value addition and trade; (iv) the Regional Programme for Rural Development Training (PROCASUR) on learning routes to Kenya, Mozambique, Rwanda, etc.; and (v) the United Nations Capital Development Fund (UNCDF) on fintech entrepreneurs/networks and private sector engagement.
38. **Communication and visibility:** The current political dispensation in the United Republic of Tanzania provides an opportunity to reaffirm IFAD’s leadership and strategic positioning with the Government, within the UNCT and with development partners. The country programme will intensify its active engagement with policy makers and participation in key national and high-level policy events. The country programme will intensify strategic communication using conventional mass media (radio, television and newspapers), social media tools, and digital platforms to communicate programme’s achievements and increase IFAD’s visibility in the country.

V. Innovations and scaling up for sustainable results

39. The COSOP includes several innovations that have the potential to be scaled up. These include improved varieties and quality seeds of key crops (maize, sunflower, pulses, horticulture, fodder), dairy and fish breeds, CSA technologies (water use efficiency, renewable energy, agro-ecology, soil fertility), digital innovations such as M-Kilimo, e-seed certification, agritech and fintech services, as well as institutional innovations such as 4P trading platforms, village and community banks and farmer field schools.
40. The COSOP scaling up pathways will be guided by IFAD's operational framework for scaling up results, focusing on: (i) application of digital technologies along agrifood system segments; (ii) collaboration with the Tanzanian Agricultural Development Bank (TADB) and other financial institutions to scale up the SCGS and emerging fintech innovations; (iii) working with large public and non-state actors, such as the Agriculture Seed Agency, Tanzania Horticulture Association (TAHA), youth organizations (e.g. the Sokoine University Graduate Entrepreneurs Cooperative [SUGECO]) and private sector partners to reach more people and build sustainability; (iv) proactive policy engagement to facilitate the integration of successful innovations in national strategies, policies and programmes; (v) mobilizing cofinancing and parallel financing for projects; and (vi) leveraging private sector engagement through PSFP and partnerships with TADB, TAHA and Tanzania Seed Trade Association.

VI. COSOP implementation

A. Financial envelope and cofinancing targets

41. The PBAS for the United Republic of Tanzania for 2022–2024 is US\$61.51 million. Assuming satisfactory performance, approximately an additional US\$62 million could become available for 2025–2027. Given past cofinancing ratio trends, an additional US\$90 million could be mobilized from all sources at a cofinancing ratio of 1:0.40 (table 1). It may however be challenging for the Government to meet domestic counterpart funding commitments, given that domestic resources could be channelled to other priority sectors such as health. However, opportunities will be actively pursued with AfDB, the Agence Française de Développement, the World Bank through the Global Agriculture and Food Security Programme (GAFSP), the Norwegian Agency for Development Cooperation, GCF and GEF to increase the ratio to 1:0.80.
42. PBAS resources will be provided on highly concessional terms with amortization of 4.5 per cent from years 11 to 30 and 1 per cent from years 31 to 40. The United Republic of Tanzania has expressed interest in accessing BRAM resources to fill part of the financing gap. The COSOP will leverage IFAD's PSFP for direct support to private sector, financial institutions and MSMEs.

Table 1
IFAD financing and cofinancing of ongoing and planned projects
(Millions of United States dollars)

<i>Project</i>	<i>IFAD financing</i>	<i>Cofinancing</i>		<i>Cofinancing ratio</i>
		<i>Domestic</i>	<i>International</i>	
Ongoing				
AFDP (2021–2026)	58 850 000	18 574 400	-	
GEF for LDFS* 2017–2023	7 155 963	557 000		
RPSF–1 st tranche (2021–2022)	882 481			
RPSF–2 nd tranche (2021–2022)	1 078 362			
Planned				
Dairy value chain development	40 000 000	10 000 000	30 000 000	
Climate-resilient horticulture	50 000 000	20 000 000	50 000 000	
Emerging opportunities (MSMEs project)	50 000 000	15 000 000	30 000 000	
China-SSTC Facility	496 000		489 417	
Regional grants	15 000 000			
Total	228 462 806	64 131 400	110 489 417	1:0.40

* Reversing land degradation trends and increasing food security in degraded ecosystems of semi-arid areas of Central Tanzania

B. Resources for non-lending activities

43. The COSOP will be proactive in targeting additional non-lending financing opportunities to complement and support IFAD's portfolio. These will include ASAP+, GEF, GAFSP and SSTC. They will complement the ongoing COVID-19 RPSF and the land degradation project (2017–2023).

C. Key strategic partnerships and development coordination

44. First and foremost, IFAD aims to strengthen its partnerships with the Government of the United Republic of Tanzania, working closely with the PMO, Ministry of Finance and Planning and the agriculture sector line ministries in the mainland and Zanzibar. Existing cofinancing partnerships with the AfDB and the World Bank (through GEF) will be strengthened, while seeking more opportunities to mobilize cofinancing from domestic sources (Government of the United Republic of Tanzania, TADB) and international sources (AfDB, GEF, GCF, GAFSP, Heifer International).
45. IFAD will work in close collaboration with the UNCT, and particularly with FAO and WFP to advance the implementation of the UNSDCF pillar II on prosperity and the implementation of the Food Systems Summit recommendations. IFAD and WFP will join forces in scaling up the Farm to Market Alliance in the United Republic of Tanzania and will promote synergies in key areas such as post-harvest loss reduction, local food processing and resilience building. The partnership with FAO will be strengthened to scale up farmer field schools, CSA technologies, agroecology and digital agriculture. New collaboration will be established with the UNCDF in the areas of financial inclusion, digital revolution and private sector engagement.
46. The COSOP will strengthen collaboration with the unified "One CGIAR" and with national research and academic institutions in generating and disseminating knowledge, technologies and innovations. The COSOP will also develop stronger partnerships with producer organizations (the National Network of Farmers' Groups in Tanzania, and the Agricultural Non-State Actors Forum), youth organizations (e.g. SUGECO), and women's and persons with disabilities' organizations. New partnerships will be established with TAHA, a vibrant producer organization, which has been working towards transformation of the horticulture subsector.

Partnerships with the private sector will be pursued through IFAD's Private Sector Engagement Strategy to mobilize private funding for MSMEs and development finance institutions such as TADB.

D. Beneficiary engagement and transparency

47. The COSOP's strategy for transparency and beneficiary engagement will be applied along the following five key areas:
- (i) Establishment of multi-stakeholder platforms as part of the COSOP annual reviews, midterm results and completion reviews;
 - (ii) Transparent access to information and publication of programme and project activities and results, and transparent selection of service providers;
 - (iii) Regular communication with beneficiaries through their organizations;
 - (iv) Setting up complaints, grievance and feedback mechanisms using digital tools (WhatsApp, Facebook, e-mail and Twitter); and
 - (v) Awareness creation and training on IFAD's policies on prevention of sexual abuse, sexual exploitation and fraud.

E. Programme management arrangements

48. The country programme will continue to be coordinated through PMO, in close collaboration with the Ministry of Finance and Planning and ASLM in the mainland and Zanzibar. The IFAD Country Office will continue to be based in Dar es Salaam and headed by a country programme officer, while the country director will continue to operate from IFAD's regional office in Nairobi with a regular and active presence in high-level CLPE meetings. The COSOP implementation will receive technical support from IFAD's regional office and headquarters.

F. Monitoring and evaluation

49. Weak M&E capacities remain a persistent challenge in the United Republic of Tanzania. The COSOP will leverage IFAD grants for building M&E and results-based management capacity, targeting Programme in Rural M&E (PRiME) certification for PMO staff and project M&E officers. The COSOP results framework (appendix I) is fully aligned to IFAD's Operational Result Measurement System and the ASDP-II results framework. PMO and the Ministry of Finance and Planning will lead the COSOP results review and completion review, to be conducted in 2024–2025 and 2026–2027 respectively.

VII. Risk management

50. The key programme risks and their mitigation measures are summarized in table 2 below:

Table 2
Risks and mitigation measures

<i>Risks</i>	<i>Risk rating</i>	<i>Mitigation measures</i>
Political/governance Policy reversals and weaknesses in public governance	High	<ul style="list-style-type: none"> • Strengthen CLPE through the UNCT, Agricultural Sector Working Group and direct policy dialogue. Close engagement of the Government in COSOP annual and result reviews.
Macroeconomic Limited space to absorb shocks, uncertainty of effects of COVID-19	Medium	<ul style="list-style-type: none"> • Investments in rural areas to boost smallholder productivity. Leverage RPSF and other funding mechanisms for post COVID-19 recovery.
Sector strategies and policies Government prioritization of agriculture is not matched with increased budget allocations.	Medium	<ul style="list-style-type: none"> • Continuous policy dialogue to encourage government coordination and commitment to action and resource mobilization.
Institutional capacity Limited skills and capacities for implementation of the innovative aspects of the programme	Medium	<ul style="list-style-type: none"> • Capacity-building and institutional support to address operational and technical gaps in key institutions, and enhance cross-sectoral coordination at all levels to support COSOP implementation.

Portfolio Weak M&E systems	High	<ul style="list-style-type: none"> Continuous capacity-building in M&E through supervision and implementation support missions.
Fiduciary – financial management Inadequate staff capabilities, skills and experience with IFAD procedures	High	<ul style="list-style-type: none"> Training for all finance teams on IFAD financial management systems.
Fiduciary – procurement Delays in procurement and non-adherence to IFAD procedures	Medium	<ul style="list-style-type: none"> Procurement activities should strictly adhere to the procurement plan that receives IFAD's no objection.
Environment and climate change Vulnerability to increased climate change Potential for overfishing, risks of bycatch of endangered species	Medium	<ul style="list-style-type: none"> Promote CSA innovations, including use of renewable energy along value chains. Implement environmental and social management frameworks/plans, environmental and social impact assessment studies and associated mitigation and management plans.
Social Limited engagement of smallholder producers, women, youth and persons with disabilities	Medium	<ul style="list-style-type: none"> Apply IFAD's pro-poor targeting strategies, beneficiary engagement and feedback mechanisms.
Other COSOP-specific risks	Medium	
Overall	Medium	

COSOP results management framework

Country strategy alignment	Related SDG targets	Key COSOP Results			
FYDP III: realizing an inclusive and competitive economy for human development		Strategic objectives	Lending and non-lending activities for the COSOP period	Outcome indicators -Baseline (BL) refers to 2020 -Target refers to by end of 2027):	Milestone indicators (Defined as: What needs to be aggregately achieved by the projects to fully realize COSOP outcome targets)
ASDP-II: transforming the agricultural sector (crops, livestock & fisheries) towards higher productivity, commercialization level and smallholder farmer income for improved livelihood, food security and nutrition	1.4 2.1, 2.2,	General objective Transformed agri-food systems that will ensure higher productivity, better nutrition, higher income and resilience for the poor rural people in Tanzania.	Lending/investment activities <ul style="list-style-type: none"> Ongoing: AFDP -58.8M IFAD Financing Indicative: Dairy Value Chain Programme ~ 40M IFAD financing; Horticulture Programme ~ 50M IFAD financing; MSMEs Project ~ 50M IFAD Financing Non-lending/non-project activities <ul style="list-style-type: none"> GEF LDFS Grant RPSF Grant IFAD M&E PRiME Training for Programme M&E Officers 	Number of direct households reporting to use and adopt services promoted by the Programme. BL: 0 ⁹ Target: 1.3 Million ¹⁰ , [Women - 520,000 (40%), Youth - 390,000 (30%), People with Disability - 130,000 (10%)]	Number of direct households receiving services promoted by the Programme (Disaggregated by Gender, Youth and People with Disability): AFDP Target: 260,000 Cumulative Achieved: Dairy Value Chain Target: 350,000 Cumulative Achieved: Horticulture Programme Target: 350,000 Cumulative Achieved: MSMEs Project: Target: 350,000 Cumulative Achieved:
				<ul style="list-style-type: none"> Per centage prevalence of moderate or severe food insecurity in the population, based on the 	<ul style="list-style-type: none"> Number of households provided with targeted support to improve their nutrition

⁹ Baseline taken from IFAD website where it states that approximately 4.2 Million households from 16 projects have been reached from IFAD financing to date. In IFAD reporting guidelines, 1 direct beneficiary is equal to 1 Household.

¹⁰ Estimated target number of direct beneficiary households is between 300,00-350,000 direct households, based on AFDP and MIRVAF.

Country strategy alignment	Related SDG targets	Key COSOP Results			
SO 1: sustainable water and land use management, SO 2: enhanced agricultural productivity and profitability; SO 3: commercialization and value addition.				Food Insecurity Experience Scale BL: 30% ¹¹ Target: 15% ¹² Women Headed Households: TBA Women: TBA Youth: TBA	BL: 0 Target: 900,000 ¹³ Women Headed Households: TBA Women: TBA Youth: 900,000 ¹⁴
	1.4, 2.3 2.4, 2.1, 2.2, 8.3, 14.2; 14b	SO1: Enhanced climate-resilient production systems for increased productivity of smallholder producers.	Lending/investment activities <ul style="list-style-type: none"> • Ongoing: AFDP -58.8M IFAD Financing • Indicative: Dairy Value Chain Programme ~ 40M IFAD financing; • Horticulture Programme ~ 50M IFAD financing; • MSMEs Project ~ 50M IFAD Financing Non-lending/non-project activities <ul style="list-style-type: none"> • GEF LDFS Grant • RPSF Grant • IFAD M&E PRiME Training for Programme M&E Officers 	<ul style="list-style-type: none"> • Number of direct households reporting adoption of new/improved inputs, technologies, or practices. BL: TBD by future projects/programmes designs Target: 650,000¹⁵ Women Headed Households: TBA Women: TBA Youth: TBA 	<ul style="list-style-type: none"> • Number of rural producers accessing production inputs and/or technological packages. BL: 0 Target: 1.3 Million Women Headed Households: TBA Women: TBA Youth: TBA
				<ul style="list-style-type: none"> • Percentage of households reporting an increase in production. BL: TBD by future projects/programmes designs Target: 910,000¹⁶ 	<ul style="list-style-type: none"> • Number of rural producers accessing production inputs and/or technological packages. BL: 0 Target: 1.3 Million

¹¹ Taken from AFDP Results Framework

¹² Taken from AFDP Results Framework

¹³ Estimated at 30% of direct beneficiaries in line with AFDP

¹⁴ 30% of overall target

¹⁵ Estimated as 50% of the total outreach target.

¹⁶ Estimated at 70% of the total outreach target.

Country strategy alignment	Related SDG targets	Key COSOP Results			
	2.4, 5.4, 13,			Women Headed Households: TBA Women: TBA Youth: TBA	Women Headed Households: TBA Women: TBA Youth: TBA
					<ul style="list-style-type: none"> Per centage increase in yields for key crops and aquaculture products <p>Maize – BL: TBD, Target: TBD by future projects/programmes designs</p> <p>Sunflower - BL: TBD, Target: TBD by future projects/programmes designs</p> <p>Beans: BL: TBD, Target: TBD by future projects/programmes designs</p> <p>Vegetables: BL: TBD, Target: TBD by future projects/programmes designs</p> <p>Fruits: BL: TBD, Target: TBD by future projects/programmes designs</p> <p>Fish: BL: TBD, Target: TBD by future projects/programmes designs</p>

Country strategy alignment	Related SDG targets	Key COSOP Results			
	13.1-13.3 and 15.1-15.3			<ul style="list-style-type: none"> Number of Persons with new jobs. BL: Target: 130, 000 Number of households reporting adoption of environmentally sustainable and climate-resilient technologies and practices BL: TBD by future, projects/programmes designs Target: 910,000¹⁷ Women Headed Households: TBA Women: TBA Youth: TBA 	<ul style="list-style-type: none"> Number of rural enterprises accessing business development services. BL: 0 Target: 1.3 Million Number of persons provided with climate information services BL: 0 Target: 1. 3 Million Women Headed Households: TBA Women: TBA Youth: TBA
	8.2, 8.3, 10.2, 2.4	<p>SO2:</p> <p>Improved access to markets and micro, small and medium sized enterprises (MSMEs) for small rural producers</p>	<p>Lending/investment activities</p> <ul style="list-style-type: none"> Ongoing: AFDP -58.8M IFAD Financing Indicative: Dairy Value Chain Programme ~ 40M IFAD financing; Horticulture Programme ~ 50M IFAD financing; MSMEs 	<ul style="list-style-type: none"> Per centage of supported rural enterprises reporting an increase in profit. BL: TBD by future projects/programmes designs Target: 455, 000 	<ul style="list-style-type: none"> Number of persons trained in income-generating activities or business management BL: 0 Target: 910,000¹⁸ Women Headed Households: TBA Women: TBA

¹⁷ Derived from AFDP PDR that indicates a target of 40%

¹⁸ Estimated at 80% of the total outreach target (1,300,000).

Country strategy alignment	Related SDG targets	Key COSOP Results			
			<p>Project ~ 50M IFAD Financing Non-lending/non-project activities</p> <ul style="list-style-type: none"> • GEF LDFS Grant • RPSF Grant • IFAD M&E PRiME Training for Programme M&E Officers 		Youth: TBA
				<ul style="list-style-type: none"> • Number of households reporting improved physical access to markets, processing and storage facilities <p>BL: 386,319¹⁹ Target: 910,000</p>	<ul style="list-style-type: none"> • Number of market, processing or storage facilities constructed or rehabilitated. <p>BL: 64 (Storage Facilities – 35, Market Facilities, 16, and Post harvest training centres – 13)²⁰ Target: AFDP: 109 (To be updated from upcoming planned projects/programmes design documents)</p>
	1.4, 2.3; 5b 8.3	<p>Cross-cutting Accelerator Objectives:</p> <p>a. Improved access and use of digital agriculture solutions</p>	<p>Lending/investment activities</p> <ul style="list-style-type: none"> • Ongoing: AFDP -58.8M IFAD Financing • Indicative: Dairy Value Chain Programme ~ 40M IFAD financing; Horticulture Programme ~ 50M IFAD financing; MSMEs 	<ul style="list-style-type: none"> • Number of persons in rural areas reporting adoption digital agricultural services <p>BL: 0 Target: TBD by future projects/programmes designs</p>	<ul style="list-style-type: none"> • Number of persons in rural areas accessing digital agricultural services <p>BL: 0 Target: 780,000²¹ Women Headed Households: TBA</p>

¹⁹ Derived from MIVARF achievement reported in the PCR

²⁰ Derived from MIVARF achievement reported in the PCR

²¹ Estimated at 60% of the outreach targets.

Transition scenarios

A. Transition Scenarios

The purpose of this Appendix is to offer an understanding of likely and possible country trajectories and to identify the possible implications of these for IFAD's country program, over the COSOP period.

Table 1: Projections for key macro-economic and demographic variables²²

Case	Baseline	Conservative Scenario
	[i.e. with satisfactory implementation of the Tanzania COVID-19 Socioeconomic Response Plan (TCRP)]	[i.e. with slower implementation of TCRP]
Avg. GDP growth (%) (2021-2023)	4.9	4.8
Public debt (as % of GDP) (2021-2023)	39.4	39.6
Debt service ratio (2021)	14	14
Inflation rate (%) (2021)	3.2	3.2
Rural population ²³	41,421,000 (2021)	
	45,936,000 (2027)	
	Annual growth rate: 1.78% (2020-2025)	
Investment Climate for rural business ²⁴	1.5/6 <ul style="list-style-type: none"> World Bank Doing Business: ranked 141 out of 190 countries. One of the Tanzania Development Vision 2025's pillars is to aim for a strong and competitive economy. While the authorities strive to address the pandemic, structural reforms will continue, including those guided by the Blueprint for Regulatory Reforms to Improve the Business Environment (2018). The Blueprint aims at addressing structural gaps, including contract enforcement to improve the business environment, and articulates the fair allocation of resources. The Government will implement the recommendations from the Blueprint to enhance the business environment in Tanzania, with particular emphasis on licenses and permits to reduce red tape. 	
Vulnerability to shocks	3/6 <ul style="list-style-type: none"> Tanzania remains vulnerable to significant endogenous and exogenous shocks. Specifically, the country is highly exposed to trade shocks, including higher oil import bills and lower gold export revenues. Moreover, Tanzania remains highly vulnerable to larger-than-expected shocks to the tourism sector and adverse movements in commodity prices. Furthermore, Tanzania remains exposed to natural disasters, such as floods or droughts. Finally, the insurgency in Cabo Delgado (northern Mozambique) presents a security risk, given its proximity and a past attack within Tanzanian borders. 	

There are two foreseen scenarios for the medium-term economic outlook:

→ **Baseline Scenario** i.e. with satisfactory implementation of the Tanzania COVID-19 Socioeconomic Response Plan (TCRP).

- Conditional on satisfactory implementation of the authorities' TCRP, growth is foreseen to recover to 4% in 2021 and pick up to about 5.5% in the medium-term. If economic reforms, announced by the new government and the envisaged developments in the business climate materialize, then medium-term growth could reach 6%.

²² [United Republic of Tanzania: Requests for Disbursement Under the Rapid Credit Facility and Purchase Under the Rapid Financing Instrument-Press Release; Staff Report; and Statement by the Executive Director for the United Republic of Tanzania](#)

²³ [UN DESA, World Urbanization Prospects 2018](#)

²⁴ [World Bank Doing Business Report 2020; United Republic of Tanzania: Requests for Disbursement Under the Rapid Credit Facility and Purchase Under the Rapid Financing Instrument-Press Release; Staff Report; and Statement by the Executive Director for the United Republic of Tanzania](#)

- In addition, under this scenario, inflation is expected to remain below 3.5%, supported by appropriate monetary policies, when the fiscal deficit will grow in FY2021/22 to approximately 3.9% of GDP to cover COVID-related spending returning to below 3% of GDP over the medium-term.
- While the IMF foresees that tourism will resume slowly, it will continue to remain below pre-COVID-19 levels, while the projected increase in oil and other commodity prices will increase the country's import bill and partly counterbalance earnings from gold exports. The government will further grant subventions to public sector institutions in the tourism sector affected by revenue shortfalls, to expedite the clearance of domestic verified arrears, and to support SMEs affected by the pandemic.
- In terms of the debt situation, the joint IMF-World Bank Debt Sustainability Analysis (DSA) indicates that Tanzania's risk of external debt distress has increased to moderate, mainly due to: (i) the effects of the pandemic on exports, which has weakened Tanzania's ability to service its external debt and (ii) the lower debt burden threshold, which correspond to the new medium debt carrying capacity classification.

→ **Conservative Scenario** i.e. with slower implementation of TCRP.

- COVID-19 has had a significant impact on Tanzania. Thus, this scenario considers that the 2020 growth is likely to have decelerated more sharply than the government's initial estimates. Although the economic recovery has started, growth in 2021 remains subdued (at about 4%) and exposed to significant downside risks. The downfall in tourism has widened the current account deficit, and the economic slowdown has resulted in revenue shortfalls, and large spending needs to address COVID-19.
- Under this scenario, GDP growth is projected at 4.5%-5.5% in the medium-and-long-term, which would be slightly below the baseline levels. Indeed, despite the positive implementation of measures by the new government, past reforms, poor business climate, and the continued effects of the pandemic suggest a slightly more moderate growth rate. However, inflation is projected at 3.2% in 2021 and is expected to remain stable at around 3.5% over the medium-term, in line with the baseline.
- The overall fiscal deficit is projected to increase temporarily to 3.9% of GDP to accommodate about 1% of GDP in COVID-related spending in FY2021/22. However, the deficit will remain close to 3% of GDP over the medium-term reflecting the Government's ambitious infrastructure plans to close development gaps in energy and transportation.
- The debt situation is expected to remain at a moderate risk level under the alternative scenario. Tanzania's macroeconomic conditions have been resilient despite the COVID-19 shock. Although uncertainty is high, and risks are strongly tilted to the downside, the macroeconomic outlook is stable. The results of the DSA show that, with the exception of a one-off breach in the debt service to exports ratio, caused by the drop in tourism receipts due to the pandemic, all external debt burden indicators continue to remain below the policy-determined thresholds under the baseline.

Risks to the medium-term outlook. The impact of COVID-19 on Tanzania continues to be subject to considerable uncertainties and remains a significant risk to the medium-term outlook. A new wave of the pandemic is likely to worsen the already challenging situation in terms of external demand, domestic activity as well as trade links and market access. If sufficient resources fail to materialize to fully finance the Government's health response to the pandemic, including the vaccination plan, the economic recovery will be jeopardized. A slow vaccination campaign is a significant risk to the tourism sector's recovery and would also leave Tanzania susceptible to new virus

waves with potentially severe health, social and economic consequences. Furthermore, higher-than-anticipated oil prices or lower gold prices would worsen the external positions and increase financing needs. Tanzania also remains vulnerable to weather extremes such as droughts and floods.

Tanzania's outlook remains linked to the extent of changes to COVID-19 policies, the broader policy and reform agenda, and the sound implementation of the TCRP. Therefore, key socioeconomic indicators are foreseen to remain at almost similar levels in the medium-term under both scenarios. However, the difference would materialize in the swiftness of the recovery (faster under the baseline) and the debt & inflation levels in the long-term (higher under conservative scenario).

The most likely scenario would be the conservative scenario.

B. Projected Implications for IFAD's country program

(a) Lending terms and conditions

- IFAD 12 Lending Terms for Tanzania are as follows: PBAS resources are provided on *highly concessional terms* with amortization of: 4.5% from years 11 to 30 and 1% from years 31 to 40. PBAS resources come with a maturity period of 40 years, including a grace period of 10 years from the date of approval by the Executive Board. Should Tanzania opt for BRAM resources, they will be provided on *Ordinary terms* with maturity period of 35 years including a grace period of maximum ten (10) years.
- In line with projected implications for the lending terms and conditions, if the country remains in the conservative scenario, it is likely that the country would opt for a full utilization of its IFAD12 PBAS allocations. It is, nonetheless, foreseen that it may be challenging for the Government to meet domestic counterpart funding commitments, under such a scenario, given that domestic resources could be channelled to other priority sectors such as health.

(b) COSOP priorities and products

- Although it is foreseen that Tanzania would remain within the "Conservative Scenario" for part of the COSOP period, which could make the authorities focus on other priority areas (e.g. health) than agriculture, it is not foreseen that the country would not request another investment project from IFAD, under IFAD12, or a top-up of an already existing project.
- The COSOP will contribute in supporting the implementation of the TCRP, notably through IFAD's Rural Poor Stimulus Facility (RPSF) grant projects as well as implementation of the three investment priority areas, in addition to AFDP. Furthermore, the COSOP will promote the implementation of the One Health approach in the dairy value chain development, with special attention food safety, the control of zoonoses and combatting antibiotic and microbial resistance.

Co-financing opportunities and partnerships

- The World Bank increased its lending commitments to Tanzania from US\$950 million in 2020 to US\$1,142 million in 2021.²⁵ The World Bank Group approved, in May 2021, three projects with a combined financing of US\$875 million from IDA, notably to help improve rural road access and employment opportunities, especially for women and youth. This could represent strong co-financing opportunities with the World Bank, but also the IDA, the IFC, as well as the IBRD.
- IFAD could also explore the possibility to engage with the OPEC Fund for International Development, which recently (February 2021) signed a US\$50 million loan with Tanzania to finance the 'Fourth Tanzania Poverty Reduction Project'. The project will build rural infrastructure to boost economic opportunities and improve

²⁵ [World Bank Overview for Tanzania, Nov. 4 2021](#)

access to social services for more than 900,000 people. It notably aims at creating income-generating activities in animal husbandry and vegetable growing, in addition to employment opportunities.

Agricultural and rural sector issues

1. **Agriculture and food security context.** FYDP-III recognizes that agriculture remains central to Tanzania's industrialization and a source of livelihood for approximately 61.5 per cent of the population. The sector contributes to about 26 per cent of the country's GDP and about 30 per cent to the total exports, while meeting 95 per cent of the country's food requirements. Tanzania has 95.5 million hectares of land, of which 44 million hectares are arable, with only 23 per cent under cultivation. About 80 per cent of agricultural production comes from rainfed, low-input smallholder farms highly vulnerable to climate variability and change. Most production in Tanzania still occurs within smallholder farm units. The majority farm staple crops, with maize being the most commonly grown.

2. There are several constraints faced by agriculture as a productive sector. These include: low levels of technology adoption and underinvestment in productivity enhancing technologies; over-reliance on rainfall, insufficient storage and value-addition facilities; high costs of production; and inadequate availability of inputs and raw materials; financing (capital) for investment; poor rural infrastructure (including a shortage of rural roads, adequate electrification, regular water supply, communication networks), limited access to rural finance and markets, low capacity of the extension services. Average crop yields in Tanzania are often only one-third of optimal levels, as the average use of quality inputs, essentially improved seeds, fertilizers and modern technology remains low. Maize and beans certified seeds' average rate of use is estimated at 16-23 per cent and 1.9 per cent respectively, mainly focusing on high potential areas in southern, western and northern highlands. The utilisation of agricultural inputs is low compared to regional averages. In Tanzania, farmers use an average of 9 kg per ha of fertilizers compared to 16 kg for Southern African Development Community (SADC) countries.

3. The horticulture industry is the fastest growing sub-sector within agriculture, with annual average growth rate of between 9-12 per cent, currently employing around 4 million. Horticulture accounts for more than 40 per cent of foreign exchange earnings. Exports of horticultural produce rose to USD 779 million in 2018/19 (from USD 412 million in 2015). It is estimated that this will rise to USD 2 billion by 2026²⁶. Approximately 90 per cent of the horticultural products produced in Tanzania are consumed in country with around 10 per cent or less exported.

4. Livestock production is critical to Tanzania's economy given the vast animal genetic resources across all economically important species. About 80% of livestock production comes from small-scale producers whose productivity has been very low because there is little use of modern technologies and inputs (leading to poor yields) and because the offtake markets are mostly informal. Tanzania is currently spending around TZS 30 billion annually (~\$13 million) for various dairy products importation, including 50 million litres of liquid milk and ~250 million litres equivalent of reconstituted powder from various countries, including other East African countries.

5. To leverage Tanzania's cattle resources to realize the potential contribution to incomes, nutrition and economic empowerment, Tanzania's dairy industry must address several market and technical challenges: (i) market constraints, including the predominance of the informal market; (ii) poor milk collection infrastructure; (iii) limited processing and utilization capacities; (iv) low economies of scale; and (v) limited product diversification. Production and productivity constraints include inadequate and weak last mile extension delivery, high mortality and morbidity, limited genetic potential and low access to appropriate genetics; seasonality and poor animal nutrition, predominant low yielding farming system). To achieve the envisaged transformation, the Ministry of Livestock and Fisheries formulated the Tanzania Livestock Master Plan, a roadmap that sets out specific investment interventions and complementary policy support to transform the livestock sub-sector.

²⁶ Match Maker Associates (2017, March) Horticulture Study Phase 1: Mapping of Production of Fruits and Vegetables in Tanzania, www.rvo.nl/sites/default/files/2017/05/Studie%20Tanzaniaanse%20Tuinbouwsector%202017.pdf.

6. The fisheries (sub-) sector is dependent on a territorial sea of 64,500 square kilometres and the four principal water basins of Lake Victoria, Nyasa, Tanganyika and Rukwa which amount to a total inland water surface area of 62,000 square kilometres. At present, fishing and aquaculture contribute 2.2 per cent of GDP, 3 per cent of foreign earnings, and engage approximately 200,000 and 4.2 million people in permanent and temporary employment respectively. Tanzania produces approximately 336,821 tonnes of fish per year, against a demand of 731,000 tonnes. The country imports about 24,000 tonnes of fish per month worth TZS 56 billion (USD 25 million), mostly from China, Vietnam and other states around the Indian Ocean. Challenges persist such as illegal fishing and trade, unsustainable exploitation of fisheries resources and products, a lack of key statistics on the (potential) contribution of related economic activities plus low adoption of relevant technologies (especially in terms of value addition).

7. **Nutrition.** The number of undernourished people in Tanzania increased from 12.2 million (2004-2006) to 14.1 million (2017-2019), although the total population's prevalence of undernourishment decreased from 31.7 per cent to 25.0 per cent during the same period. About 32 per cent of children under the age of five years are stunted or short for their age due to chronic malnutrition. The prevalence of stunting on the mainland has decreased from 44 per cent in 2005 to 32 per cent in 2018 but— because of population growth—the absolute number of children affected by stunting has increased from 2.5 million to 3 million.¹⁵⁶ Wasting prevalence is at 3.5 per cent with approximately 440,000 children suffering from moderate acute malnutrition and 90,000 with severe acute malnutrition. The Cost of Diet analysis revealed that an estimated 20 per cent of households nationally are unable to afford a diet that provides enough energy and 59 per cent of Tanzanian households cannot afford a nutritious diet. Nationally, 56 per cent of household expenditure goes towards food, this rises to 70 per cent in the poorest households. It is reported that 85 per cent of Tanzanians cannot afford a healthy diet, for which the cost represents 104.1 per cent of food expenditure, while 65 per cent cannot afford a nutrient adequate diet that takes about 65 per cent of food expenditure²⁷.

8. The underlying causes for malnutrition are linked to food availability, high food prices, an inadequate diet, which is high in calories and very low in protein, poor nutrient intake, inappropriate feeding and dietary practices including for infants and young children, poor hygiene and child care, poor food preparation and storage practices which cause poor nutrient absorption or utilization²⁸. Better nutrition and practices are linked to mother's education. Tanzania's commitment to improving nutrition is outlined in key policy documents, which align with the Tanzania Development Vision 2025, National Multisectoral Nutrition Action Plan (2016–2021), Tanzania Agriculture and Food Security Investment Plan (2011–2020), Tanzania Food and Nutrition Centre Strategic Plan (2014–2018) and the National Nutrition Social and Behavior Change Communication Strategy (2013–2018). The President's Task Force on Nutrition as well as a multi-stakeholder platform, the High Level Steering Committee on Nutrition, are responsible for coordination of key nutrition stakeholders.

9. **Agri-food MSMEs.** Tanzania is self-sufficient in food production with a surplus of 15 to 20 per cent during the last 20 years. Regional trade is therefore important to trade its surplus to other countries. Approximately 95 per cent of businesses in Tanzania are micro, small and medium size enterprises engaged in non-farm activities (MSMEs). They represent approximately 35 per cent of GDP and account for 23.4 per cent of total employment. Women owned/run businesses dominate, with 64 per cent of informal sector activities in small scale manufacturing and food services run by women. Improving MSME productivity is key to job creation for poverty eradication and for redressing gender disparities and inequalities given the numbers of women and youth who are effectively forced into establishing micro-enterprises and the high proportion of women-led enterprises.

²⁷ FAO, IFAD, UNICEF, WFP and WHO. 2020. *The State of Food Security and Nutrition in the World 2020. Transforming food systems for affordable healthy diets*. Rome, FAO. <http://www.fao.org/3/ca9692en/online/ca9692en.html>

²⁸ http://www.ipcinfo.org/fileadmin/user_upload/ipcinfo/docs/IPC_Tanzania_AFI_Situation_2018Feb.pdf

10. **COVID19.** During 2020, Tanzania's response to COVID-19 was modest by regional standards. Tanzania did not impose a strict lockdown, and eventually halted COVID control measures when the government stopped reporting on COVID-19 cases. However, an IFAD funded study reports that cross border trade restrictions in response to the outbreak of COVID-19 negatively affected the performance of the agricultural sector through disruption of regional trade. The negative effects have been worsened by weakening demand in the destination markets due to long lockdown of the economies in Kenya, Uganda and Rwanda which have contributed to income and livelihood losses for households. The World Bank's COVID-19 Business Pulse Survey indicate that about 140,000 formal jobs were lost in June 2020, and another 2.2 million nonfarm informal workers suffered income losses. The COVID crisis could push an additional 600,000 people below the national poverty line. Zanzibar's economy was even more severely impacted with GDP growth slowing to an estimated 1.3 per cent, driven by a collapse of the tourism industry.

11. **Climate change and impacts on the agricultural sector.** Tanzania is vulnerable to increased climate variability and climate change over most parts of the country. Rising temperatures, longer dry spells, more intense heavy rainfall and sea level rise hinder poverty alleviation and rural development. Climate change is expected to exacerbate the severity of drought in the semi-arid regions in Tanzania, with estimates showing 61 per cent of land in the areas being affected. With projected climate conditions, production losses are expected to rise for most crops due to increased occurrence of droughts. The National Determined Contributions (2015) are anchored in the National Climate Change Strategy (2012) and the Zanzibar Climate Change Strategy (2014). For the agriculture sector, NDCs intend to (i) scale up improvements of agricultural land and water management; (ii) increasing yields through inter alia climate smart agriculture and, (iii) protecting smallholder farmers against climate related shocks, including through crop insurance; (iv) Strengthening the capacity of Agricultural research institutions; and (v) Strengthening knowledge, extension services and agricultural infrastructures to target climate actions.

12. **Government policy and institutional framework.** To address some of the challenges, the Government of Tanzania adopted the second Agricultural Sector Development Strategy II (ASDS II 2015/16–2024/25). The goal was to accelerate the transformation of the agricultural sector into modern, commercial, highly productive, resilient and competitive sector in the national and international markets, in accordance with the Tanzania Development Vision 2025. The GoT developed the second phase of the Agricultural Sector Development Programme (ASDP-II 2017/2018–2027/2028) with the objective of transforming the agricultural sector (crops, livestock & fisheries) towards higher productivity, commercialization level and smallholder farmer income for improved livelihood, food security and nutrition. The third Five Year Development Plan (2021/22–2025/26, (FYDP III) defines the broad direction planned for agriculture, emphasising competitiveness, forward and backward linkages to other sectors and increased investments in research and development targeting strategic crops to improve both value and productivity.

13. Key public institutions in the agricultural sector such as the Agricultural Seed Agency (ASA), Tanzania Agricultural Research Institute (TARI), Tanzania Livestock Research Institute, Tanzania Official Seed Certification Institute (TOSCI) have unique positions and opportunities to develop and disseminate productivity enhancing technologies for more vulnerable farming systems for which the private seed sector shows little interest. In the fisheries sector, the Tanzania Fishing Corporation (TAFICO) and Zanzibar Fishing Company (ZAFICO) ensure increased marine fish supplies, through commercial fishing and value chain development, while the Deep Sea Fishing Authority is responsible for regulating and developing fishing opportunities in Tanzania's EEZ. Aquaculture Development Centers (ADCs) have been established to produce aquaculture inputs, provide demonstration and extension services to fish farmers and drive aquaculture growth in the country. The Tanzanian Agricultural Development Bank (TADB) is a state-

owned development finance institution, mandate to provide direct financing to small farmers and other agricultural value chain actors and in the management of financial instruments, which aim at increasing the appetite of the private financial sector for the agricultural sector, including fisheries.

SECAP background study

1. The main objective of the background study of the Social Environment and Climate Assessment Procedures (SECAP) is to inform and strategically orient the COSOP on social, environmental and climate change issues. It includes: (i) a synthesis of the key climate, environmental and social challenges identified as mainstreaming priorities for IFAD (ii) an institutional analysis, and (iii) key recommendations to address the challenges to targeting vulnerable groups including women, youth, marginalized groups, people with disabilities and undernourished individuals in the face of climate change, land degradation and other environmental challenges.

Introduction

2. This section explains (i) the main objective of the background study, (ii) methodology and (iii) if there were any significant constraints to carry out the study (i.e. availability of data, time, resources, etc.).

Part 1 - Situational analysis and main challenges

3. The first part of the background study provides a factual description of the situation, identifies the main social, environmental and climate change challenges and discusses the underlying causes, leading to these realities and hindering equality and social inclusion.

1.1 Socio-economic situation and underlying causes

4. According to the 2019 World Bank Poverty Assessment report, Tanzania has recorded remarkable economic growth over the past decade. Tanzania reached an important economic development status milestone in July 2020 following two decades of sustained growth, when it was formally upgraded from low-income country to lower-middle-income country status²⁹. Tanzania is projected to remain one of the stronger economic performers in Sub-Saharan Africa, with a real gross domestic product (GDP) of USD 55.48 billion in 2019 and a sustained average of 6.5 per cent GDP growth over the past 10 years. Due to the global economic downturn caused by the COVID-19 pandemic, the real GDP growth rate fell from 5.8 per cent in 2019 to an estimated 2.0 per cent in 2020. The World Bank estimates an average GDP rebound of between 3.5 and 5.5 per cent in 2021³⁰. Public debt is currently sustainable, with all debt burden indicators being well below the required thresholds.

5. However poverty and regional disparities persist. For example, in 2018, about 14 million people lived below the national poverty line of TZS 49,320 per adult equivalent per month and about 26 million (about 49 per cent of the population) lived below the \$1.90 per person per day international poverty line. Vulnerability is also still high: for every four Tanzanians who moved out of poverty, three fell into it. A large number of non-poor people living just above the poverty line are at risk of slipping below it. Beyond the persistent gaps between urban and rural areas, there are large disparities in the distribution of poverty across geographic regions.

6. Poverty is highly concentrated in the rural areas and especially western and lake zones, and lowest in the eastern zones of the mainland. On the other hand, poverty Zanzibar recorded an important decline in urban poverty attributed to economic growth in the urban areas, while rural poverty did not change, and poverty increased on the island of Pemba which remains predominantly rural. Poverty was lower in Zanzibar than in Mainland, but both parts displayed similar patterns of high population density around the

²⁹ World Bank 2021. TANZANIA ECONOMIC UPDATE JULY 2021 ISSUE 16
<https://documents1.worldbank.org/curated/en/794611627497650414/pdf/Transforming-Tourism-Toward-a-Sustainable-Resilient-and-Inclusive-Sector.pdf>

³⁰ World Bank 2021. TANZANIA ECONOMIC UPDATE JULY 2021 ISSUE 16
<https://documents1.worldbank.org/curated/en/794611627497650414/pdf/Transforming-Tourism-Toward-a-Sustainable-Resilient-and-Inclusive-Sector.pdf>

poverty line and wide geographic disparities. Further, malnutrition continues to be a serious problem for Mainland and Zanzibar.

7. According to the 2017/18 Household Budget Survey 2017/18, the extreme poor were not able to afford enough food to meet the minimum nutritional requirements of 2,200 kilocalories (Kcal) per adult per day. Malnutrition continues to be widespread. The analysis of infant and child mortality rates revealed that most under-5 mortality was caused by deaths occurring during the first year of the child's life. Potential gaps in health services provided to infants, as well as a lack of support services for the young mothers, might explain the number of infant mortalities in the under-5 age group in Zanzibar. According to the 2015/16 DHS, almost 35 per cent of Tanzanian children under 5 are stunted and 12 per cent are severely stunted, indicating a cumulative growth deficit. The problem is particularly acute in rural areas, where about 38 per cent of under-five children are stunted.

8. **Gender** - Tanzania is positioned 150th out of 160 countries in the 2019 Gender Inequality Index (UNDP, 2019). The Gender Development Index (GDI) and the Gender Inequality Index (GII) both show that women are disadvantaged in access to education, health services and economic opportunities. Women play a crucial role in the agricultural sector, representing 52 per cent of the labour force (World Bank, 2015). However, the contribution of women in the rural Tanzanian economy is underestimated, with over 80% women in agriculture. Maize, beans and cotton are the main crops that both male and female agricultural works produce for home consumption, while the share of each crop that male workers produce differs from that of female workers. Their decision on whether to produce them as cash crops or as the food for home consumption also affects the share.

9. Women are engaged more in subsistence farming and contribute to most of the agricultural labour. The share of female landowners to total female agricultural population remains low at 27%, as compared to 73 % for male. 90% of women (as compared to 60% for men) in agriculture are dependent on rain-fed harvesting, and there are less per cent of women as compared to men who take advantage of improved seeds, fertilizers and pesticides (See Table 1), have access to the materials and implements for production, or afford hiring labourers. Accordingly, agriculture performed by women tends to be less productive than by men³¹.

10. Women face the dual issues of reliance on natural resources for livelihoods and food security, and political, social, and economic obstacles to adaptation. Female farmers tend to own smaller plots, have lower yields and less access to improved technologies, productive resources and access to finances. Fishing has been traditionally considered as a man's job. Women have restricted access to productive assets (land, collateral and equipment) due to socio cultural norms but dominate different stages of the agricultural value chains.

11. Across the country women are vital to small-scale aquaculture projects. Tanzanian women face barriers compared to men in accessing credit, agriculture inputs, land ownership, and labour. Additionally, they are customarily encouraged to focus on subsistence farming, family, and child-rearing activities (total fertility rate is high at 5.1). Women earn less than men and are more likely to be self-employed as they do not have equal opportunities for accessing secondary education and paid employment. Despite progress on laws and policies supporting women empowerment, implementation challenges at household, community and policy levels remain making women in Tanzania vulnerable in all aspect of their lives.

12. Dominant masculine norms and the discriminatory attitude toward women persist in Tanzanian society. Other gender related challenges include Gender Based Violence (GBV) such as teenage pregnancies and Female Genital Mutilation practiced in certain parts of the country. On the other hand, at the country and decentralized levels, there are

References

³¹ JICA (2016) Tanzania Country Profile 2016

discrepancies between gender and agricultural policies. This is mainly due to a lack of collaboration among actors and institutions working in these two policy domains, and a limited awareness and capacity of technical staff and communities about the implications of gender inequalities on rural and agriculture development³².

13. **Youth** - Tanzania's population is largely young, accounting for 67 per cent of the labour force and are mainly self-employed in informal and formal sectors (URT, 2016). . In Tanzania the youth is a person between the ages of 15-35 (National Youth Development Policy, 2007). Youth account for 67 per cent of the labour force in Tanzania. Youth unemployment stands at 11.5 per cent. Male workers account for 71 per cent of employment in the formal sector with women overrepresented in low-paying jobs such as non-wage family helpers in agriculture and non-wage family helpers in non-agriculture. Gender differences also persist in labour market participation despite the various measures and policies of Tanzania's government to curb it³³.

14. The agricultural sector employs 22.9 per cent of Tanzanian working youth. Every year estimated 800,000 youths enter the labour market with limited educational attainments. Three-quarters of youth employment is in agriculture, and much of it is informal and un-skilled jobs, highlighting youths' vulnerability within the Tanzanian labour market³⁴. By 2030 it is projected that each year 1.6 million Tanzanians will enter the labour market. In addition, the youth population is projected to increase by 50 per cent by 2050. This demographic dividend has tremendous potential to transform the supply and demand of food, and will impact the agri-food industry. As the largest employer in the country, agriculture will remain an entry point for job creation, inclusive growth and poverty reduction.

15. There are policies, legislations, programmes that direct and support the implementation of the National Youth Strategy for Involvement in Agriculture (NYSIA 2016-2021)³⁵. These include: National Agriculture Policy (2013), National Employment Policy (2008), Youth Development Policy (2007), National Youth Employment Creation Programme (2007), and National Investment Promotion Policy (1996). However these efforts to enhance youth skills and employment opportunities are undermined by poor coordination, information gaps, and weak evaluation.

16. However, there is growing concern that young people have become disenchanted with agriculture, to the extent that, youth participation in agriculture has been noted to dwindle every year. Youth involvement in agriculture, fisheries and aquaculture is hampered by, limited access to education and skills, productive resources, including capital, limited entrepreneurial skills, poor rural infrastructure, capital accessibility, and drudgery of fisheries and aquaculture due to limited access to modern technologies and mind sets where for example youth perceive fishing as an occupation for the old. Giving youth the tools needed to access these jobs will be key to securing their livelihoods while enhancing Tanzania's economic development.

17. Tanzanian youth are a vibrant resource that can be harnessed for the country's growth. Financial independence, jobs can also convey a sense of identity, status and self-confidence for young people. Productive employment can also promote social cohesion, create networks, and allow a young person to have a stake and a voice in society. Therefore generating new and more productive jobs will be critical to driving growth and absorbing the growing labour force. In parallel, providing the youth population with tools needed to access these jobs will be paramount to ensuring them productive livelihoods and enhancing Tanzania's overall economic development.

³² FAO. 2017a. Strengthening sector policies for better food security and nutrition results: Gender equality. Policy Guidance Note 6. Rome.

³³ Opoku, K., Mugizi, F.M.P. & Boahen, E.Adu (2021) Gender differences in formal wage employment in urban Tanzania. WIDER Working Paper 2021/99. Helsinki: UNU-WIDER.

³⁴ IDRC 2016. Youth Employment in Tanzania: Taking stock of the evidence and knowledge gaps.

³⁵ The United Republic of Tanzania.2016. National Strategy for Youth Involvement in Agriculture 2016-2021

18. **People with disability.** There are 4.2 million Tanzanians living with a disability³⁶, representing approximately 9.3 per cent of the total population. People with disabilities are among the most vulnerable groups in society. They are often undereducated, untrained, often unemployed or underemployed and poor – especially women, youth and those living in rural areas. Levels of disability were higher on the Tanzania Mainland (9.3%) compared to Tanzania Zanzibar (7.3%), and in rural areas (9.9%) compared to urban areas (7.8%). Tanzania has adopted and implemented a number of laws, policies and standards pertaining to people with disabilities, including their right to productive and decent work, vocational training and basic services. These include the 2010 Persons with Disabilities Act (Tanzania Mainland) and the 2006 Persons with Disabilities (Rights and Privileges) Act (Zanzibar), Tanzania works to implement the Plan of Action for the African Decade of Persons with Disabilities. It also follows the UN Standard Rules on the Equalization of Opportunities for Persons with Disabilities.

19. **Nutrition.** The State of Food Security and Nutrition in the World 2021 reports that, in Tanzania, the number of people with severe or moderate food insecurity increased from 28.3 million to 32.7 million between 2004-2006 and 2018-2020, with a prevalence rate increasing from 55 per cent to 56.4 per cent during the same period. In 2019, the number of undernourished people increased from 13.6 million in 2004-2006 to 17.6 million in 2014-2016, although the prevalence of undernourished people decreased from 34.4 per cent to 30.7 per cent during the same period³⁷. At the national level, the country has been food self-sufficient in most years, but with significant variations at the regional, district and household levels. The 2015-16 Tanzania Demographic and Health Survey and Malaria Indicator Survey reports that 34 per cent of children under the age of five years are stunted or short for their age, which is a condition reflecting cumulative effect of chronic malnutrition³⁸. Around 5 per cent of children are wasted or too thin for their height, which reflects the level of acute malnutrition while, at the other extreme, 4 per cent are overweight or over-nourished and 14 per cent of children are underweight or too thin for their age.

20. Stunting is higher in Tanzania Mainland (35 per cent) than in Zanzibar (24 per cent). Rukwa (56 per cent), Njombe (49 per cent), and Ruvuma (44 per cent) regions have the highest prevalence of stunting, while it is lowest in Dar es Salaam region (15 per cent). Wasting is more common in Zanzibar than in Tanzania Mainland (7 per cent versus 4 per cent) and is very high in Kusini Pemba (9 per cent), Kaskazini Pemba (9 per cent), and Kusini Unguja (8 per cent). Rates of stunting, wasting, and underweight generally decrease as maternal education increases³⁹. Stunting is attributed to a combination of factors, including maternal malnutrition, inadequate infant feeding practices, low quality of health care, and poor hygiene. Complementary feeding practices are inadequate, with only 10 per cent of breastfed children 6–23 months receiving a minimum acceptable diet. Early childbearing also contributes to malnutrition in Tanzania. By age 19, 57 per cent of adolescent girls had begun childbearing in 2015–2016, which is an increase from 44 per cent in 2010.

21. This has serious consequences because, relative to older mothers, adolescent girls are more likely to be malnourished and have a low birth weight baby who is more likely to become malnourished, and be at increased risk of illness and death than those born to older mothers. The risk of stunting is 33 per cent higher among first-born children of girls under 18 years in Sub-Saharan Africa. In addition, adult population also face a malnutrition burden: 37.2 per cent of women of reproductive age have anaemia, with more adolescents likely to be at risk due to high incidence of teenage pregnancies, 6.1 per cent of adult

³⁶ Disability Inclusive Development Tanzania Situational Analysis June 2020 update https://opendocs.ids.ac.uk/opendocs/bitstream/handle/20.500.12413/15509/DID%20Tanzania%20SITAN%20_%20June%2020.pdf?sequence=1&isAllowed=y

³⁷ FAO, 2019. The State of Food and Agriculture in the World.

³⁸ National Bureau of Statistics (NBS) and ICF Macro. 2011. Tanzania Demographic and Health Survey 2010. Dar es Salaam, Tanzania: NBS and ICF Macro.

³⁹ USAID 2017. SAID. 2017. "Country Profile: Tanzania." <https://feedthefuture.gov/country/tanzania>

women have diabetes, compared to 6 per cent of men; and 12.7 per cent of women and 4 per cent of men have obesity⁴⁰. This is linked to an inadequate diet which high in calories and very low in protein and essential nutrients.

22. **Marginalised⁴¹ groups** - The GoT considers that there are segments of the population who may be disadvantaged, notably due to their poverty status and other aspects of marginalization. In Zanzibar, the population is almost exclusively (over 99 per cent) Muslim. There are more than 100 ethno-linguistic groups, including Barabaig, Hadza/Hadzabe, Maasai, and Shirazi and Zanzibar Arabs. Tanzania features rich ethnic diversity with around 120 linguistic groups. Most Tanzanians are agriculturalists but there are several pastoralist groups (notably Maasai and Tatoga) as well as small numbers of hunter-gatherers. The exact size of Tanzania's different communities remains uncertain as the country's census does not disaggregate for ethnicity or religion⁴². Although accurate figures are hard to arrive at since ethnic groups are not included in the population census, population estimates put: the Maasai in Tanzania at 430,000, the Barabaig (which belong to the Datoga group) at 87,978, the Hadzabe at 1,000 and the Akie (Ndorobo) at 5,268. While the livelihoods of these groups are diverse, they all share a strong attachment to the land, distinct identities, vulnerability and marginalisation. They also experience similar problems in relation to tenure insecurity, poverty and inadequate political representation.

23. Although Tanzania voted in favour of the UN Declaration on the Rights of Marginalized groups (UNDRIP) in 2007, it does not recognize the existence of any marginalized and indigenous groups in the country and there is no specific national policy or legislation on marginalized groups per se. On the contrary, a number of policies, strategies and programmes that do not reflect the interests of the marginalized groups in terms of access to land and natural resources, basic social services and justice are continuously being developed, resulting in a deteriorating and increasingly hostile political environment for both pastoralists and hunter-gatherers⁴³

1.2 Environment and climate context, trends and implications

Biological environment

24. The terrestrial ecosystems in Tanzania include forests, mountains, drylands, savannah and agricultural lands, all of which is covered by various vegetation. Tanzania vegetation ranges from grasses to shrubs, miombo woodland and montane to rich forests that contain more than 2,000 plant species. The most typical vegetation is the dry grassland scattered with thorny scrub and acacia that is found along the Eastern Plateau, which makes up most of the country's land area. This area includes open grasslands, savanna as well as woodlands and comprises the Serengeti Plains. The total forest area is about 48.1 million ha with three major types of natural forests: i) miombo woodlands, ii) montane forests and ii) mangroves. The country has more than 20 million ha in the miombo ecosystem - a belt of miombo woodland stretches in southern and western Tanzania and is characterised by brachystegia, acacia and baobab trees. Tanzania's montane forests cover some 2 million ha, most of which is located in the Eastern Arc Mountains, forming an unbroken range between 50 and 200 km inland. Mangrove forests (along the coastal belt from Mtwara region to Tanga Region covers more than 115,000 ha of land stretching over more than 800 km. In Zanzibar the coral rag forests of Jozani and Ngezi are under formal protection.

25. **Coastal and Marine ecosystems.** Tanzania has a territorial sea of 64,000 km² (6.4 million ha), an Exclusive Economic Zone (EEZ) covering an area of about 223,000

⁴⁰ Ministry of Health, Community Development, Gender, Elderly and Children (MoHCDGEC) [Tanzania Mainland], Ministry of Health (MoH) [Zanzibar], National Bureau of Statistics (NBS), Office of the Chief Government Statistician (OCGS), and ICF. 2016. Tanzania Demographic and Health Survey and Malaria Indicator Survey (TDHS-MIS) 2015–16. Dar es Salaam, Tanzania, and Rockville, Maryland, USA: MoHCDGEC, MoH, NBS, OCGS, and ICF.

⁴¹ The term marginalised groups is used here instead of "indigenous" following the request by GoT

⁴² <https://minorityrights.org/country/united-republic-of-tanzania>

⁴³ [Indigenous peoples in Tanzania - IWGIA - International Work Group for Indigenous Affairs](#)

km²(22.3 million ha) and a coastline of about 1,424 km. Coastal and marine ecosystems occupy an area of 241,500 km² or about 20% of the total land area of the country. The coastline is characterized by diverse coastal and marine ecosystems such as coral reefs, sea grass beds, mangroves, sandy beaches, rocky shores, numerous islets and terrestrial coastal forests which offer a diverse of ecosystem goods and services to the communities. All mangroves areas are gazetted, and cover 115,500 ha on Tanzania mainland and 18,000 ha on Zanzibar. A wide range of important and valued species are found along the coast, including an estimated 150 species of corals in 13 families; 8,000 species of invertebrates; 1,000 species of fish; 5 species of marine turtles, 428 species of seaweeds and 44 species of marine birds. Coral reefs present one of the most productive and biologically diverse marine ecosystems hosting over 500 species of fish and other invertebrates, making them an important fisheries resource supporting about 90% of artisanal marine fisheries covering about 3,580 km².

26. **Tanzania's Exclusive Economic Zone.** An exclusive economic zone (EEZ) is an area which is beyond, and is adjacent to, a given country's territorial seas, and extends no more than 200 nautical miles (370 km) out from a country's own coastlines. The United Republic of Tanzania EEZ covers over 240,000 km² and a coastline of about 800 km. The EEZ has economic importance as, in addition to setting boundaries, it is also supports livelihoods derived from fisheries, natural gas reserves and tourism.

Environmental trends and implications

27. Currently, approximately 70 per cent of Tanzanian population live in rural areas and depend on the country's natural capital in form of freshwater, productive land, forests, marine ecosystems and biodiversity. However, rapid population and economic growth cause degradation of ecosystems and habitats. Hence, overexploitation and degradation will negatively affect rural livelihoods.

28. Agricultural production is dominated by small-scale, subsistence farmers, with an average farm size ranging from 0.2 and 2 ha. Agricultural productivity is challenged by over-reliance on rainfall, utilisation of traditional equipment, unsustainable production methods, poor access to inputs and low capacity of the extension services to deal with climate change issues (CIAT, 2017)⁴⁴. The utilisation of agricultural inputs is low compared to regional averages. In Tanzania, farmers use an average of 9 kg per ha of fertilizers compared to 16 kg for Southern African Development Community (SADC) countries (URT, 2015).

29. Over the past few decades, due to agriculture expansion and urban growth, it is estimated that Tanzania has lost at least one-third of its important ecosystems and biodiversity hosted within forests and wooded areas (URT, 2014). Almost 38% of Tanzania's forest cover is being lost at the rate of about 400,000 ha annually and should this continue, the country would deplete its forest cover in the next 50-80 years. Along the coast, 18% of the mangrove forest cover has been lost over a period of 25 years (1980 – 2005). Similarly, more than half of inland water ecosystems (rivers, lakes and dams) have been degraded and 90% of the wetlands are under increasing pressure losing many of their important functions. In addition, water abstraction for agriculture has further led to destruction of aquatic systems. Industrial development has also resulted into increased emissions and untreated effluents contributing to pollution of aquatic systems.

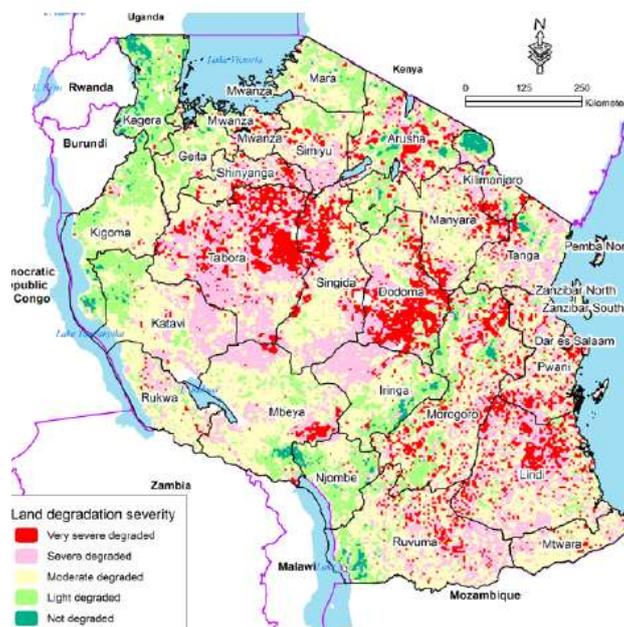
30. Furthermore, high deforestation rates, inadequate land use management and unsustainable agricultural practices—including slash and burn and steep slope cultivation—have degraded the land in many areas of the country⁴⁵. Land degradation appears in various forms including soil degradation, deforestation, and loss of vegetation cover,

⁴⁴ CIAT, World Bank, 2017. Climate-Smart Agriculture in Tanzania. CSA Profile for Africa Series. International Center for Tropical Agriculture (CIAT); World Bank, Washington, D.C, 25p.

⁴⁵ National Audit Office. 2018b. Study on the Status of Environment with a Focus on Land Degradation, Forest Degradation and Deforestation. A Report of the Controller and Auditor General of the United Republic of Tanzania. Dar es Salaam, Tanzania: National Audit Office

siltation, and loss of biodiversity that lowers land productive capacity. The Vice President Office estimated that about 63% of land in Tanzania is severely degraded (see figure 2 below). Soil fertility is highly reduced resulting in food insecurity in some regions, especially in the central corridor of Tanzania, which is targeted by AFDP. Soil samples from different parts of the country show significant weathering, exposing the land's inability to support plant growth to sustain subsistence agriculture⁴⁶.

Figure 1: Land degradation in Tanzania



Source: URT, 2019

Biodiversity and water resources.

Climate context

31. **Temperatures Trends.** Tanzania is located between latitude 1°S and 12°S and longitude 29°E to 41°E. The country has a tropical climate that varies across regions influenced by regional heterogeneity that covers a land area of 885,800 km² and coastal and marine ecosystems occupying an area of 241,500 km². In addition, the country's physical features contribute to high local variability in its climate. Its topography ranges from sea level to of 5,895 m (Mount Kilimanjaro), while its lake systems include Lake Victoria, Lake Tanganyika, Lake Rukwa and Lake Nyasa all of which bring with them their own micro-climates. Thus, the country has a complex seasonality influenced by the Western Indian Ocean, Intertropical Convergence Zone (ITCZ), monsoon winds, Congo Air mass and the lakes. Along the coast and in the off shore islands of Tanzania, the average temperature ranges between 27°C and 29°C, while in the central, northern and western parts temperatures range between 20°C and 30°C. Temperatures are higher between December and March, and coolest between June and July.

32. **Precipitations Trends.** Precipitations in Tanzania is highly variable in both space and time due to topographical variations, coastal influences, and the presence of lakes. As result, Tanzania experiences two types of rainfall patterns, bimodal and unimodal rainfall patterns, influenced by the Intertropical Convergence Zone (ITCZ), which move southwards in October and reaches the southern parts of the country in January or February and reverse Northwards in March, April and May. Hence, regions in the central, southern and western parts are characterised by a unimodal rainfall pattern that starts in October and stops in April or May. Regions in the North, Northern coast, North-eastern

⁴⁶ Funakawa, S., Yoshida, H., Watanabe, T., Sugihara, S., Kilasara, M., and T. Kosaki. 2012. "Soil Fertility Status and Its Determining Factors in Tanzania. In Soil Health and Land Use Management, M.C. Hernandez Soriano, ed. InTech

highlands, Lake Victoria basin and the Island of Zanzibar receive two distinct seasonal rainfalls, the short rainfall season (Vuli) that starts in October and continues through December (OND) and the long rain season (Masika) that starts in March and continues through May. The annual rainfall total varies between 200 to 1000 mm over most parts of the country. Annual and seasonal precipitation trend analyses from 1961 to 2016 show maximum rainfall decline in Tanzania during the long rainy season (March–May), and an increasing precipitation trend in northwestern Tanzania during the short rainy season (September–November)⁴⁷.

33. **Climate trends and projections.** Over the last 40 years, Tanzania has experienced increased climate variability and climate change over most parts of the country. Rising temperatures, longer dry spells, more intense heavy rainfall and sea level rise have hindered poverty alleviation and rural development. Extreme events such as floods and droughts are occurring more frequently both within and between seasons. Increasing temperatures have been observed notably over highland areas while late rainfall onset and early cessation, decreasing rainfall amount and seasonal shift in rainfall patterns are becoming more common nationwide.

34. **Climate change and impacts on the agricultural sector.** Tanzania is vulnerable to increased climate variability and climate change over most parts of the country. Rising temperatures, longer dry spells, more intense heavy rainfall and sea level rise hinder poverty alleviation and rural development. Increasing temperatures were observed notably over highland areas while late rainfall onset and early cessation, decreasing rainfall amount and seasonal shift in rainfall patterns are becoming more common nationwide. Selected value chains are highly sensitive to rainfall deficit and rising temperature, which lead to food shortages and contribute to threatening the food security of local populations. Agricultural productivity is also hindered by weather conditions and extreme events such drought, floods, crop diseases and pests.

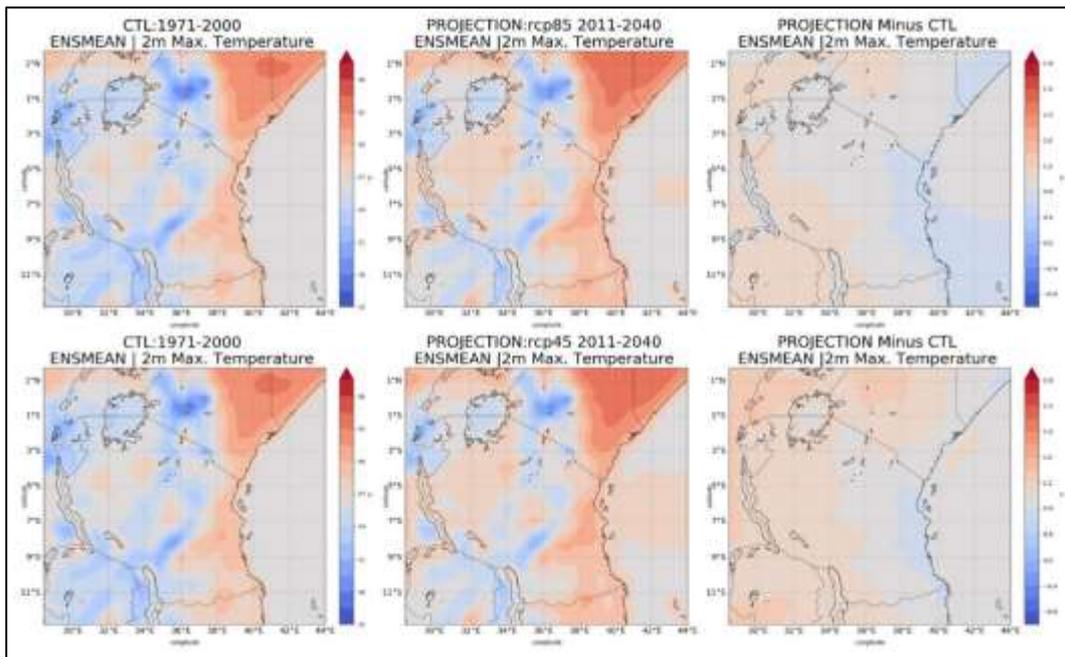
35. The 2019 Disaster Risk Profile⁴⁸ indicates that crop production losses, induced by drought conditions are dominated by banana, cassava, maize and sweet potato (physical units), and if expressed as a per centage of the average crop production, crop losses remain close to or lower than 3%. With projected climate conditions, production losses are expected to rise for most crops due to increased occurrence of droughts. In the other hand, four crops are expected to better adapt to increased temperatures, notably, millet, pulses, sorghum and sugarcane. Relative losses range from 0.6% (millet) to 14.5% (banana).

36. **Temperature projections.** The climate models project increases in temperature with high variation from zone to zone. Greater warming is projected over the Western side of the country, whereby a warming of up to 3.4 0C is projected by 2100. A warming of less than 1.76 0C for 2050 and 3.28 0C for 2100 is projected over parts of the northern coast regions and north-eastern highlands. A warming in excess of 1.77 0C for 2050 and 3.3 0C for 2100 is projected over the Lake Victoria zone and central Tanzania zone. A warming in excess of 1.39 0C for 2050 and 3.18 C for 2100 are projected for the southern coast including Mtwara and Lindi regions. The figures below depict climate timeline (1971-2000) against expected projections for 2011-2040 (beginning of century), 2041-2071 (mid-century) and 2071-2100 (end of century), under both RCP 8.5 (higher) and RCP 4.5 (lower).

⁴⁷URT (2019). Third Report State of Environment Report, Vice President Office, Dodoma.

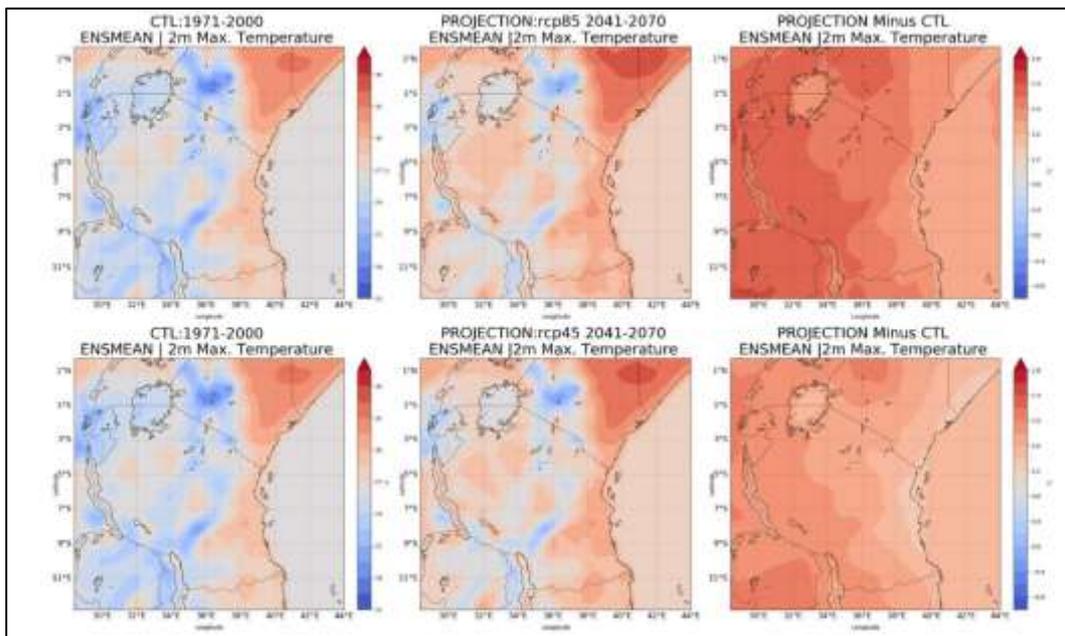
⁴⁸CIMA, UNDRR (2019): UR Tanzania Disaster Risk Profile. Nairobi: UNDRR and CIMA Research Foundation.

Figure 2.1: The average of maximum temperature during baseline period (1971–2000), present century (2011–2040), and the change in temperature during present under both RCP 8.5 (upper) and RCP 4.5 (lower)



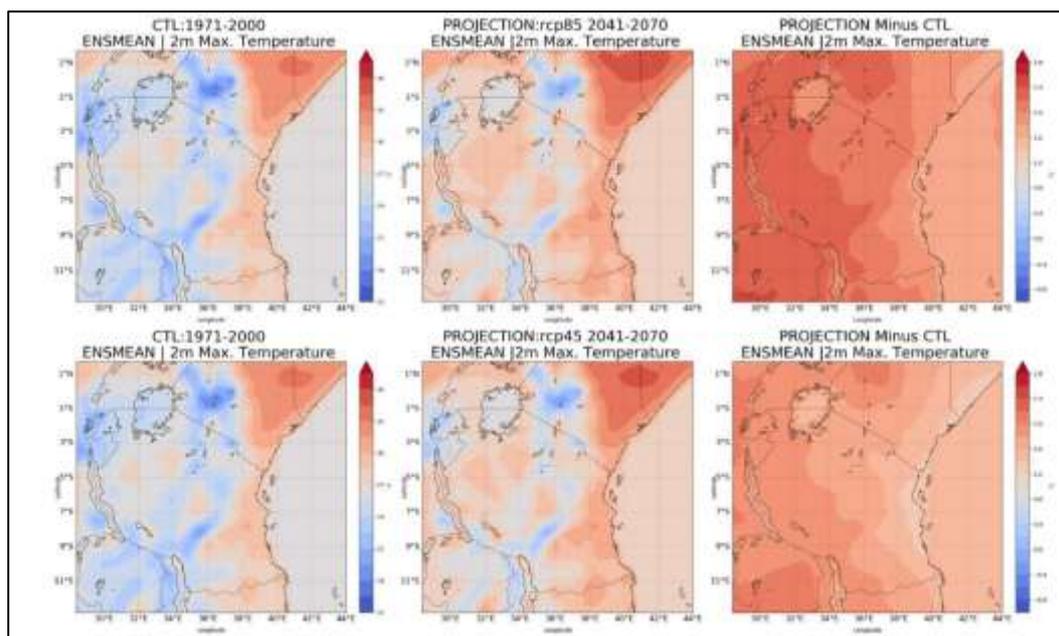
Source: Luhunga et al (2018)

Figure 2.2: The average of maximum temperature during baseline period (1971–2000), mid- century (2041–2070), and the change in temperature during mid-century under both RCP 8.5 (upper) and RCP 4.5 (lower)



Source : Luhunga et al (2018)

Figure 2.3: The average of maximum temperature during baseline period (1971–2000), end century (2071–2100), and the change in temperature during end century under both RCP 8.5 (upper) and RCP 4.5 (lower)

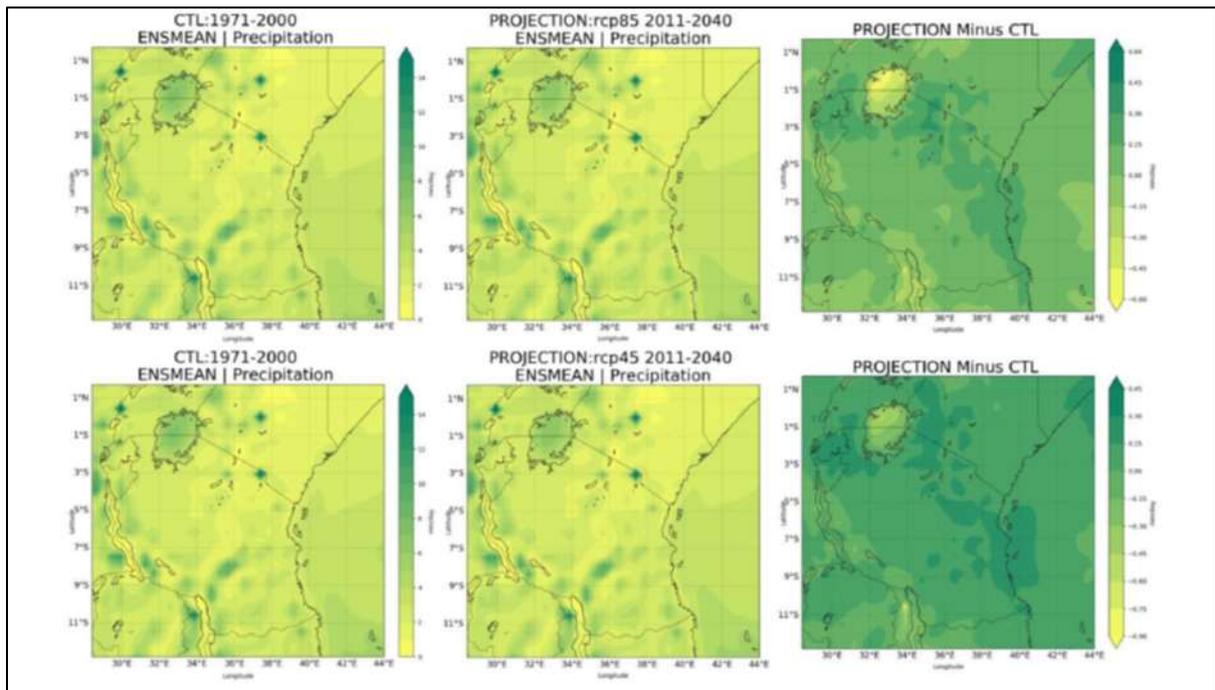


Source: Luhunga et al (2018)

37. **Rainfall projections** indicate that some parts of the country may experience an increase in mean annual rainfall of up to 18 to 28% by 2100, particularly over the Lake Victoria Basin and North-Eastern Highland (Figure 12-2). An increase of about 10-12% in 2050 and 18.2- 28.3% in 2100 is projected over Lake Victoria Zone. The North Eastern Highlands areas are projected to experience an increase of up to 13.4% in 2050, and 16.3% in 2100. The South Western Highlands and Western Zones of the country are projected to experience an increase in annual rainfall by up to 9.9% in 2050 and by up to 17.7% in 2100. The North Coast Zone is projected to have an increase of about 1.8% in 2050 and 5.8% in 2100 while the Central Zone is projected to have an increase of up to 9.9% in 2050 and up to 18.4% in 2100. The Southern Coast Zone is projected to have a decrease of up to 7% in 2050 and an increase of annual rainfall of about 9.5% in 2100⁴⁹. Below figures are showing precipitation in mm/day during base period (1971–2000), projected rainfall patterns during present century (2011–2040), mid century (2041–2070) and end century (2071–2100) change in precipitation under both RCP8.5 (upper) and RCP 4.5 (lower).

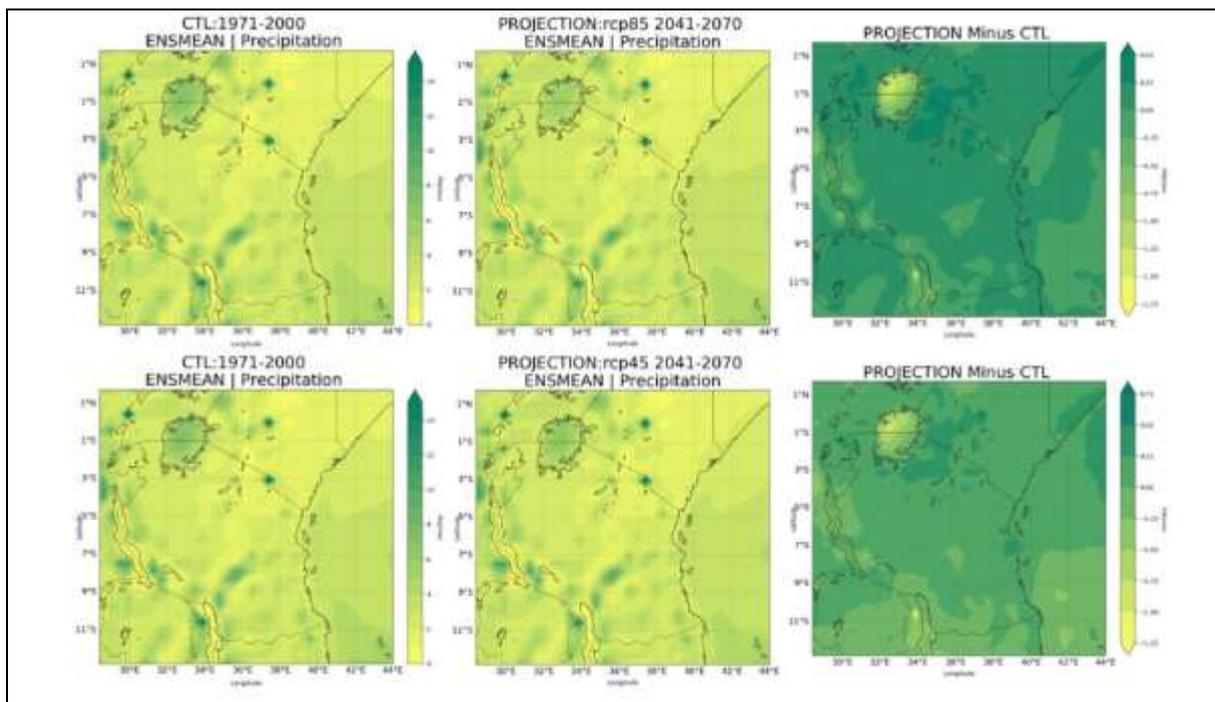
⁴⁹URT (2014). Second national communication to the united nations framework convention on the climate change (UNFCCC), Vice President Office, Dar es Salaam

Figure 3.1: Precipitation in mm/day during baseline period (1971–2000), present century (2011–2040), and change in precipitation under both RCP8.5 (upper) and RCP 4.5 (lower)



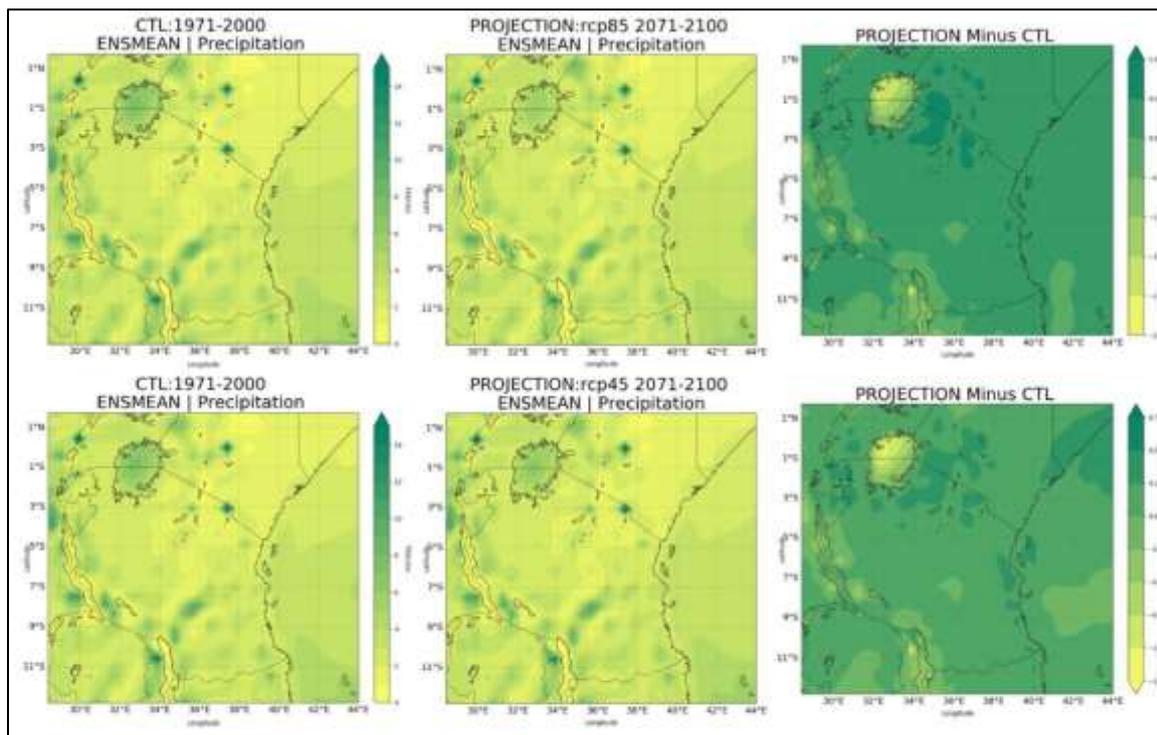
Source: Luhunga et al (2018)

Figure 3.2: Precipitation in mm/day during baseline period (1971–2000), present century (2041–2070), and change in precipitation under both RCP8.5 (upper) and RCP 4.5 (lower)



Source: Luhunga et al (2018)

Figure 3.3: Precipitation in mm/day during base period (1971–2000), present century (2071–2100), and change in precipitation under both RCP8.5 (upper) and RCP 4.5



Source : Luhunga et al (2018)

Part 2. Institutions and legal framework

2.1 Institutions

Environment and climate change	
Vice President Office- Division of environment	The Division of Environment provides overall policy guidance, coordination, expertise and services for sustainable environmental management and development. More specifically, the VPO aims at (i) coordinating issues relating to articulation and implementation of the National environmental policy and the Environmental Management Act (2004); (ii) developing, coordinating and assessing the implementation of strategies and plans to address the crossing cutting challenges related to environmental management and promote the integration of environment in other sector development frameworks; (iii) advising the government on legislative and other measures for the management of the environment and/or the implementation of the relevant international agreements in the field of environment; (iv) overseeing operations of the National Environment Management Council; (v) developing and issue reports on the State of Environment; and (vi) coordinating the implementation of the green growth and climate resilient development agenda
National Environment Management Council (NEMC)	NEMC was established with a broad mandate in response to the national need for such an institution to oversee environmental management issues and also implement the resolutions of the Stockholm conference (1972), which called upon all nations to establish and strengthen national environmental Councils to advise governments and the international community on environmental issues. With the enactment of Environmental Management Act No. 20 of 2004, NEMC has an extended mandates to undertake enforcement, compliance, review and monitoring of environmental impacts assessments, research, facilitate public participation in environmental decision-making, raise environmental awareness, collect and disseminate environmental information.

Environment and climate change	
Zanzibar Environmental Management Authority (ZEMA)	This Environmental Management for Sustainable Development Act (Number 2 of 1996) established the Zanzibar Environmental Management Authority (ZEMA) and the office of Director of Environment. The function of Director of Environment revolve around implementation of policies, formulation of national strategies and guidelines and coordination as well as implementation of international environmental agreements. On the other hand, the functions of ZEMA include but not limited to undertaking and coordinating enforcement of the provisions of the Act as well as coordinating the Environmental Impact Assessment process for any activity or investment. ZEMA has been given powers by the ACT to approve any project by way of issuing an environmental certificate. EIA regulations formulated under ZEMA Act guide the process of EIA in Zanzibar.
ICRAF-Tanzania	World Agroforestry (ICRAF) envisions a rural transformation in the developing world as smallholder households strategically increase their use of trees in agricultural landscapes to improve their food security, nutrition, income, health, shelter, social cohesion, energy resources and environmental sustainability. ICRAF's mission is to generate science-based knowledge about the diverse roles that trees play in agricultural landscapes, and to use its research to advance policies and practices, and their implementation, that benefit the poor and the environment.
CGIAR Centre (IITA, Biodiversity international, etc.)	The 15 CGIAR Research Centres are independent, non-profit research organizations, conducting innovative research. Home to more than 8,000 scientists, researchers, technicians, and staff, CGIAR research works to create a better future for the world's poor. In Tanzania, IFAD has an ongoing agreement with IITA and Biodiversity International/CIAT for the implementation of a China SSTC grant for <i>Supporting the recovery of priority food crop value chains from the effects of COVID 19 to strengthen community resilience, markets, and trade development in Tanzania (24 months)</i> .

38. **Gender equality and women empowerment.** The Government has adopted key gender strategies, as the country moves towards achieving sustainable development. Gender responsive laws, including the formulation of the Women and Gender Policy and National Strategy for Gender Development for Mainland; and the Gender Policy of Zanzibar (2016-2020), reflect the GoT's commitment to global frameworks such as the Beijing Declaration and Platform for Action and the CEDAW. The Gender machinery is led by the Ministry of Health, Community Development, Gender, Seniors, and Children (MHCDGSC). MCDGC is responsible for coordinating policies and strategies related to gender equality and the empowerment of women, as well as for monitoring the implementation of these policies⁵⁰. Each government ministry and the secretariat established within regional- and district governments has designated Gender Focal Points (GFP) and is mandated to set up a gender committee. A GFP is in principle to be assigned within Policy and Planning Department of these institutions. In reality, however, many of the designated GFP are either from departments with little relationship with policy work such as human resources or those who do not have authority to make decisions, and some concerns have been voiced that GFPs lack in capacities and policy impacts across sectors.

39. **Youth.** Youth Development is a division under the Prime Minister's Office Labour, Youth, Employment and Persons with Disability, responsible to create conducive environment for promotion of youth involvement in social, economic and cultural development initiatives. Youth mobilization, upbringing and socio economic empowerment enhanced⁵¹. However the structures at the local level including Local Government and Regional Administration do not cover adequately youth issues, and there are no specific officers at local Government dealing with youth development. This makes the coordination of youth activities from the national level to district level challenging and needs more coordination across sectors. In addition Tanzania (2015) and Zanzibar (2013) Youth

⁵⁰ Tanzania Ministry of Health, Community Development, Gender, Elderly & Children (moh.go.tz)

Councils are in place and provides for the establishment of Youth Councils at all levels (Districts and National). The Council is a youth platform to discuss matters of concern to the youth.

40. **Nutrition.** The Government of Tanzania is committed to improving agriculture-led growth and scaling up nutrition, as demonstrated by the establishment of a President's Task Force on Nutrition as well as a multi-stakeholder platform, the High Level Steering Committee on Nutrition (HLSCN), for coordination of key nutrition stakeholders. The HLSCN is chaired by the permanent secretary in the Prime Minister's Office and brings together permanent secretary representatives from nine relevant sectors as well as stakeholders from the Tanzanian Food and Nutrition Centre (TFNC), donors, UN organizations, civil society, academia, and the private sector. A Multi-Sectoral Nutrition Technical Working Group (MNTWG), chaired by the director of TFNC (a government institution that guides, coordinates, and catalyzes nutrition work in the country), is also mandated to provide strategic direction and to support the HLSCN. The HLSCN operates within and leverages existing government systems and dialogue mechanisms for developing cooperation, such as the Joint Assistance Strategy for Tanzania and the Food Security Thematic Group within the agriculture sector. Nutrition focal points have been placed in key line ministries to ensure that nutrition is addressed by all sectors. This includes the Ministry of Water and Irrigation; Ministry of Education, Science, Technology and Vocational Training; Ministry of Health, Community Development, Gender, Elderly and Children; and the Ministry of Agriculture, Livestock and Fisheries.

2.2 Policy and regulatory frameworks

Environment and climate change

- **National Environmental Policy (1997)**, which identifies challenges that adversely affect the livelihoods of communities, including land degradation that reduces the productivity of soils in many parts of the country and degradation of water resources, vegetation, etc.
- **National Action Programme (NAP) to Combat Desertification (1999)**, which focuses on the long-term process of promoting proper management and sustainable use of the natural resources in arid and semi-arid areas to meet both local and national needs sustainably.
- **National Adaptation Programme of Action – NAPA (2007) and the Stocktaking Report for the National Adaptation Plan (2020)**. The NAP serves the dual purpose of increasing Tanzania's resilience to the impacts of climate change and meeting. The original document had identified the following key observed and anticipated climate change impacts: (i) declining crop yields; (ii) severe droughts; (iii) loss of livestock; (iv) sea level rise; (v) salt water intrusion; (vi) inadequate water availability; (vii) drought; and (viii) increase in vector and waterborne diseases. Priorities sector for adaptation planning included development of infrastructures, coastal and marine environment, agriculture, energy, livestock, and industrial development. Despite the progress done over the last decade, the stocktaking report recognizes that the agricultural growth has been hindered by:
 - Insufficient technical expertise,
 - declining arable land,
 - land use conflicts and Internally Displaced People due to climate change impacts,
 - Ever changing climatic conditions challenging the sector on appropriate categorization of specific agro-ecological zones across the country

- Low level of awareness of the local community concerning climate change
 - Inadequate financing of climate change adaptation in the sector
 - Little investment in climate sensitive interventions to address adaptation.
 - Low pace of undertaking Land use planning.
- **National Agricultural and Livestock Policy (1997)**, which defines the country's agricultural and livestock development policies and recognises that agriculture is critically dependent on sustainably maintaining environmental resources such as land, water, forests, and air.
 - **National Agricultural Policy (Crops policy) (2013)**, which brings to light key policy areas including environment and climate change issues. It states that the Government in collaboration with other stakeholders shall strive to improve adaptation measures to climate change effects and deal with all the risks involved.
 - **National Livestock Policy (2006)**, which recognises the contribution of the livestock sector to national socio-economic development and ensures sustainable livestock production, including promotion of proper land use planning for livestock development.
 - **National Forest policy (1998)** aims at enhancing the contribution of the forest sector to the sustainable development of Tanzania and the conservation and management of her natural resources for the benefit of present and future generations.
 - **National Climate Change Communication Strategy, 2012-2017** is intended to enhance climate change awareness in the society. It focuses on six thematic areas namely, general knowledge on climate change, adaptation, mitigation, climate change research, gender and financing. The Strategy provides a framework for generating and delivering key climate change messages to targeted audiences within the context of the national communication channels and procedure.
 - **National Climate Change Strategy (2012)** has been developed in response to the growing concern of the negative impacts of climate change and climate variability on the country's social, economic and physical environment. Its overall aim is to enhance the technical, institutional and individual capacity of the country to address the impacts of climate change. The Strategy covers adaptation, mitigation and cross-cutting interventions that will enable Tanzania the benefit from the opportunities available to developing countries in their efforts to tackle climate change.
 - **Agriculture Climate Resilience Plan (2014-2019)** presents a wide range of adaptation options including but not limited to improving agricultural land and water management; accelerating uptake of Climate Smart Agriculture; reducing impacts of climate-related shocks through risk management; and strengthening knowledge and systems to target climate action.
 - **Zanzibar Climate Change Strategy (2014)** comprehensively elaborates adaptation and mitigation actions. The strategies aim to, among others, enhance adaptive capacity to climate change thereby ensuring long term resilience; resilience of ecosystems to climate change; and enhanced participation in climate change mitigation activities to contribute to international efforts while ensuring sustainable development.
 - **National Biodiversity Strategy and Action Plan (2015-2020)**: Tanzania aims at improving biodiversity and ecosystems protection and restoration and sustainable use of ecosystem resources so that they perpetually deliver sustainable intrinsic benefits

for socio-economic development. The strategy recommends to: (i) promote sustainable agricultural technologies and practices; (ii) promote rangeland resources management; and (iii) strengthen and enforce sustainable land use planning practises.

- **National Land Policy of Zanzibar (2018).** The National Land Policy provides a guide on the proper and sustainable use of Zanzibar's land for present and future needs, both on land, including coastal areas, and across all islets. The policy recognises that the area and resources of Zanzibar's seabed and ocean floor and the subsoil thereof, beyond the limits of national jurisdiction, are the common heritage of Zanzibaris. Therefore, the exploration and exploitation of these resources shall be carried out for the benefit of all Zanzibaris, irrespective of the specific geographical location
- **Zanzibar Blue Economy (BE) (2020).** This policy lays the foundation for effective and sustainable ways of using and securing Zanzibar's marine spaces as well as protecting related resources through better coordination across diverse sectors and actors within Tanzania by: (i) creating a better understanding of the potential benefits of the sustainable use of Zanzibar's sea, coasts and marine resources; (ii) providing guidance on the implementation of BE programmes; (iii) highlighting the scope for research, innovation and generation of knowledge about Zanzibar's sea space, resources and management needs; and (iv) enhancing the capacity for effective sea management and taking advantage of the opportunities BE offers in the present and future.

41. **Zanzibar Vision 2050.** This vision is centred on human development as we want improvements in economic growth to be accompanied by higher overall standard of living as well as the attainment of near-zero extreme poverty in Zanzibar. As part of this holistic planning perspective, the vision is shaped by four pillars, which are economic transformation, human capital and social services, infrastructures linkages and governance and resilience. Each pillar is subdivided into different priority areas, reflecting the layers of Zanzibar's economy and society. For the agricultural sector, In part, the vision intends to reorient the economy away from subsistence-based agriculture to higher value added activities, both in the primary and secondary sectors. **Gender equality and women empowerment.** Tanzania has ratified key international- and regional human rights documents, including the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW) and the SADC Protocol on Gender and Development. The 'Vision 2025' that recognizes the importance of gender equality and the empowerment of women, and the National Strategy for Poverty Reduction 1 and 2 – so-called 'MKUKUTA6 ' 1 and 2– that highlights gender mainstreaming and describes specific strategies on related education and on Gender-based Violence (GBV). On the other hand, Zanzibar has developed policies, guidelines, regulations, plans and enact several laws to strengthen the fight against Gender Based Violence and violence against Children. These include among others: The Zanzibar Constitution of 1984, Zanzibar Children's Act (2011); the Penal Act, No.6 (2018); the Criminal Procedure Act, No.7(2018); Kadhi's Court Act 2017; Zanzibar Education Policy (2006); five year multi-sectoral strategy (2011-2016); the Zanzibar Gender Policy (2016); the Zanzibar Strategy for Growth and Poverty Reduction (MKUZA III), two years campaign to end violence against women and Children (2014 -2016); formulations of National Committee of Ministers and higher level officials to coordinate VAWC issues among others things, and recently the government developed and launched National Plan of Action against VAWC (2017 – 2022).

42. **Youth.** The promotion of and support to youth skills development, employment and enterprise development are reflected in the National Strategy for Growth and Reduction of Poverty (MKUKUTA II), the United Republic of Tanzania National Youth Development Policy (2007), the National Employment Policy which coordinates, regulates

and promotes equitable and rights-based employment in the public and private sectors and the Zanzibar Youth Council Strategic Plan (2017-2022). The National Strategy for Youth Involvement in Agriculture (NYSIA 2016-2021) aims at facilitating and building capacity of the youths for self-employment. The strategy contributes to the implementation of the National Agriculture Policy (2013) through a second phase of a comprehensive Agricultural Sector Development Programme (ASDPII) in creating enabling environment for attracting the youths to participate in agricultural economic activities along the value chain⁵².

43. **Nutrition.** The URT National Nutrition Strategy (2011) and the National Multi sectoral Nutrition Action Plan (NMNAP), launched in 2016 shape nutrition activities in country. Tanzania has a budget line for nutrition and included nutrition in the guidelines for preparing the annual plan and budget. These guidelines instruct ministries, departments, and other agencies (MDAs); regional secretariats (RSs); and local government authorities (LGAs) to allocate resources for nutrition interventions in accordance with the National Nutrition Strategy. In addition, the Revolutionary Government of Zanzibar Food and Security and Nutrition Policy (2008) commits address linkages between food security, nutrition and food production, access and adequate food utilization.

2.3 Programmes and partnerships

Environment and climate focus

Implementers	Programmes Description
SNV	The Climate Resilient Agribusiness for Tomorrow (CRAFT) project (2018 - 2023), funded by the Ministry of Foreign Affairs of the Netherlands, will increase the availability of climate smart foods for the growing population in Kenya, Tanzania and Uganda. The CRAFT project is implemented by SNV (lead) in partnership with Wageningen University and Research (WUR), CGIAR's Research Program on Climate Change, Agriculture and Food Security (CCAFS), Agriterra, and Rabo Partnerships in Kenya, Tanzania and Uganda. So far, the programme has invested in private initiatives mainly in sunflower, potatoes and common beans value chains. Specific interventions includes dissemination of improved seeds, Climate Smart Agriculture training and extension service, climate smart business training to smallholder farmers and marketing of products.
Vice President Office	The National Tree Planting and Management Strategy (2017-2030) aims to plant and conserve trees all over the country by engaging communities and other stakeholders to improve forest cover. Its specific objectives are to plant appropriate trees over 185,000 hectares per year over five years (56,000,000 trees per year, or 302 trees per hectare per year); mobilize participation of all stakeholders in tree planting and conservation; mobilize financial resources for planting and management of trees; and strengthen information management system and reporting. The total budget for the Strategy is about US\$ 131.5 million per year and US\$ 2.4 billion up to year 2030, with each district receiving a portion. The LDFS project will complement the national tree planting strategy by promoting a more integrated approach to biomass management, including conservation of indigenous tree species, sustainable land management and a landscape approach that considers trade-offs and co-benefits from forests, crop land and rangeland.
UNEP	The Ecosystem-based adaptation for Rural Resilience in Tanzania (2017-2021), funded by the LDCF will be implemented by VPO and UNEP and aims to improve stakeholders capacity to adapt to climate change through ecosystem-based adaptation approaches and undertake resilience building responses and strengthen information base on ecosystem-based adaptation to support an up-scaling strategy
Ministry of Agriculture / Ministry of Livestock	Climate-Smart Agriculture programme 2015-2025 , which focuses on improving productivity and incomes through building resilience, integrating value chains, promoting research for development and Innovations as well as improving agricultural advisory services. The Tanzania Climate Smart Alliance (TCSAA) represents a promising opportunity for improved coordination, dialogue, and

⁵² <https://www.kilimo.go.tz/index.php/en/resources/view/national-strategy-for-youth-involvement-in-agriculture-2016-2021>

Implementers	Programmes Description
	information sharing on CSA. However, all this requires financial, and technical support for effective implementation

Part 3 - Strategic recommendations

44. The third part of the study provides the recommendations on the strategic orientation of the COSOP including the targeting strategy with respect to the mainstreaming themes building on the lessons learnt from previous programmes.

3.1 Lessons learnt

45. This section synthesises the main lessons learned from IFAD and other relevant programmes, previous COSOP implementation and partner experiences in all IFAD mainstreaming areas.

46. **Maladaptation in the arid and semi-arid areas of Tanzania.** In the past, several interventions have tried to tackle the issues related to scarcity of resources and emerging conflicts amongst different land users. For instance, the Hifadhi Ardhi Dodoma (HADO) project aimed at addressing land degradation in the Dodoma region⁵³. In its first phase (1973-1986), HADO project planned to reduce land degradation by abortively forcing destocking and evicting livestock from two locations covering a total area of 1,969 km² mainly in Kondoa district and Mvumi ward in Dodoma rural district. Interviewed communities harbour a bitter memory of that period. Pastoralists chaotically resettled in new areas resulting in more pressure on natural resources and poor infrastructures, weak social cohesion and increased disputes. The first phase failed as a result of a combination of factors, including a top-down approach, lack of local participation and understanding of local livelihoods and lifestyles, absence of multi-sectorial and multi-disciplinary approach, low enforcement of regulation, inaccessibility of technologies, and exacerbation of socio-economic and gender disparities. Within the second phase (1987-1997) a special emphasis was given to local participation and soil and water conservation activities. Hundred hectares of woodlots were established; the natural resource base was regenerated; and the decentralization process contributed to local awareness, commitment and active engagement for long-term maintenance and care of planted trees.

47. MIVARF's adaptation to climate change interventions consisted of change of crop variety (tolerant to drought and water logging), promotion of irrigation technologies (e.g. drip irrigation), improved land use, reforestation and setting aside grazing areas. The selected value chains were traditionally cultivated and suitable to the agro-ecological zones. Over the years, to enhance communities' resilience, the service providers together with the Local Government Authorities (LGAs) have provided training on Good Agricultural Practices (GAPs). Overall, 139,500 beneficiaries (including 43 % of women) were trained on GAP, which have proven efficient in mitigating the adverse effects of severe droughts that affected the country in 2016/17 and 2018/19 as well as excessive rainfall and floods (2017 and 2018).

48. Furthermore, MIVARF interventions contributed to rehabilitate natural resources within 40 % of the respondent districts. Most Lead SPs have been champions in promoting environment and natural resource management. Specific activities comprise: (i) crop rotation and better land preparation (e.g. avoiding slash-and-burn farming techniques); (ii) promotion of labour saving weed control technologies; (iii) promotion of quality certified seeds for cash and food crop value chains; (iv) use of locally available organic fertilizer; (v) farmer to farmer extension approach for technology transfer; (vi) development of by-products from crop residues that include briquettes from rice husks and straws, livestock feed, (vii) use of organic herbicides and pesticides and (viii) crop rotation. In addition, the programme contributed to construction or rehabilitation of 1,078 km rural roads (108 % of the target), 36 warehouses, 16 market places, 6 cold room

⁵³ Wells, H. and Winowiecki, L., 2017, Critical Review of Drylands Restorations in Tanzania: elements of success and failure & technologies employed. World Agroforestry Centre (ICRAF). Nairobi, Kenya. 26pp.

⁵³ Dury, S., Bendjebbar, P., Hainzelin, E., Giordano, T. and Bricas, N., eds. 2019. *Food Systems at risk: new trends and challenges*. Rome, Montpellier, Brussels, FAO, CIRAD and European Commission.

facilities and 30 post-harvest training centres. The construction and rehabilitation of roads and agricultural infrastructures were subjected to national regulations. As such, LGAs conducted environmental impact assessment studies when necessary.

49. The lessons learnt over the previous COSOP on Gender equality, youth, nutrition and focus on marginalised groups show that the Government has adequate legal and institutional frameworks to address challenges however capacity gaps and implementation gaps at all levels i.e. national to local government persist and need dedicated resources to achieve what GOT has set out in its commitments.

50.

3.2 Strategic orientation

51. This section outlines the COSOP alignment with government priorities with regards to the mainstreaming areas, specifically which national strategies COSOP results can contribute to and how. Strategies to be reviewed include the United Nations Development Assistance Framework (UNDAF), Sustainable Development Goals (SDGs), National Determined Contributions (NDCs) as well as overall and sector specific government strategies on gender, youth, nutrition, and/or environment and climate.

Social inclusion

52. The country programme goal is to strengthen participation and benefits for the rural poor in selected value chains (Blue economy, livestock, fisheries, resilient agriculture productivity and agri-business development), using climate-resilient, inclusive and pro-poor approaches that enhance Tanzania's productive potential for future generations. Through these, the programme will focus on:

SO 1: Enhanced climate-resilient production systems for increased productivity of smallholder producers.

SO2: Improved access to markets and micro, small and medium sized enterprises (MSMEs) for small rural producers

53. The two SO remain aligned with the Agricultural Sector Development Programme (ASDP-II 2017/2018–2026-/2028) priority programme areas or strategic objectives of (i) sustainable water and land use management; (ii) enhanced agricultural productivity and profitability; and (iii) commercialization and value addition. The two objectives are grounded in the food systems approach and reflect the interconnected economic, social and environmental dimensions of agri-food systems. As such, the COSOP takes an integrated way to address the four core sustainable food system⁵⁴ objectives: (i) ensuring food security and provide healthy, balanced and nutritious diets for all; (ii) providing decent livelihoods and jobs for all food system actors, notably smallholders, women and youth; (iii) contributing to inclusive governance and reducing inequalities between stakeholders and between territories; (iv) improving environmental integrity limiting effects on climate change and ensuring impacts on diverse dimensions of women's empowerment on decisions on agricultural production, access to and decision-making power over productive resources, control over use of income and leadership at household and community; and balanced workloads and use of time.

54. The COSOP is guided by the key national policy and strategy documents (see section 2.2) and the outcomes and recommendations of the United Nations Food Systems Summit. Hence, the overall objective of this COSOP is to transform the agri-food systems towards higher productivity, better nutrition, more income and resilience for the poor rural people especially promoting women and youth empowerment.

Environment and climate focus

International frameworks and standards	IFAD alignment and contributions to the national targets for international frameworks
National Initiatives and Position towards the 26th Session of the Conference Parties (cop 26) of the United Nations Framework Convention on Climate Change (UNFCCC)	<p>Below are the statements that will be conveyed by Tanzania delegation to COP 26:</p> <ul style="list-style-type: none"> - Emphasize on the need for capacity building to developing countries such as Tanzania in order to fulfil their mandate under the climate agreements and also contributing to the global mitigation efforts; - For developing countries, the agricultural sector should not be included as part of mitigation sectors because the sector is mostly affected by impacts of climate change in developing countries rather than contributing to emission; - Availability of climate finance to support implementation of the NDCs - Integration of gender into climate response strategies. Women empowerment to facilitate effective climate adaptation and mitigation efforts.
United Nations Sustainable Development Cooperation Framework (UNSDCF 2022-2026)	<p>The COSOP will be aligned and contributes to the following national accelerators identified in the UNSDCF 2022-2026:</p> <ul style="list-style-type: none"> • <i>People Outcome</i> • <i>Planet Outcome</i> • <i>Prosperity Outcome</i>
Sustainable Development Goals (SDGs)	<p>SDG 1 (No poverty); SDG 2 (Zero hunger); SDG 5 (Gender Equality); SDG 7 (Affordable and clean energy); SDG 10 (Reduced inequalities); SDG 13 (Climate Action); SDG 14 (Life below water) and SDG 15 (Life on land)</p>
NDCs priorities	<ul style="list-style-type: none"> - Agriculture - Upscaling the level of improvement of agricultural land and water resources management - Increasing productivity in an environmentally sustainable way through climate-smart agriculture interventions - Promoting accessible mechanisms for smallholder farmers against climate related shocks, including crop insurances - Strengthening agricultural research and development - Strengthening knowledge systems, extension services and agricultural infrastructure to target climate actions, including using climate services and local knowledge - - Livestock - Promoting local and modern climate resilience knowledge for sustainable pasture and rangeland management systems and practices - Enhancing climate resilience livestock infrastructures and services - Promoting livelihood diversification of livestock keepers - Promoting accessible mechanisms for livestock keepers against climate related shocks, including livestock insurances - Enhancing livestock productivity through climate-smart interventions - Strengthening livestock research and development - - Coastal, Marine Environment and Fisheries - - Strengthening management of coastal and marine resources and monitoring systems - Promoting sustainable livelihood diversification for coastal communities - Increasing productivity in an environmentally sustainable way through climate-smart fisheries and aquaculture interventions - Strengthening extension services and technologies for fisheries and aquaculture development - Enhancing area-based management systems for sustainable blue economy

3.3 Strategic actions and targeting

55. The section provides the rationale for prioritizing issues related to gender, youth, indigenous peoples, nutrition, and environment and climate; map out the most promising approaches to engage youth in the agricultural sector, empower rural women and girls, improve maternal and child nutrition, protect ecosystems and natural resources, adapt/mitigate climate change, and include indigenous peoples in investments.

Strategic Actions for Social Inclusion

56. **Gender equality and women empowerment.** The Programme will use different approaches to promote gender equality and women’s empowerment by: (i) ensuring that at least 40 per cent of beneficiaries are women who will be empowered to engage in more profitable value chains ; (ii) enhancing access to resources and control of productive resources, finance and services; (ii) promoting labour, water, energy and time-saving technologies; (iii) supporting women’s participation in decision-making, at household, in programme activities and community level; and (iv) ensuring effective participation of qualified women in project leadership teams. The Programme will aim to achieve 50 per cent of gender transformative projects in the country portfolio.

57. **Youth:** The COSOP will be “youth-sensitive” targeting at least 30 per cent of youth as the direct beneficiaries. By accelerating digital revolution, financial inclusion and supporting the development of on-farm and off farm MSMEs, the Programme aims to offer a comprehensive menu of interventions that will attract young men and women.

58. **Nutrition.** The COSOP will promote several nutrition-sensitive agriculture pathways: (i) increased production, availability and household consumption of safe and nutritious food; (ii) promotion of animal source protein (fish and dairy), cereals, pulses; oil seeds and horticulture (fruits and vegetable) for diet diversification and income generation; (iii) reduction of post-harvest losses, including home storage, home processing and food preservation to increase shelf-life; (iv) women economic empowerment and control of income; (v) targeted nutrition education for women and community members, and (vi)^o social behaviour change communication campaigns to encourage adoption of sustainable diets.

59. **Grievance Redress mechanisms. In (GRM).** Tanzania, the country has adopted a Grievance Redress mechanisms at sectorial level for all donor funded projects. GRMs are designed with the objective of solving disputes at the earliest possible time and in the interest of all parties concerned and therefore implicitly discourages referring such matters to the Tribunal/Law courts for resolution which would otherwise take a considerably longer time. The GRM relies on local mechanism, which includes Village Government, Ward Executive Office, District Council, Regional Secretariat and relevant Ministry. These levels will ensure equity across cases; and will eliminate nuisance claims and satisfy legitimate claimants. In addition, the local communities are sensitized on the GRM and informed on how to register grievances or complaints and the dispute resolution process, specifically about how the disputes are resolved in an impartial and timely manner.

Strategic Actions for Environment and Climate mainstreaming

60. During the design of new project, IFAD will explore possibilities to access GEF 8 star allocation and GCF to further complement the ongoing or future programme and projects. Preliminary discussions were held with the Operational Focal Point for GEF to discuss on possibilities to collaborate with IFAD. Below are the key environmental and climate aspects that could be strengthened through supplementary funds as well as the NDCs targets for Tanzania:

IFAD planned intervention	Main environmental and climate resilience considerations to be adopted during project design or implementation processes
AFDP	<ul style="list-style-type: none"> - Promotion of the use of water saving technologies in the irrigation scheme - Improved soil management in the seed sector and promotion of drought tolerant varieties - Capacity building of smallholders in good agricultural, fisheries and aquaculture practices as well as climate resilient practices. - Siting of fisheries and aquaculture ponds and infrastructure would also take into account climate change related risks - support towards the development or updating of the Tuna Fisheries Management Plan - Soil fertility, coastal and water resources management

IFAD planned intervention	Main environmental and climate resilience considerations to be adopted during project design or implementation processes
	<ul style="list-style-type: none"> - In the fisheries and aquaculture sector, a special emphasis will be given to the post-harvest and waste management, - Support to the development of a Marine Spatial Plan - Promotion of renewable energy along the fishing value chain (e.g. solar dryers' tents for dagaa).
Livestock	<ul style="list-style-type: none"> - Promotion of drought and/or flood and diseases tolerant fodder varieties - Integration of crop and livestock systems (e.g. use of crop residues as animal feed while manure can be used as fertilisers) - Increased access to water for animal and access to clean water for the processing of animal products - Improved solid and wastewater management along livestock value chains - Climate proofed infrastructures (e.g. rainwater harvesting, ventilation and energy efficient infrastructures, etc.) - Promotion of renewable energies along the whole value chains - Promotion of climate information systems for managing climate risks
Climate smart horticulture	<ul style="list-style-type: none"> - Promotion of drought and/or flood and diseases tolerant crop varieties - Promotion of water use efficiency (e.g. rainwater harvesting, drip irrigation, water use efficient irrigation systems, etc...) - Promotion of intercropping between crop and horticulture species - Promotion of the use of organic fertilisers and bio-pesticides - Promotion of conservation agriculture and agro-ecology - Promotion of climate smart technologies (e.g. solar powered fridge for increasing shelf life of horticulture products, solar energy for processing, etc.) along the horticulture value chains - Promotion of climate information for tailoring crop calendar to the different targeted areas
Cross-cutting interventions	<ul style="list-style-type: none"> - Capacity building of national counterparts in climate risks management and disaster risks management - Development and dissemination of drought and flood tolerant/ shorter or longer cycle crops/fodder varieties - Promotion of drip irrigation and closed greenhouse production systems for increasing water use efficiency - Development of rainwater harvesting technologies and facilities adapted to rural inhabitants needs - Promotion of conservation and management of agro-biodiversity in all supported value chains
NDCs targets (2021)	<ul style="list-style-type: none"> - For climate change adaptation, the NDCs target to increase access to clean and safe water for total population in urban and rural areas will be increased from 86% and 67.7% respectively in 2015 to 100% by 2030. Based on a conservative and a worst-case scenario of 50cm and 1m sea-level rise by 2100, the contribution will verifiably reduce the impacts of sea level rise to the island and coastal communities, infrastructure and ecosystems including mangroves. - For climate change mitigation, the NDCs target to reduce greenhouse gas emissions between 30-35% relative to the Business-As-Usual (BAU) scenario by 2030, whereby about 138 - 153 Million tons of Carbon dioxide equivalent (Mt CO2e)-gross emissions is expected to be reduced, depending on the baseline efficiency improvements, consistent with its sustainable development agenda.

Targeting strategy

61. The participation of poor and vulnerable rural women, men, youth and PWD during design is hugely important in ensuring that their voices are heard and their needs, constraints and priorities are understood and form the basis of the targeting and gender strategies. Focus on women, young women and young men, and PWD within the various target groups to identify their differentiated needs including nutritional needs and opportunities for equality, effectiveness and impact and building communities resilience. The effective inclusion of targeting and gender in the Country programme will involve: creating a supportive operational environment; identifying and addressing the capacity-building needs of partners; defining how to monitor performance and share knowledge; including costs in the project budget; and integrating the strategies thoroughly in the life of the COSOP.

62. The COSOP 2022-2026 primary target group is rural smallholder households that are engaged in small holder farming (crop and livestock), aquaculture and fisheries,

especially women, youth, and vulnerable groups including people with disability (PWD). These small holder households face constraints in taking part in agriculture due to liquidity constraints, lack of access to financial instruments (e.g. credit and insurance), inputs, low human capital and risk management capacities and exposed to climate change.

63. The COSOP targeting strategy comprises of: (i) geographic targeting, based on the identification of priority agro-ecological zones and corridors ; (ii) self-targeting, with activities geared towards the needs of poor producer households that are engaged in the priority value chains (crops, horticulture, dairy, livestock and fisheries); (iii) direct targeting of very poor small holder and/or marginalised households, including women and youth; and (iv) empowerment and capacity building measures to ensure the target group is able to participate in and access the proposed activities.

64. The profile target groups will include:

- Focus on those rural people living in poverty and food and nutrition insecurity that can take advantage of opportunities offered
- Diverse social groups and subsequently extend outreach to those with fewer assets and opportunities – particularly marginalized groups such as vulnerable and minorities groups – and identify their needs and priorities.
- Focus on women, young women and young men within the various target groups to identify their differentiated needs and opportunities for equality, effectiveness and impact.
- Target people with disabilities to ensure their active participation in programme activities and benefits from programme interventions
- Develop a typology of categories of households in the target population, based on a range of relevant criteria such as “very poor”, “medium poor” or “non-poor”

65. The COSOP will use a phased cluster approach to select geographic areas for project interventions by:

- (a) Consolidating and deepening impacts in the central Tanzania Mainland corridor and Zanzibar, through ongoing investments with AFDP and new projects on dairy and horticultural value chains, and rural enterprise development.
- (b) Gradually expanding to parts of Southern Highlands (Mbeya, Njombe, Iringa) for dairy value chain development.
- (c) Expanding to the Northern corridor (Kilimanjaro, Arusha, Manyara) where there is a high potential for high value horticulture and income-generating activities targeting women and youth. and
- (d) Creating synergies and complementarities with RBA and other UN agencies on-going operations in the Kigoma region.

3.4 Monitoring

66. Key performance indicators for gender, youth and people with disability (PWD) include:

- The COSOP monitoring and community feedback mechanisms will give strong emphasis to monitoring of targeting performance on gender outcomes, youth empowerment, nutrition outcomes and results targeting vulnerable groups. All projects and implementing partners will be required to provide disaggregated data on women and youth participation in relation to targets of 30% men; 30% youth (men and women 15-35 years); 30% women and 10% PWD on programme activities. The Empowerment Index will also be monitored at baseline, MTR and endline of projects during the COSOP period.

67. On beneficiary engagement:

- Participatory socio economic, nutrition gender, youth and disability analysis at community level at the start of the project or baseline
- Agreed criteria for selection of beneficiaries who will receive different benefit packages promoting meaningful participation of youth, women and people with disabilities (PWD) in project and local governance processes
- Mechanisms for inclusion of all key groups in project related processes i.e. men and women of different socio-economic groups, gender and age
- Participatory assessment of other common social risks and barriers identified in project design that could compromise their participation. The country programme will promote in project activities; and
- Development of a participatory, localized approach to project grievance mechanism for project beneficiaries know where to go for help and provide feedback on services as well as any challenges they face in participating in project activities
- Participatory planning and monitoring throughout the lifetime of the project, inclusive data collection, analysis and dissemination; and use of disaggregated data by socio-economic group, gender and age.
- Regular consultations with farmers' groups, as well as formalized feedback in relation to gender inequality, youth and social cohesion.
- Allocation of funds in the Annual Work Plans for targeted interventions for youth, women, PWD and systematic evaluation vulnerable groups

68. Key performance indicators and monitoring systems for environment and climate mainstreaming include:

➤ **Specific indicators:**

- Number of hectares of farmland under water-related infrastructure constructed/rehabilitated
- Number of groups supported to sustainably manage natural resources and climate-related risks
- Number of persons provided with climate information services
- Number of persons accessing technologies that sequester carbon or reduce greenhouse gas emissions
- Number of hectares of land brought under climate-resilient management

➤ **Monitoring mechanisms:**

- Development of various safeguards instruments are integrated throughout the project lifecycle;
- The safeguards instruments have been reviewed and follow-up of approved by the responsible entities;
- Environmental, social and climate mitigation measures, have been/are being implemented and that mitigation measures are effective. This includes monitoring the implementation of the Environmental, Social and Climate Management Plans (ESCMPs) and Integrated Project Risk Management Plan (IPRMP), and also the grievance redress mechanism(s);
- The community is participating in all stages of the environmental and social management and monitoring processes;
- PCU and relevant officers in the implementing agencies have been trained in accordance with the capacity building initiatives. Beneficiaries will play an increased role in M&E systems.

COSOP preparation process

1. The COSOP has been developed during an uncertain economic outlook triggered by COVID-19, but also at a critical time when the country is starting to re-engage with IFAD, after missing on two PBAs cycles. The COSOP was also designed when the Government of Tanzania launched its Third National Five Year Development Plan (FYDP III) and at times when the United Nations Country Team in Tanzania is developing its United Nations Sustainable Development Common Framework for the period 2022-2025.
2. The COSOP formulation was led by the IFAD Country Programme Team for Tanzania in collaboration with FAO's Investment Centre Division, using hybrid in-country consultations and virtual meetings due to COVID-19 travel restrictions. The COSOP delivery team reviewed the strategic documents and policies guiding agriculture and rural development in Tanzania, IFAD's strategic framework and guiding documents, the COSOP Result Review Report and project completion report for MIRVAF and LD. The team also reviewed the UN Common Country Assessment, the draft UNSDCF, as well as different documents and reports prepared for the United Nations Food Systems Summit in September 2021. The COSOP preparation process followed a four stage process that involved extensive consultations with a wide range of stakeholders.
3. **Consultations with GoT:** The COSOP formulation started with introductory meetings and consultations with senior Government Officers in the Prime Minister Office (PMO), Ministry of Finance and Planning (MOFP), Ministry of Agriculture (MoA) and Ministry of Livestock and Fisheries (MLF) in Dodoma. The team also consulted with experts from the National Debt Management Committee to better understand the reasons for cancellation of three IFAD projects and the new criteria and processes for evaluating loan projects, and government priorities. In Zanzibar, meetings were held with senior officers in the Ministry of Agriculture, Natural Resources and Livestock and Ministry of Blue Economy and Fisheries
4. **COSOP launch workshop:** IFAD in collaboration with the GoT organized a two day stakeholder workshop in Dodoma on 8-9 June 2021 to launch the COSOP preparation process. The objective of the workshop was twofold: collect inputs from various stakeholder groups on the performance of the 2016-2021 COSOP, and provide initial directions for the formulation of the 2022-2027 RB COSOP. The workshop was attended by representatives of various stakeholder groups, including GoT officers from the Prime Minister Office, Ministries of Agriculture; Livestock and Fisheries; Finance and Planning; representatives of farmers' organisations (Muungano wa Vikundi wa Wakulima-MVIWATA), civil society organizations (ANSAF), academic and research organisations (TARI), and national Think tanks (See list of participants).
5. **In-country consultations with stakeholders.** The COSOP design team conducted face-to-face and virtual individual and group interviews with different stakeholder groups. In Morogoro, the team visited youth groups represented by Sokoine University Graduates Cooperative (SUGECO), Shambani Graduates as well as with the largest farmers' organization MVIWATA. The COSOP team also held consultations with Sokoine University of Agriculture, Tanzania Food and Nutrition Centre (TFNC), Agriculture Seed Agency (ASA). In Zanzibar, meetings were held with senior officers in the Ministry of Agriculture, Natural Resources, Livestock, Ministry of Blue Economy and Fisheries and with the MIRVAF project coordination unit.
6. In Dar es Salaam, the COSOP team consulted with the United Nations Country Resident Coordinator, Rome-Based Agencies (WFP, FAO and IFAD) and other UN agencies (UNCDF, UNIDO, UNDP, UN Women), multilateral and bilateral donors members of the Agriculture Sector Group (USAID, AFD); private sector actors and financial institutions (VODACOM, TADB, CRDB); centres of the Consultative Group for International Agricultural Research (CGIAR), national research and academic institutions and Think Tank organisations (Tanzania Commission for Science and Technologies COSTECH, REPOA, ASPIRES) and large programme initiatives such as the Southern Agricultural Growth

Corridor of Tanzania (SAGCOT), the Alliance for a Green Revolution in Africa (AGRA). The team also conducted virtual consultations with the African Development Bank and the World Bank to discuss their priorities, lessons learned and explore opportunities for co-financing and synergetic interventions.

7. **Feedback and validation.** A two day feedback and validation workshop was organised in Dodoma on 23-24 September 2021. The workshop was attended by several Government ministries and departments from Mainland and Zanzibar, representatives of civil society organisations, academic and research centres and development partners. The Government of Tanzania facilitated discussions on the findings of the COSOP completion review report and key lessons and recommendations. The second session presented the results of stakeholder consultations on the strategic directions and priorities for the new COSOP. In-depth focused group discussions were facilitated to validate and refine: (i) the strategic objectives, target areas and targeting strategies (ii) priority investment areas, and (iii) strategic partnerships and sustainability of IFAD interventions. The outcomes of the workshop were further refined with GoT counterparts (Ministers and Permanent Secretaries in the Ministry of Agriculture and the Ministry of Livestock and Fisheries as well as PMO) to refine the programme priority investment areas and identify initial project ideas.

8. **COSOP Review Quality enhancement review:** The initial draft COSOP was submitted for in-house review at the Eastern and Southern Africa Division (ESA) and GoT PMO. This process involved a peer review, an OSC review, and a Quality Assurance process managed by Operational Strategy and Policy Guidance Committee Secretariat (OSC). The COSOP draft as amended through the Government and IFAD review process will be finally submitted to the CPMT and the Government for their formal endorsement in a wrap-up meeting. Once endorsed at country level, the COSOP document will be submitted to the IFAD Executive Board for review in its session of April 2022.

LIST OF PEOPLE CONSULTED (4-29 JUNE 2021)

S/N	Name	Organization name	Title
1.	Ms. Sara Gordon-Gibson	WFP	Country Representative
2.	Ms. Alessia Decaterina	WFP	Head of Programme
3.	Ms. Mamane Salissou	WFP	Deputy Country Director
4.	Ms. Manon	WFP	Innovation Officer
5.	Vianey Rweyendela	AGRA	Country Manager
6.	Mr. Zlatan Milisic	UNRCO	UN Resident Coordinator
7.	Mr. Audax Rukonge	ANSAF	CEO
8.	Mr. Geoffrey Kirenga	SAGCOT	CEO
9.	Mr. Stephanie	AFD	Country Director
10.	Ms. Amandine Cremele	AFD	Programme Officer
11.	Mr. Charles Tulahi	FAO	Ag. FAO Rep
12.	Ms. Michelle Corzine	USAID	Deputy Office Director
13.	Dejane Demissie	AFDB	Country Program Officer
14.	Jacob Odoor	AFDB	Country Economist
15.	Mr. Salum Ramadhani	AFDB	Agricultural Expert
16.	Prosper Charle	AFDB	Macroeconomist
17.	Mr. George Cosmas Kirenga	World Bank	
18.	Anila Jane Mohan	World Bank	
19.	Ms. Emma Isinika	World Bank	Senior Agriculture Economist
20.	Mr. Donald Mmari	REPOA	CEO
21.	Caroline Sekule	REPOA	
22.	Dr. Amos Nungu	COSTECH	Director
23.	Prof. Joyce Kinabo	TFNC	Board Chair
24.	Dr Antony Kimario	ICRAF	Director
25.	Mr. Abraham Byamungu	UNCDF	
26.	Ms. Yvone Bayone	VODACOM	
27.	Mr.Arjin Dhillon	VODACOM	
28.	Dr. Eveline Lukonge	ASARECA	Director
29.	Dr. Jean Claude Rubyogo	CIAT	Director
30.	Dr. Leena Tripathi	IITA	Director

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31.	Dr. Amos Omore	ILRI	Director
32.	Ms. Sawiche Wamunza	UNDP	Country Representative
33.	Emmanuel Nnko	UNDP	Head Inclusive Growth Pillar
34.	Ms. Emile Mwakatundu	UN Women	WEE Programme Analyst
35.	Ms. Hodan ADDOU	UN Women	Country Representative
36.	Ms. Lilian Mwandanga	UN Women	
37.	Ms. Sara Mbago-Bhunu	IFAD	Regional Director
38.	Ms. Caroline Alupo	IFAD	Finance Officer
39.	Mr. Japhet Justin	TADB	Managing Director
40.	Mr. Kenneth Kisagila	CRDB	Senior Manager, Sustainable Finance outreach & Relationship
41.	Mr. Hailo Kibiki	CRDB	Specialist Environmental Gender & Social Safeguard
42.	Ms. Ramla Msuya	CRDB	Senior Manager Sustainable Finance
43.	Mr. Peter Christopher	CRDB	Officer Sustainable Finance Unit
44.	Mr. Stanley Kinemelo	CRDB	Officer Sustainable Finance Unit
45.	Audax Rukonge	ANSAF	CEO
46.	Mwasama Idd	Farmer	
47.	Neema Lechipyo	Farmer	
48.	Frolence Gerald	Farmer	
49.	Mohammed Yusuph	Farmer	
50.	David M. Mwaka	Farmer	
51.	Augustine M. Mshanga	ASPIRES Tanzania	Agribusiness Specialist
52.	Mr Stephen Ruvuga	Sokoine University Graduates Cooperative (SUGECO)	Executive Director
53.	Prof Anna Temu	SUGECO	Chairperson
54.	Mr Florent Nguma	SUGECO	Operations/ marketing Manager
55.	Theodore Pius	Muungano wa wa Vikundi Wakulima (MVIWATA)	Head of Programmes
56.	Ezekiel Emmanuel	MVIWATA	Head of Finance and Administration

S/N	Name	Organization name	Title
57.	Michael Neligwa	MVIWATA	Policy, Advocacy and Communication Officer
58.	No names	MVIWATA	
59.	No names	MVIWATA	
60.	No names	MVIWATA	
61.	Mr Florent Nguma	Shambani Milk	(Operations/ marketing Manager)
62.		ANSAF	
63.	Prof. Eron Karimuribo	Sokoine University of Agriculture	Director
64.	Prof. Japhet Kaishagili	Sokoine University of Agriculture	Research Coordinator
65.	Farmers representatives	Farmers organisations Bahi	
66.	Farmers representatives	Farmers organisations Chamwino	
67.	Farmers representatives	Farmers organisations Dodoma	
68.	Farmers representatives	Buigiri Irrigation Scheme	
69.	Farmers representatives	Civil Society organisation	

A total of 14 individuals were consulted representing Sokoine University of Agriculture (Directorate responsible for coordinating research and technology transfer) (2 people); Muungano wa Vikundi wa Wakulima (MVIWATA) (6 people); Shambani Graduates (2 people), Sokoine University Graduates Cooperative (SUGECO) (2 people); and Agriculture Seeds Agency (ASA) (4) Farmers organization representatives, farmers from Bahi, Chamwino, Dodoma, Buigiri irrigation scheme and civil society organisations.

LIST OF PEOPLE MET IN ZANZIBAR (22-24 JUNE 2021)

S/N	Name	Organization name	Title
1	Hon. Mudrick Sollagha	Ministry of Economy, Labour and Employment	Minister
2	Dr. Juma Marik Akil	Ministry of Finance	Permanent Secretary
3	Mikidadi A. Rashid	Ministry of Agriculture	ZPDC
4	Adam A. Makame	Ministry of Agriculture	ZPRA
5	Ali Hassan Ali	President's Office	
6	Ramla M. Islam	Ministry of Agriculture	DPPR
7	Salma O. Abdullah	Ministry of Agriculture	DPPR

8	Abdalla H. Kombo	Ministry of Blue Economy	Minister
9	Aboud S. Jumbe	Ministry of Blue Economy	Permanent Secretary
10	Salum S. Hamed	Ministry of Blue Economy	Officer
11	Makame O. Makame	Ministry of Blue Economy	Officer
12	Ameir A. Mshenga	Ministry of Blue Economy-ZAFICO	Officer
13	Sheha Iddrisa Hamdani	Ministry of Blue Economy-DPPR	Officer
14	Farid M. Hamza	Ministry of Blue Economy	ORFM-RMO
17	Daudi H. Pandu	Ministry of Blue Economy-MBEF	
18	Buriyan M. Hakan	Ministry of Blue Economy-MBEF	
19	Zakaria A. Khamis	Ministry of Blue Economy-ZAFIRI	
21	Dr. Khalid Salum	PMO	Permanent Secretary

COSOP VALIDATION COMPLETION REVIEW AND DESIGN WORKSHOP (23 SEPTEMBER 2021) PARTICIPANTS LIST

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Strategic partnerships

<i>Partnering objectives</i>	<i>Partners/networks/platforms</i>	<i>Partnership results and outcomes</i>	<i>Justification for partnership</i>	<i>Monitoring and reporting (to be completed for CRR and CCR)</i>
Engaging in policy and influencing development agendas	PMO MoA MLF MAINR MoFP National Debt Management Committee Office of the Vice President	More and better policies and public investments in Blue Economy, Dairy Value chains and Climate Smart Horticulture, seed systems; digital agriculture, financial inclusion, youth and women entrepreneurship	Support to the implementation of the FYDP-III and ASDP-II, improve policy and business environment for agri-food MSMEs Enhance sustainability and scaling up through policy influence and investments	
	MWIVATA ANSAF	Increased policy influence to focus policies on smallholder farmers	Expand smallholder voices and participation in policy processes and implementation of FYDP III.	
	SUGECO	Effective implementation of youth-focused policies and strategies	Build coalition for the formulation and implementation of youth agribusiness and entrepreneurship policies and strategies	
	UNCT UN Resident Coordinator	Increased coordination and knowledge sharing with Ministries and development partners.	Increase engagement in policy discussion, steering and implementation of the ASDP-II and FYDP III, communication and visibility	
	One CGIAR SUA UDS AGRA	Policies are informed by analytics and studies	Support upstream policy analytical studies on digital agriculture, climate smart agriculture, WEAI	
	COSTECH RBA (WFP, FAO) UNCDF	Formulation of an inclusive policy and implementation of strategies on digital agriculture and financial inclusion	Support the formulation of National Digital Agriculture Policy	
Leveraging Cofinancing	GoT	At least USD 15 millions of domestic co-financing of COSOP projects	Leverage domestic co-financing for projects under the COSOP portfolio to build strong	

<i>Partnering objectives</i>	<i>Partners/networks/platforms</i>	<i>Partnership results and outcomes</i>	<i>Justification for partnership</i>	<i>Monitoring and reporting (to be completed for CRR and CCR)</i>
			government ownership	
	Tanzania Agriculture Development Bank	At least USD 20 millions of co-financing of COSOP projects	Scaling up SCGS and facilitate financial inclusion of smallholders and MSMEs	
	African Development Bank	USD 50 million mobilized as co-financing of infrastructures (irrigation, roads, markets, warehouses)	Consolidate partnerships and co-financing opportunities	
	Value chain Actors	USD 20 millions mobilized as contributions to projects for horticulture, dairy, fisheries and crop value chains.	Create conditions for sustainability and ownership of the programme	
	Heifer International	Co-financing of USD 2 million for dairy value chain project	Scaling up Dairy Hub Model to Tanzania	
	European Union	USD 2 million as grant to the implementation of Regional initiative Blue Economy	Develop and implement the IFAD-EU Regional Blue Economy Programme in Tanzania	
	ASAP+	USD 5 million co-financing of Climate Smart Agriculture, Resilience Water energy use efficiency in the relevant projects	Mobilize grant resources for mainstreaming of climate change and increase climate financing	
	GEF (GEF8)	USD 7 million co-financing of the Land Degradation project and new projects	Mobilize grant resources for expanding Programme portfolio on Natural Resources and Environment	
	NORAD			
Enabling coordinated country-led processes				
	UNCT	Delivery of UNSDCF Outcome 2 on Prosperity	Implementation of UNSDCF	
	RBA	Enhanced collaboration on climate smart agriculture, youth and women	Develop synergies on programmatic priorities, knowledge management and communication	

<i>Partnering objectives</i>	<i>Partners/networks/platforms</i>	<i>Partnership results and outcomes</i>	<i>Justification for partnership</i>	<i>Monitoring and reporting (to be completed for CRR and CCR)</i>
		entrepreneurship, nutrition sensitive agriculture and digital agriculture		
	UNCDF	Improved project design and implementation on financial inclusion, and digital agriculture, private sector engagement	Leverage capacities in Fintech and digitalisation of financial services and market access information	
Developing and brokering knowledge and innovation (including SSTC)				
	International Institute of Tropical Agriculture	Adoption of processing and postharvest loss reduction innovations.	Strengthen trade links with China and transfer of technologies on postharvest innovations (oil processing equipment)	
	the Freshwater Fisheries Research Center	Capacity-building for the improvement of aquaculture sector	Supporting the implementation of curricula to provide technical training as well as management and marketing skills for aquaculture	
	One CGIAR FAO Precision Agriculture Development Slow Food Youth Network PROCASUR	Scaling up of best practices and innovations on sustainable crop intensification, small scale irrigation, marketing, value addition, digital agriculture, nutrition sensitive agriculture	Generate and disseminate knowledge and innovations, build national capacity	
	Heifer International	Climate resilient, smallholder dairy innovations adopted along the dairy value chain	Promote learning and exchange in areas of livestock production and food security.	
	Research Centres and academia (SUA, UDS TARI TALIRI	Knowledge and innovations disseminated to influence practice and improve businesses	Generate and disseminate knowledge and innovations, build national capacity	
Strengthening private sector engagement	TADB	More commercial financing institutions participate in the roll out of financial products and services.	Promote private sector investments and connect smallholders to markets; and improve nutrition	

<i>Partnering objectives</i>	<i>Partners/networks/platforms</i>	<i>Partnership results and outcomes</i>	<i>Justification for partnership</i>	<i>Monitoring and reporting (to be completed for CRR and CCR)</i>
			and increase resilience of the agriculture and food systems to climate change.	
	TAHA	Transformation of horticulture sub-sector	Provide services related to information and technologies, link off-taker of horticultural crops for export to regional and international markets.	
	ANSAF	Value chain actors are well organized and coordinated. Active participation of private sector organisations, Agribusiness organisations in multi-stakeholder platforms	Promote the commercialisation of agriculture and improved functioning of agricultural market systems.	
	SUGECO	Jobs created through Youth entrepreneurship and scaling up of digital solutions (agritech and fintech)	Participate in project design and implementation for mainstreaming youth entrepreneurship and digital innovations into the programme	
Enhancing visibility				
	RBA	Joint organisation of Annual World Food Days	Joint programming and synergies on UNSDCF Outcome 2	
	UNCT	IFAD co-leadership on outcome 2 (Prosperity) recognized	Collaboration in implementation of the UNSDCF, outcome 2 on Prosperity	
	PMO	IFAD leadership on inclusive food systems recognized	IFAD participates and presents at key forums organized by PMO, MOA and MLF	

South-South and Triangular Cooperation strategy

Introduction

1. In response to the growing importance of South-South and Triangular Cooperation (SSTC), IFAD aims to strengthen its comparative advantage and expand its work in SSTC, in terms of both knowledge-based cooperation and investment promotion, seeing it as an integral part of its business model and of its country programming process. The main objectives of SSTC work are to share relevant rural development solutions and knowledge, and promote investments among developing countries; and to establish and support partnerships and other forms of collaboration to improve rural livelihoods. SSTC will involve a set of activities, with complementary and coordinated measures that contribute to improving the effectiveness of IFAD's country programming. These include the exchange of knowledge, resources, practical skills and technical know-how on small-scale agriculture and rural development, including innovative solutions for operations supported by IFAD.

South-South and Triangular Cooperation activities

2. Through the AFDP, the COSOP will organize learning routes to the Aquaculture Business Development Programme in Kenya, the Small Scale Aquaculture Promotion Project in Mozambique, and the Fisheries Resources Management Programme in Eritrea. There are also plans in AFDP for exchange visits to Kenya, Zambia, Zimbabwe and South Africa where private sectors lead most seed operations. There are opportunities for SSTC with the Korean International Development Agency on mariculture hatchery in Zanzibar, and with the Japan International Cooperation Agency, which is providing financial support to TAFICO by facilitating the purchase of a fishing vessel and installation of ice production and cold storage facilities. AFDP will build operational synergies with the World Bank through the South West Indian Ocean Fisheries Governance and Shared Growth Project (SWIOFish), the Indian Ocean Tuna Commission (IOTC), and with the World Fish Centre for supporting the ADC.

3. From the [Rural Solutions Portal](#), opportunities for capacity-building initiatives can also be leveraged to support the development of aquaculture. The [aquaculture vocational training initiative](#) launched in the Fujian province in China could serve as a basis for the implementation of curricula to provide technical training as well as management and marketing skills to local communities. This initiative could further benefit from the expertise of [the Freshwater Fisheries Research Center \(FFRC\)](#) of the Chinese Academy of Fishery Sciences which has been actively sending fishery experts to developing countries since 1981 and has organized over 180 international technical training courses and seminars in fishery and aquaculture.

4. The COSOP anticipates further South-South collaboration activities in the framework of a project⁵⁵ funded by the China-IFAD SSTC Facility, to be implemented by the International Institute of Tropical Agriculture and the Alliance of Biodiversity International and CIAT in support of post COVID-19 recovery, community resilience, markets access, and trade development in Tanzania. It aims to reinforce linkages between Tanzania and China to boost the export of cassava chips to China, and transfer sunflower oil press processing technologies, equipment and knowledge to Tanzania. Additional linkages for cassava processing can be established with another Facility funded project.

5. The [project](#)⁵⁶, in the Republic of Congo, is establishing a framework and evidence-based business plan for the production of fortified cassava flour and sales of the products in the national and regional market. It is also reinforcing the capacities of small-scale cassava producers and their organizations to allow them to supply fresh cassava to cassava

⁵⁵ Supporting the Recovery of Priority Food Crop Value Chains from the Effects of COVID-19 to Strengthen Community Resilience, Markets and Trade Development in Tanzania – approved under the [third call of the Facility](#)

⁵⁶ Local Production of Fortified Cassava Flour in Bouenza Department in Congo – approved under the [second call of the Facility](#)

mills. Knowledge exchange and best practices from this project with the participations of the Rome Based Agencies can enhance the local cassava value chain in Tanzania.

Opportunities for rural development investment promotion and technical exchanges

6. Building on successful lessons and experiences from MIVARF and other IFAD programmes in the region, the COSOP will promote exchange visits and study tours to support activities aimed at transferring and sharing successful solutions through visits, platforms and trainings. Initial programmes and countries will include the Rural Dairy Development Project (RDDP) in Rwanda. The COSOP will intensify knowledge sharing, capacity development and other non-lending activities in the framework of regional projects and programmes, including the (i) Regional East African Community Trade in Staples (REACTS) Project; (ii) the Climate-smart Dairy Systems in East Africa; (iii) the Rural Women Economic Empowerment program; and (iv) Climate Change, as well as the upcoming regional grants on Blue Economy

7. The COSOP will intensify ongoing partnership with the Once CGIAR, ASARECA, East African Community and SADC development programmes and networks, through non-lending activities to leverage their comparative advantage in generating and disseminating knowledge, testing and scaling up innovations, and capacity development.

SSTC engagement rationale

8. In line with the two SSTC objectives above, COSOP will undertake a range of technical cooperation activities. These activities will be integrated into the lending and grant portfolio, and contribute to knowledge sharing and policy engagement of IFAD operations in Tanzania. The China-IFAD SSTC facility pursues the overarching objective of mobilizing knowledge, technologies and resources from the Global South to accelerate rural poverty alleviation, enhance rural productivity, and advance rural transformation. The Facility is devoted to the following priorities to: (i) promote innovations in strengthening the productive, managerial, financial and marketing capacities of rural people; (ii) pilot inclusive production and business models that generate higher incomes in agricultural and non-agricultural rural activities; and (iii) promote investments and trade between developing countries.

Partnerships and initiatives

9. The RB COSOP has identified the following areas where SSTC activities will be developed: Digital agriculture solutions and innovations, financial inclusion and emerging Fintech solutions; water use efficiency, renewable energy, smallholder dairy development, Climate Smart Agriculture, Smallholder horticultural systems, nutrition sensitive agriculture, policy engagement and Country programming approach.

- For Digital agriculture solutions and innovations, experience from IFAD's collaboration with Precision Agriculture Development (PAD) to navigate the impacts of the COVID-19 pandemic in Kenya, Nigeria and Pakistan can be leveraged to deliver digital advisory to smallholder farmers to boost productivity and resilience.
- In Kenya, to support efficient use of natural resources, the Upper Tana Catchment Natural Resource Management Project has built strong partnerships with National and County Governments as well as with service organizations. Best practices on water resource management through public private partnerships from this project could be shared with Tanzanian communities and authorities.
- IFAD has established multiple partnerships for youth empowerment and engagement in policy. For example the Slow Food Youth Network and IFAD worked together in Kenya and LAC countries to protect and promote the food heritage of indigenous communities and uphold the sustainability and resilience of their practices. PROCASUR and FAO are other potential partners, which

collaborated with IFAD on a project to strengthen decent rural employment opportunities for young women and men in the Caribbean. PROCASUR is specialised in knowledge management and FAO has long-standing experience on Child Labour and Decent work with available e-learning courses.

Conclusion

10. The IFAD Country Office will establish effective linkages with the SSTC Knowledge Center in Addis Ababa, Beijing and Brazil to tap into the wealth of knowledge resources and explore more opportunities for SSTC partnerships. This will include sharing experiences and good examples on innovative development solutions and agricultural and rural development policies, as well as to develop professional networks.

Country at a glance

	1990	2000	2010	2020
Population, total (millions)	25.2	33.5	44.35	59.73
Population growth (annual %)	3.2	2.5	2.9	2.9
Surface area (sq. km) (thousands)	947.3	947.3	947.3	947.3
Population density (people per sq. km of land area)	28.5	37.8	50.1	67.4
Poverty headcount ratio at national poverty lines (% of population)		35.6	28.2	26.4
Poverty headcount ratio at \$1.90 a day (2011 PPP) (% of population)	72.3	86.2	49.6	49.4
GNI per capita, Atlas method (current US\$)	200	410	720	1,080
GNI, PPP (current international \$) (billions)	22.81	38.4	88.3	158.09
GNI per capita, PPP (current international \$)	930	1,180	2,050	2,760
People				
Income share held by lowest 20%	7	6.8	7.4	6.9
Life expectancy at birth, total (years)	50	51	59	65
Fertility rate, total (births per woman)	6.2	5.7	5.4	4.8
Adolescent fertility rate (births per 1,000 women ages 15-19)	143	134	127	115
Mortality rate, under-5 (per 1,000 live births)	165	129	72	50
Prevalence of underweight weight for age (% of children under 5)	24.8	25.3	16.1	14.6
Primary completion rate, total (% of relevant age group)	63	51	91	69
School enrollment, primary (% gross)	70.6	68.8	102.8	96.9
School enrollment, secondary (% gross)	5	6	32	31
Prevalence of HIV, total (% of population ages 15-49)	3.4	6.1	5.2	4.7
Environment				
Forest area (sq. km) (thousands)	573.9	536.7	499.5	457.5
Urban population growth (annual %)	4.9	4.1	5.3	5
Energy use (kg of oil equivalent per capita)	386	402	466	..
CO2 emissions (metric tons per capita)	0.07	0.09	0.16	0.21
Economy				
GDP (current US\$) (billions)	4.26	13.38	32.01	62.41
GDP growth (annual %)	7	4.5	6.3	2
Inflation, GDP deflator (annual %)	22.4	8.2	9.4	0.3
Agriculture, forestry, and fishing, value added (% of GDP)	42	26	26	27
Industry (including construction), value added (% of GDP)	16	19	24	29
Time required to start a business (days)	..	36	31	30
Mobile cellular subscriptions (per 100 people)	0	0.3	47.3	85.7
Individuals using the Internet (% of population)	0	0.1	2.9	20
Total debt service (% of exports of goods, services and primary income)	32.9	11.9	2.9	14.6
Personal remittances, received (current US\$) (millions)	..	8	344	409
Foreign direct investment, net inflows (current US\$) (millions)	0	463	1,813	991
Net official development assistance received (current US\$) (millions)	1,163.20	1,064.30	2,960.30	2,153.10
Source: World Development Indicators database				

Financial management issues summary

Country – FM KPIs:

FM Inherent Risk:	Substantial	Governance.
1Country Disbursement Ratio (rolling-year)	54.2%	<ul style="list-style-type: none"> The inherent country risk is deemed <i>substantial</i>. In 2020, the <i>Transparency International</i> score of Tanzania was 38 (substantial risk) which places the country in 97th position (stable) out of 179 countries. According to the World Bank 2019 CPIA57 rating, Tanzania is a medium policy performer (score 3.5) and ranks 10th out of 40 sub-Saharan countries (avg. score 3.1). The country is showing weaknesses in public governance in particular in the sub-dimensions Quality of budgetary and financial management⁵⁸ (score 3) and Transparency, accountability, and corruption in the public sector⁵⁹ (score 3). The latter is expected to improve due to the revision of the restrictive Statistics Act which now opens to citizens to collect and publish government statistics.
Outstanding Ineligible Expenditure	none	
Outstanding Advances (Projects in Expired Status)	none	
Applicable PBAS cycle:	IFAD12	
PBAS draft allocation IFAD12	USD 69.9 million	
PBAS allocation IFAD11	USD 50.0 million	
Pledge IFAD12 Pledge IFAD11	USD 120k USD 120k (paid)	
Debt sustainability⁶¹. <ul style="list-style-type: none"> At September 2021, Tanzania's risk of external <i>debt distress</i> has increased to <i>moderate</i>, mainly for the effects of the pandemic on exports (i.e. tourism), which has weakened Tanzania's ability to service its external debt. Tanzania's macroeconomic conditions have been resilient despite the COVID-19 shock. All external debt burden indicators continue to remain below thresholds. Public debt to-GDP ratio remains contained at around 30 per cent, well below the 55 per cent threshold. However, in the short-term Tanzania has limited space to absorb shocks, and the ongoing effect of the pandemic on the tourism sector is highly uncertain. The results of the 2021 IMF/IDA Debt Sustainability Analysis underscore the importance of accessing, to the extent possible, external financing on concessional terms. Also, to maintain fiscal and debt sustainability, the authorities should improve public investment management and proceed only with investment projects with clear socioeconomic payoffs. 		Public Financial Management (PFM). <ul style="list-style-type: none"> PFM is led by MoFP and its subsidiary institutions: the Bank of Tanzania, the Procurement Authority, the Revenues Authority. The National Audit Office has a special relationship with MoFP: the Auditor General is simultaneously the Controller, responsible that released funds are in line with Parliament's decisions. Tanzania's journey into PFM-Reform started in 1998 and it is at its 4th phase (2012-17). Most recent PEFA-2017⁶⁰ highlighted strengths in the legislative scrutiny of budget proposals and audit reports as well as in Internal and External Audit. Accounting/reporting is improving as GoT progresses towards the implementation of IPSAS accrual standards. Main weakness is <i>budget reliability</i> constrained by the <i>cash rationing system</i> that builds up expenditure arrears. IFMIS-EPICOR is the mandatory accounting system for PFM with serious limitations (i.e. budget coding) for development projects that require ad hoc customization.

¹Corporate Disbursement Ratio Methodology considers ASAP, AFD, IFAD, KFW and SPA financing sources only.

⁵⁷ World Bank's. 2019 Country Policy and Institutional Assessment (CPIA), Aug 2020. CPIA rating ranges from 1 (low) to 6 (high). WB-CPIA Tanzania is available at <https://www.worldbank.org/en/data/datatopics/cpia/country/tanzania>.

⁵⁸ **Quality of budgetary and financial management:** it assesses the extent to which there is a comprehensive and credible budget linked to policy priorities, effective financial management systems, and timely and accurate accounting and fiscal reporting, including timely and audited public accounts.

⁵⁹ **Transparency, accountability, and corruption in the public sector:** it assesses the extent to which the executive can be held accountable for its use of funds and for the results of its actions by the electorate and by the legislature and judiciary, and the extent to which public employees within the executive are required to account for administrative decisions, use of resources, and results obtained. The three main dimensions assessed here are the accountability of the executive to oversight institutions and of public employees for their performance, access of civil society to information on public affairs, and state capture by narrow vested interests

⁶⁰ Public Expenditure & Financial Accountability (PEFA) 2017. <https://www.pefa.org/node/711>

⁶¹ Debt Sustainability Analysis (DSA). IMF/IDA September 2021.

<https://documents1.worldbank.org/curated/en/217701632497225792/pdf/Tanzania-Joint-World-Bank-IMF-Debt-Sustainability-Analysis.pdf>

CURRENT LENDING TERMS	PBAS11 on Highly Concessional terms
NEXT LENDING TERMS	PBAS12 on Highly Concessional terms + eligible for BRAM

PORTFOLIO, FM RISK & PERFORMANCE

Existing Portfolio:

Project	Financing instrument	FLX Status (2)	Lending Terms	Currency	Amount (million)	% Disbursed	Completion date
MIVARF	G-C-SEC-823-	EXPD	SUPPLEMENTARY FUNDS GRANTS	USD	1	99.5%	30/03/2018
	L-I--823-	EXPD	HIGHLY CONCESSIONAL TERMS 0.75 pc	XDR	59.4	100%	31/12/2020
Reversing Land Degradation LDSF	200000127800	DSBL	ECD GRANTS	USD	7.16	32.5%	29/09/2022
RPSF - Tanzania	200000355300	DSBL	SUPPLEMENTARY FUNDS GRANTS	USD	0.88	100%	31/12/2021
RPSF TZA 2nd allocation	200000386900	ENTF	SUPPLEMENTARY FUNDS GRANTS	USD	1.08	0%	29/06/2022
AFDP	200000366900	ENTF	HIGHLY CONCESSIONAL BY CURRENCY	USD	58.85	0%	29/06/2027

Project	Project FM risk rating	Performance Score: Quality of Financial Management	Performance Score: Quality & Timeliness of Audit	Performance Score: Disbursement Rate	Performance Score: Counterpart funds
MIVARF	Substantial	Moderately Satisfactory	Satisfactory	Moderately Satisfactory	Unsatisfactory
Reversing Land Degradation LDSF	Substantial	Moderately Satisfactory	Satisfactory	Moderately Unsatisfactory	Moderately Unsatisfactory
RPSF - Tanzania	Moderate	Moderately Satisfactory	n.a.	satisfactory.	n.a.
RPSF TZA 2nd allocation	Moderate	Moderately Satisfactory	n.a.	n.a.	n.a.
AFDP	High	n.a.	n.a.	n.a.	n.a.

Update on On-going Portfolio.

(i) The closure of MIVARF is pending on the submission of the final Audit); (ii) LDSF (GEF funded) is approaching completion in one year's time and, due to various delays, still has to spend 70-80% of its resources. An extension is under consideration; (iii) AFDP entered into force on April 2021 and the start-up workshop will take place at the end of November 2021; (iv) RPSF1 has fully disbursed; (v) RPSF2 FA amendment has been recently countersigned.

Use of Country Systems.

- **Organisation** (on-country system). The PMU is normally established within the LPA with staff (at PMU and Implementing Unit/district level) generally seconded by the Government.
RISK: limited experience on management of development projects.
MITIGATION: Competitive recruitment for key staff at PMU, capacity building for seconded staff at field level.
- **Budget** (partly on-country system). A Project's budget falls partly into National Budget: (i) at Central level, PCU budget is off-system with no ceiling imposed by GoT on expenditure, (ii) whereas at decentralised level, Project budget has to be included in the *Local Government*

envelope, *is subject to budget ceilings*, and is booked into IFMIS in order to get authorization for expenditure. Overall, project budget preparation follows same timing as the national budget (March-April) with no conflict for submission to IFAD. Budget is prepared with a bottom up approach at district level, within the ceiling provided, then consolidated at PCU.

RISK: the lengthy authorization process from Ministry of Local Authorities to recalibrate district budgets, when needed, may impact on low execution rate.

MITIGATION: (i) early start of budget consolidation, (ii) sharp scrutiny for realistic estimates, (iii) effective budget-module installed at IFMIS to monitor deviations.

- **Accounting/reporting:** (on-going migration to country systems). IFMIS-EPICOR is the mandatory accounting system across PFM including development projects, however it shows serious limitations (i.e. Chart of Account alignment to IFAD requirements). As per *Project LDSF* experience, GoT is no longer allowing the use of an off-the-shelf software. As a result accounting is performed manually off-line on excel. IFMIS-EPICOR will be upgraded into IFMIS-MUSE. LDSF completed the user-test for IFMIS-MUSE, facilitated by the MoF and with participation of LPA/PCU/Districts and customizations were proposed/submitted to MoF for scrutiny (June 2021). *RISK: manual accounting exposed to systemic human errors and unreliable reporting.*
MITIGATION: (i) MoFP starts IFMIS-MUSE customization (CoA, minimum reporting, SOE for WA); (ii) training to users.
- **Fund flow** (Partly on-country systems). Central PCU is generally off-systems. Instead, PCU advances funds into District's Exchequer accounts held at Bank of Tanzania, on the Treasury platform through which payments are performed (and booked into IFMIS-EPICOR). Advances are authorised by GoT.
RISK: late replenishment at district level.
MITIGATION: ensure GoT does not impose justification-thresholds to subsequent advances from PCU to Districts.
- Tax (VAT) exemption is granted by MoF upon PCU request, but the application must be submitted before the payment.
RISK: the exemption is a lengthy process (1 month) that leads to delays in expenditure/justification/fund flow.
MITIGATION: (i) efficient management including clear staff accountability; (ii) engage MoFP to streamline process.
- **Audit.** An Internal Audit unit is generally established at the LPA. External Audit is the responsibility of the National Audit Office (NAO).
- *RISK: late submission of audit report.*
- *MITIGATION: early engagement of NAO for inclusion in the Auditor's work-plan.*

#	Description of Risk Feature	Rating	Assessment Basis	Remarks	Recommendation /Mitigation	Rating
A	COUNTRY RISK ASSESSMENT	 2.10				 2.30
1	Legal and Regulatory Framework	 1.80				 2.20
a	Country procurement law, regulations and manual exist	 2	3 they all exist, 2 only two exist, 1 only one exist or none	Public procurement is governed by the Public Procurement Act 2011 as amended in July 2016, and subsidiary Public Procurement Regulations issued in 2013, and amended in 2016.	The procurement law is fragmented with many amendments and consequential amendments (circulars) which make application of the law difficult. A user manual should be developed to be updated whenever there is an amendment of the Law or a circular to PEs.	 2
b	Existence of Standard Bidding Documents for Goods, Works and Services	 3	3 all exist, 2 only for NCB & ICB, none for Shopping, 1 none exists	Standard bidding documents exist on Tanzania 'Public Procurement Regulatory Authority (PPRA)' website - https://www.ppra.go.tz		 3
c	Procurement Monitoring	 1	Use PEFA Framework, see worksheet for details	According to the PEFA report, although 99% of procuring entities (PEs) submit their annual procurement plans for publication, only about 50% of the PEs submitted their general procurement notes and contract award information. Furthermore, it was observed that some PEs procure goods and services that have not been included in the submitted procurement plans. Therefore, Procurement Management Information System (PMIS) data compiled by PPRA from source information provided by PEs is incomplete for most central Government procurements. Moreover, data on procurement methods utilised is not systematically available.	Projects should submit the annual Procurement Plan (PP) for IFAD's No objection and strictly adhere to it when conducting procurement activities. Use of the IFAD Contract Monitoring Tool and regular update of the same will facilitate in submitting to PPRA complete information on contract award.	 2
d	Procurement Methods	 1	Use PEFA Framework, see worksheet for details	According to Section 64 of the Public Procurement Act (2011), a PE shall apply competitive tendering for procurement of goods, works, services, non-consultancy services or disposal by tender, and there are provisions for urgent procurement. Specific rules also apply for procurement under Public-Private-Partnerships. However, no consolidated data is provided related to the use of non-competitive procurement methods and/or direct purchase for urgent procurements. This leaves a loophole that may be exploited by PEs to avoid competitive methods of procurement.	In addition to the thresholds for request for No objection from IFAD for use of ICB (for goods, services and works), procurements using non-competitive methods shall require a request for No objection from IFAD.	 2
e	Public access to procurement information	 2	Use PEFA Framework, see worksheet for details	Four of the six key procurement information elements are complete and reliable for Government units representing most procurement operations and are made available to the public. However, contract awards and bidding opportunities are published for around 50% of MDAs (Ministries, Departments & Agencies)	MDAs to submit progressive procurement reports to PPRA for consolidation and publication - this would solve the issue of publication of contract awards. As for publishing bidding opportunities, the implementing agency should use its own website to publish bidding opportunities	 2
2	Accountability and Transparency	 2.40				 2.40
a	Procurement Complaints Management	 3	Use PEFA Framework, see worksheet for details	Sections 96 and 97 of the PPA describes the mechanisms for complaints and appeals over procurement decisions. The dimension was rated 'A' by PEFA		 3
b	Country Corruption Perception Index score	 2	The score is published on Transparency.org. 0 to 29 = 1, 30 to 60 = 2, 61 to 100 = 3	According to the 2020 index published by transparency international, the country corruption perception index score for Tanzania is 38. TZ is ranked 99th (out of 180) in the world.	All procurement entities, as well as bidders, suppliers, contractors, consultants and service providers, shall observe the highest standard of ethics during the procurement and execution of contracts financed under IFAD funded Projects. The Revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations shall apply to all projects, vendors and third parties, in addition to the relevant national anticorruption and fraud laws.	 2
c	2-tiered system to handle complaints	 2	3 as stated, 2 only a single level system, 1 no system	An independent procurement appeals authority known as the 'Public Procurement Appeals Authority (PPAA)' exists at National level.	The PE should establish an appeals review panel at the level of the Implementing Agency, which if it fails to resolve complaints, they will be submitted to PPAA, in order to save time.	 2
d	Existence of a debarment system	 3	3 full existence, 2 existence of complaints body that is the authority, 1 does not exist	Any criminal act will result in the bidding company being subject to criminal prosecution as well as debarment by PPRA in accordance with the procurement ct. A list of blacklisted companies is published on the PPRA website, and time period for which a company has been debarred.		 3
e	Existence of an independent and competent local authority responsible for investigating corruption allegations	 2	3 existence of independent authority, 2 existence of an office within a government ministry/agency that carries out some/all of these functions, 1 does not exist	The Internal Auditor general undertakes a compliance Audit on an annual basis. However, not all PEs are audited. PPRA also undertakes annual audits but on a sample basis.	The appointed external auditor to undertake an annual 'Compliance Audit'	 2

Risk Rating System**3** **L**: Low Risk**2** **M**: Medium Risk**1** **H**: High Risk