



The United Republic of Tanzania
Agriculture Sector Lead Ministries

4TH ANNUAL AGRICULTURAL POLICY CONFERENCE [AAPC]

Integrating Food and Nutrition Security into Economic Transformation and Industrialization Agenda:

How can agriculture be the driver rather
than follower of economic transformation in
Tanzania?



New Dodoma Hotel, Dodoma

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The Role of Public-Private Dialogue (PPD) in Enabling Private Sector Investment in Tanzania's Agriculture Sector

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INTRODUCTION

- **Objective:** To provide role and benefits of PPD approach in ASDP-2 implementation
- **Methodology:** Paper based on literature review and authors' experience in PPD implementation
- **What is PPD?** PPD is a structured, participatory, and inclusive approach to policy making

Benefits of PPD approach in policy implementation e.g. ASDP-2

- Brings together government, private sector & other stakeholders;
- Provides sustainable, continuous improvement of businesses;
- Builds trust, legitimacy, and accountability into policy making process;
- Connects commercial partners and smallholder farmers;
- Facilitates agribusiness access to financial services; and
- Improves agricultural values chain analysis and the business environment.

Good Practice in Using Public-Private Dialogue

1. Takes into account the socioeconomic and political context.
2. PPDs function best under open, transparent and fair governance rules.
3. Align PPD with existing institutions and structures to minimize friction.
4. Establish PPD solid structure and representative participation, including gender.
5. PPD should be facilitated professionally with dedicated staff and resources.
6. Identify committed champions to provide leadership of the PPD.
7. Ensure PPD has process outputs, analytical outputs, soft outputs and implementable recommendations.
8. Facilitate outreach and communications of the shared PPD vision.
9. Establish Monitoring and Evaluation which is important to demonstrate PPD performance and impact.
10. Ensure sustainability of the PPD platform.

Public-Private Roles in Agriculture Defined in Redesigned PlanRep Implementation

- Redesigned PlanRep extends to service provider level and defines service outputs. A priority of ASDP-2 implementation including DADPs is to define public agriculture service providers and outputs
- Redesigned PlanRep enables better framing and recognition of activities across sectors, levels of government and public-private sectors. Focal focus for agriculture stakeholders include:
 - Improving Lower Level Government planning (ward, village) and O&OD, incorporated into PlanRep and feedback provided to stakeholders
 - Improving cross-sectoral agriculture related activities such as nutrition; and
 - Better specification of respective functions and roles of public and private sectors in agriculture.

Examples of global partnerships and Donors using PPD to leverage investments

1) World Economic Forum's New Vision for Agriculture (NVA)

- NVA has mobilized over \$10.5 billion in investment commitments
- \$1.9 billion has been implemented to date, benefiting 9.6 million farmers

2) The U.S. Government's Global Hunger and Food Security Initiative (Feed the Future)

- Generated \$2.6 billion in new agricultural sales from 2011 to 2016
- Leveraged more than \$800 million in private sector capital investments for farmers in Feed the Future countries, since 2011
- In Tanzania over 10.6 million people are living in Feed the Future
- In 2015/16 the program managed to leverage new private investments worth \$1.5 million; and US invested over \$315 million in Tanzania's agr. in past 5 years.

Cont.

3) UN's Sustainable Development Goals (SDGs) - ending hunger by 2030

- Ending hunger and malnutrition requires \$267 billion per year on average for investments in the agricultural sector;
- Need for each country to step up PPD related interventions in agriculture to leverage public and private investments.

4) Tanzania's Development Partners (DPs) and Government

- DPs through various methods, including PPDs, have mobilized nearly \$2 billion investments in the agriculture sector, leveraging substantial private investments.
- GoT has increased Agr. budget by 62% from \$503 million in 2010/11 to \$813 million in 2015/16 to show her commitment to the ASDP reform program.

Examples of Successful PPD Interventions

1. Purposeful PPD improves cashew farmers' incomes

- Agricultural Non-State Actors' Forum (ANSAF) engaged PPD effectively to review challenges in the cashew sub- sector.
- The Cashew Board of Tanzania removed 'shrinkage' costs that stood at two per cent. This resulted into saving of TZS 20 per kilogram, increasing farm incomes by TZS 3 billion (about \$1.4m).
- The PPDs resulted also into removal of four different charges from the cashew nut value chain, saving farmers TZS 13.5 billion in 2015.



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Cont.

3) **ENGINE: Business Service Levy Reforms in Mbeya, Iringa and Morogoro**

Through the USAID/ ENGINE project, the councils used PPD which resulted into reduction of service levy from 0.3% to 0.1% which is expected to increase own-source revenue from TZS 400 million per LGA to over TZS 2billion or more per year.

Conclusion

- Public-Private dialogue plays a key role in addressing governance challenges and policy reforms;
- PPDs can help leverage public and private investments. For example in the implementation of ASDP-2;
- Done correctly, PPD builds mutual trust between GOT and private sector, can hold all parties accountable and increases chances of successful policy-reforms; thus facilitating poverty reduction, ending hunger and malnutrition.

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