

**MINISTRY OF AGRICULTURE, FOOD SECURITY AND  
COOPERATIVES  
and  
AGRICULTURAL COUNCIL OF TANZANIA**

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**TANZANIA AGRICULTURAL INPUT PARTNERSHIP**

**A STRATEGY FOR PARTNERSHIP**

**1. Introduction**

Tanzania has one of the lowest rates of use of agricultural inputs in the world. Previous attempts to improve the input supply and use system have failed. A new, innovative approach is now used to bring together government policy and commercial interests. This is the Tanzania Agricultural Input Partnership (TAIP), a Public-Private Partnership.

This paper proposes a strategy for TAIP. The development of TAIP is guided by the Vision for Tanzania, where it is expected that, by 2025 Tanzania will:

*“... have graduated from a least developed country to a middle income country.... with a high level of human development. The economy will have been transformed from a low productivity agricultural economy to a semi-industrialized one led by modernized and highly productive agricultural activities which are effectively integrated and buttressed by supportive industrial and service activities in the rural and urban areas..”<sup>1</sup>*

Focusing initially on fertiliser and using a value chain approach<sup>2</sup>, TAIP has been working since late 2006 in five districts in the Southern Highlands<sup>3</sup>. At the same time, it has been investigating critical constraints to the provision of affordable and accessible inputs to farmers. This will now be expanded to a National Rollout covering a wider range of inputs and, over time, including the whole of mainland Tanzania.

It will take time for the real benefits of the initial Fast Track operation to become apparent, as it was mainly intended to develop and test processes and systems rather than achieve specific impact in the field.. However, initial results include:

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<sup>1</sup> Tanzania Development Vision, 2025

<sup>2</sup> A Value Chain approach takes a coordinated view of a commodity, looking at all activities and factors which influence its delivery to and use. This ensures that a whole range of inter-connected problems are addressed.

<sup>3</sup> Initially as the Tanzania Fertiliser Partnership (TFP) in Songea Rural, Mbeya Rural, Mbarali, Mufindi and Kilombero Districts.

1. Establishment of loosely structured Partnership that shares information and facilitates participation in pragmatic problem-solving in the input Value Chain,
2. Development of operational approaches for value chain development at international, national and district levels
3. Initial recommendations on improved port handling and internal transport systems - which include responses to the current inefficiencies and identification of specific infrastructure developments to enable the Port Authorities to focus attention on immediate needs.
4. Training of farmers – over 95% attendance without Sitting Allowances and the spontaneous start of demonstration plots with new applications of fertiliser and improved seed
5. New lines of contact and communication between operators in the Value Chain - – including commercial banks, micro-finance institutions, trainers, agro-dealers, public servants and Farmers’ Groups
6. Start up of a pilot database in Five Fast Track districts collecting relevant, commercially viable information, establishing systems for eventual expansion to a national Input Database
7. Institutional strengthening of the Agricultural Council of Tanzania as the private sector apex institution, and demonstration of effective communication channel between the private sector and public sectors
8. Enhanced environment for future private sector investment .
9. Establishment of new ways for Government to work with private sector in a partnership
10. Further public sector bodies (donors) actively participating with relevant and targeted resource
11. Output marketing diagnosis clearly pinpointing areas for National Rollout
12. Identification of improved communication processes and proposals for establishing a District Agricultural Information Network

Organisations join this public-private partnership on a voluntary basis. They are seeking to gain benefits from working with others involved in the sub-sector, and to contribute to shared commercial and developmental objectives. The Partnership embraces a widely divergent group of local, national and international organisations. It is rapidly growing.

Within TAIP, no one group has control over the others. And while there are important development objectives, much of the work of the Partnership will be focused on stimulating market-led commercial processes. Under these conditions it is not realistic to try to bind or control Partners by too many formal rules and regulations. Yet there needs to be clear and agreed common aims, and a set of simple, informal conventions on how work should be implemented. This Strategy starts the process. A Code of Conduct will be added later which will establish parameters and guidelines for the operation of the Partnership.

## **2. The Policy Framework**

The concept of public-private partnerships has been part of the theoretical approach to Tanzania's development for a while. For example, the Tanzania Development Vision 2025 observes that:

*“The task before us, therefore, is for each one of us in our different capacities to be aware of, and implement with discipline, our different roles in order to achieve the objective we have set ourselves. Ministries and other government institutions, the private sector, non-governmental organisations, civil society, cooperative societies, villages and all other social groups must direct themselves to contributing towards effective implementation of the objectives of this Vision”<sup>4</sup>*

The development of Public-Private Partnerships is part of the country's agricultural sector policies. For example, the Agricultural Sector Development Strategy (ASDS) of 2001 aimed to establish a modern, commercialized highly productive and profitable agricultural sector by 2025. It proposed strategic interventions in the sector that envisage:

- Transformation to be private sector-led through an improved enabling environment for enhancing the productivity and profitability of agriculture, with the removal of constraints to private sector involvement, and
- Sector development to be facilitated through public/private partnerships, strengthening the institutional framework for managing agricultural development, particularly defining public and private sector roles.

The more recent Government Programme Document for the Agricultural Sector Development Programme<sup>5</sup> recognizes that *“there is a need to promote active engagement of the private sector in dialogue to effect policy and institutional change that will promote private sector development.”* It specifically proposes that *“investment efforts can include public-private partnerships, including cost sharing or capital grants for demand-driven term investments”*.

However, this positive policy background to Partnerships has not yet trickled down to either the sub-sectoral policies<sup>6</sup>, or field operations in the districts. Lack of understanding of the aims, modalities and benefits of PPPs will be an important challenge to be overcome during the national rollout of TAIP.

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<sup>4</sup> United Republic of Tanzania, The Tanzania Development Vision, 2025. Planning Commission, 31 pages.

<sup>5</sup> URT, 2006: ASDP Government Programme Document “Support Through Basket Funding”, May, 2006. Sub-Component 2.3: Marketing and Private Sector Development has some specific proposals for action.

<sup>6</sup> For example, the concept of developing a partnership between the government and the private sector is not included in the National Fertiliser Strategy of April, 2006.

### **3. The Objective**

The overall objective of TAIP is:

*To support the economically viable delivery and use of agricultural inputs*

The specific objectives of the Partnership are to:

- Establish benchmarks for best practices for development and commerce
- Implement a program to make agricultural inputs affordable and accessible to all income groups throughout Tanzania
- Stimulate profitable agricultural production
- Reduce risk and stimulate strong private sector investment
- Facilitate improved output market linkages, and
- Reduce rural poverty

In order to achieve these objectives the Partnership must be able to offer;

- More efficient public services
- More profitable commercial activities
- More productive and profitable farming
- Stronger linkages between the different groups

The long term goal is to extend activities to cover seeds, agro-chemicals and fertiliser throughout mainland Tanzania. The intention is to use the Partnership and the value chain approach to achieve things that neither the public nor the private sector can do alone. This will be achieved through better access to goods and services, support to private sector development, improvement in public sector support to value chain activities and new market development and expansion.

The TAIP objective incorporates a blend of commercial and developmental goals, and it therefore depends on the success of both business activities and public service delivery. This entails an unusually holistic approach to simultaneously improving services, stimulating production, developing agri-business and reducing poverty. And while the ultimate beneficiary will be Tanzanian farmers, all the other actors involved in the value chain must also have clear and tangible incentives to achieve this shared objective.

Every TAIP partner will have their own corporate or individual objectives. Some of these may have no direct link to TAIP. It is important that this is recognised. This inherent complexity of multiple and diverse objectives makes it essential that TAIP effectively clarifies all Partners' roles and manages expectations. It will be necessary for each partner to identify their own specific objectives within the TAIP operation. This would need to be within the parameters of the overall TAIP objective, and respond to the roles and responsibility of the individual partner in the value chain.

TAIP also aims to improve communications between public and private sector organisations and the individuals working in them.

#### **4 Purpose of the TAIP Strategy**

The purpose of this TAIP Strategy is to:

- define the objectives that must be shared by all Partners
- outline the structure of the Partnership
- indicate membership characteristics
- determine ways of clarifying roles and responsibilities
- establish TAIP's approach and operational principles
- avoid unrealistic expectations
- identify information and communication processes
- lay the foundation for a TAIP Code of Conduct

The TAIP Strategy establishes common objectives and provides a framework for an agreed way of working. The Strategy will improve communications between public and private sector organisations and the individuals working in them. The Strategy also provides a simple and cost effective point of entry for potential new partners.

#### **5. The Approach**

The implementation of a Public Private Partnership is a new and innovative venture to the agricultural sector in Tanzania. Because of its novelty, and coupled with traditional resistance to change, it is imperative that all who might be involved at national and district levels of TAIP clearly understands the objective and the approach.

TAIP success will depend much more on the Partners' voluntary respect for the agreed strategy than on rules and regulations.

The general approach of the Partnership was developed and tested during the pilot 'Fast Track' operation. This was reviewed by all partners in July 2007 and approved as the best way to move forward.

*“The Partnership runs with minimal formality and procedure. It concentrates on maximum efficiency of service delivery to the field and focuses on addressing prioritized constraints along the entire length of the value chain. A premium is given to connectivity, communication and responsiveness. It aims to do business as **unusual**. Formalities are included only as and when they are seen to be necessary and useful.”*

Underlying the partnership is the acknowledgement that, despite considerable support from the donor community, the Government does not have either the funding or human resources to deal with all development issues, or the capacity to respond in full to Tanzania's tremendous agricultural potential.

On the 'other side', the private sector remains cautious about investing in agriculture and has been slow to respond to what has been seen by the public sector as investment opportunities. The TAIP Strategy recognises that without government support, private business can not effectively operate. The Strategy will improve the levels of trust between private and public sector, and

respond to the unmistakable need for more effective dialogue, the clarification of key functions for input supply and redefinition of roles and responsibilities.

TAIP builds on a flexible and empirical approach to planning and operations. It primarily uses business-minded solutions rather than bureaucratic and administrative responses. However, as the size and complexity of TAIP increases there will be a need for more structured procedures and standardized operating systems.

The approach acknowledges the need for taking a few well calculated risks in order to move forward. It accepts that there will be mistakes and that some things will go wrong. As a result, it encourages a blame-free analysis of what goes wrong and the rapid application of pragmatic solutions. This depends on trust and mutual respect, and effective flow of information, between the partners,

Through working together, improving communications and demonstrating the inter-dependence of the different actors and their specific activities in the value chain, TAIP will help reduce and share the risk to each operator. This will enable partners to develop and expand quicker and further.

An additional element of TAIP's approach is improving linkages between Tanzanian agriculture and the global economy. At the moment these linkages are weak. Support and investment is required to ensure not only that Tanzania's crops and animal products gain access to a wider market, but that Tanzania's farmers have access to international-quality technical information, equipment and inputs. This can not be done by either the Government on its own. A cooperative approach is therefore needed.

Adopting this approach will not be easy. It requires a new culture to business and development work. For some this might entail a fundamental mindset change. The wide spread of the partnerships' activity, and the emphasis on linkages with other parts of the value chain, demands a willingness and capacity to see other peoples' perspectives and requirements, and a determination to think and act outside "the box" of usual duties. This is indeed business as unusual.

## **6. The Strategy**

There are no sectoral guidelines on the development of Public Private Partnerships for Tanzanian agriculture. TAIP therefore operates with an open, informal strategic framework which will be modified and improved by the Partners as TAIP develops and new lessons are learnt. The lack of relevant experience should not be a deterrent to progress. Rather it should serve to highlight the need to be innovative and creative, to be critical, to communicate freely and to monitor carefully.

## 6.1 The Partners

The current focal point of TAIP is the Agricultural Council of Tanzania which acts as unofficial, *de facto* facilitator and coordinator. Yara International has been a strong leader from the private sector, though there is a need to broaden the participation from national and international input companies and distributors<sup>7</sup>. In the same way, the National Micro Finance Bank (NMB) is taking the lead in the commercial banking sector, though it is expected that other commercial banks will increasingly become involved in different activities and other parts of the Value Chain as the opportunities become more apparent and the risks of doing business in the agricultural input sub-sector of the economy are reduced<sup>8</sup>.

Within the donor community, NORAD has been a major supporter of the Partnership providing significant funds for the development of ACT as well as financing some of the initial Fast Track work. Norfund is also becoming increasingly involved not only in its traditional role of local bank support, but moving into areas of added value, such as new financial product development. IFAD has also provided support.

For the public sector, the Ministry of Agriculture, Food Security and Cooperatives (MAFC) is a central partner and has the potential to provide substantial support through the Agricultural Sector Development Programme (ASDP). In the same way, at the District level the Local Government Authorities (LGA) will have an important supportive role, especially through demanding ASDP finance for capacity building and local extension through the District Agricultural Development Plans (DADPs).

There are many local partners who have participated in TAIP through the initial Fast Track operation. This has been either through providing services to field operations in the five target districts, or by working on the value chain support activities. It is expected that many of these organisations will continue to work with the Partnership. These include the Small Industries Development Organization (SIDO), the Rural-Urban Development Initiative (RUDI), Business Care Services, The Centre for Sustainable Development Initiatives (CSDI), the Enterprise Development Centre (EDC), Marine Logistics Ltd., Matchmaker Associates (MMA), Enterprise Works, Technoserve, the University of Dar es Salaam Entrepreneurial Center (UDEC), Sokoine University of Agriculture (SUA), and a number of SACCOs and other micro-finance organisations such as MUCOBA, DUNDULIZA, and SELFINA. The IFAD<sup>9</sup>-financed operations of RFSP and AMSDP have also been involved.

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<sup>7</sup> TAIP will need to do more encourage the smaller operators into the Partnership. The presence of large international players has discouraged some of the smaller, national operators from becoming involved.

<sup>8</sup> Interest in working with TAIP has been expressed by CRDB, EXIM and FBME.

<sup>9</sup> International Fund for Agricultural Development

## Partnership Activities

At the start of the TAIP National Rollout there are three main and inter-connected components focusing on agro-dealers which are preparing to take off. These are:

- a) The Agro-dealer Programme for Tanzania which is financed mainly by AGRA<sup>10</sup> and implemented by CNFA<sup>11</sup>
- b) The Agricultural Input Finance Pilot this is led by the National Micro-finance Bank (NMB)<sup>12</sup> and supported by NORFUND<sup>13</sup>, FSĐT<sup>14</sup> and AGRA, and
- c) Small Input Package Demonstration to be implemented by FIPS once reliable funding can be secured,
- d) The Dfid-funded Research Into Use Programme (RIUP) programme. RIUP is designed to develop a coalition of actors that have a common interest in getting research outputs into use. This will test the hypothesis that an ‘innovations systems’ approach is more effective than linear approaches at bringing benefits to the poor from research outputs. This is in total synchrony with the TAIP approach, and – if approved - will build on the opportunities for the implementation of Research into Use in Tanzania identified by the RIUP Country Assessment

The Fast Track field-training programmes - particularly for farmers, farmer organisations and agro-dealers on input management and use - provided in the Fast Track will be adapted and expanded to many new districts<sup>15</sup>. Additional follow up to key value chain supporting activities will include, but not be limited to; (a) Dockside Handling and Inland Transport, (b) Information and Communications and the development of DAION (the District Agricultural Information Network which has been proposed by MatchMaker Associates Ltd.), (c) Output Marketing and Warehouse Receipt Systems, (d) Agricultural Input Database development, (e) Review of the Tax Structure for Agricultural Inputs, (f) Environmental Impact Assessment, and (g) Monitoring and Evaluation.

## 6.2 A Partnership Structure

TAIP has started with a very loose structure that represents a ‘coalition of the willing’ rather than a formal institution with formal recognition and legal status. There is no official agreement between the partners – other than financing contracts for specific components or operations – and no overarching TAIP Document to which the Partners have formally acceded. The institutional cohesion of TAIP is currently dependant on the strength of shared goals, organisational professionalism and intrinsic goodwill. At the moment, the Partnership is held together by behaviour rather than rules.

This casual structure has served the purpose of the initial phase of the Partnership well. But as the scope of work expands it will become necessary to formalise the status of the Partnership –

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<sup>10</sup> Alliance for a Green Revolution in Africa (AGRA) is a partnership under the Rockefeller Foundation and the Bill and Melinda Gates Foundation.

<sup>11</sup> Citizens Network for Foreign Affairs

<sup>12</sup> NMB has the Rabobank as majority share-holder.

<sup>13</sup> Norwegian Investment Fund for Developing Countries

<sup>14</sup> Financial Sector Deepening Trust .

<sup>15</sup> CNFA is also joining the Partnership with a detailed and established Agro-dealer Training Programme

for example as an Association, a Limited Company or a Trust. However, with such a diverse array of partners there is no obvious, ideal option. Rather than pre-determine this choice, the situation will be allowed to evolve further until the need becomes more evident and the merits of the different options become clearer.

It will be important that, whichever model is adopted, the structure is independent, yet responsive to the needs of the programme. It must be transparent and accountable, yet not excessively burdened with administration. It should be outside central and local government, yet must be responsive to both national policies and business interests. It must be respected by the government, the private sector and the international community.

Although there are technical linkages between many of these different activities, they are not formally connected. There are currently about 40 different organisations and activities included in TAIP. This number will rise as the National Rollout moves into new Districts, including additional activities and bringing in new partners. As the TAIP structure becomes more formal, every effort must be made to retain the essential and successful characteristics of flexibility, responsiveness and risk sharing. Formality and process should only be introduced where it is clearly necessary and serves a recognised, useful function.

### 6.3 The Value Chain

The underlying technical strategy of TAIP is a Value Chain approach. Commercial infrastructure and business linkages are generally weak in Tanzania. As a result, each actor works for their own immediate interests and there is little altruism within the value chain. While this is to be expected as part of normal commercial behaviour, it will not achieve lasting success in a situation where the complex chain remains only as strong as the weakest link. Under current Tanzanian conditions, the value chain will only work if everyone is prepared to work a little bit beyond than their own immediate interests; be they commercial or administrative. TAIP must continually make this clear.

The Fast Track experience confirmed the validity of the Value Chain approach<sup>16</sup>. It has been characterized by the statement that ‘addressing one problem does not solve it’. While this leads to complexity, it is a necessary price to pay to achieve sustainable progress. As TAIP does not, and should not, control any of the different segments of the input value chain, the strategy is to help each segment perform (internally) with more efficiency, and (externally) to forge stronger linkages with other segments.

Each actor within the value chain acts as an independent operator. Part of the TAIP Strategy is to bring better understanding of the interdependence of each actor with the others. This requires levels of trust that do not currently exist<sup>17</sup>. The necessary change will not come overnight. However, TAIP’s strategy will be constantly to show and develop linkages, and to work towards

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<sup>16</sup> Report of Fast Track Review Meeting, Dar es Salaam, July, 2007.

<sup>17</sup> There is concern that this openness will jeopardise commercial secrets. This is not the case, as TAIP does not operate at the level of the Partners’ detailed internal planning. It is only TAIP itself and the public sector organisations that are required to work with that degree of transparency.

the creation of a critical mass of public and private sector knowledge, experience and action to support improvements throughout the Value Chain.

#### 6.4 Roles and Responsibilities

TAIP works with independent but cooperating institutions. These include district, national and international companies; district, national and international government bodies; farmers' groups and other Civil Society Organisations. Under the current structure, no one has the authority to force any Partner to say anything or to take any action. It has been agreed that overall facilitation and coordination of TAIP will be undertaken by the Agricultural Council of Tanzania (ACT). However, ACT has no power to backup this responsibility. Much therefore depends on a common understanding and agreed objectives, on trust and mutual respect, and on goodwill. TAIP success critically depends on consensus rather than control, and will work through generating a critical mass of effective, active operational partners at all levels.

Within TAIP, ACT's role is to coordinate the actions of the different partners, to generate debate and discussions, to facilitate networking, introduce additional private sector investors into the partnership and to disseminate information and knowledge. The Council will also work to create awareness and understanding of the Partnership's aims and activities, to analyse and compile partners' experience and data, and to advocate on behalf of the private sector. A draft of ACT's Terms of Reference for this work is shown in Annex 1.

In accordance with public sector reform, the main responsibilities of central government lie in policy, legislation, regulation, enforcement and oversight. It is not envisaged that either central or local government would have a major part to play in daily implementation of TAIP activities. The Ministry of Agriculture, Food Security and Cooperatives (MAFC) has overall authority over national legislation, regulations and policy relating to the agricultural sector. This does not directly influence TAIP-specific day-to-day operations, though of course TAIP activities must respect current legislation and regulations. The Local Government Authorities in the districts have specific legal and regulatory mandates on local issues. Through ACT, TAIP will undertake advocacy to improve legislation and regulations where necessary.

There are no penalties for acting against the interests of the Partnership, and the benefits of cooperation can take time to emerge. As a coalition of the willing the Fast Track phase of the partnership showed a considerable degree of 'fuzzy responsibility' with unclear mandates and overlapping roles. Although this frustrated those who felt more comfortable in a structured administrative environment, it sufficed for the needs of a small pilot operation. It will not work on a larger scale.

TAIP will not perform members jobs for them. Instead, it will support them be more efficient in working on certain aspects of the inputs value chain. A framework will be developed which defines a clear division of responsibility for different activities and for different Partners within TAIP. It is likely that more than one partner will have the same responsibility, or activity; and this may be in a competitive commercial context. In such cases the dividing lines between the needs for cooperation and the needs for competition.

Private sector operators are principally motivated by improved profits. This is achieved through competitive advantages. TAIP activities can not favour one company over another, and will operate discretely though openly. It will be important that no commercially sensitive information will either be asked for or given to companies working with TAIP. As overall coordinator, ACT must be unbiased and exhibit total discretion so all partners can participate with confidence.

As TAIP moves towards National Rollout clearer definition is needed of who will be doing what, who will be giving and getting what, and what each Partner can expect from both other Partners and the Partnership as a whole. This will be achieved in two ways. First, through Partners developing and agreeing to a Code of Conduct. Second, through each partner preparing and sharing their own Terms of Reference and expected Outputs. This will indicate the specific roles, responsibilities and actions it envisages for itself within the partnership. For an example, see Annex 1 for draft ACT Terms of Reference. In order to manage expectations, the Council has also indicated specific activities that it will not undertake.

#### 6.5 Membership of the Partnership

There is no formal TAIP membership process or registration. The Partnership is inclusive and open to organisations and individuals in the private or public sectors and Civil Society Organisations working on any part of the agricultural input value chain. Organisations come to the Partnership through self-selection. This is the process of volunteering to take part because there is an interest in working with TAIP. Some organisations are there for commercial interests, some for developmental objectives. Some are there for both. Instead of specific membership criteria, organisations coming into the Partnership are expected to have most of the following characteristics:

- (a) an identifiable role in the Value Chain or the work of TAIP,
- (b) agreement with the overall objective,
- (c) a willingness to work with others according to the TAIP strategy,
- (d) an ability to contribute in some way to the process,
- (e) a capacity to communicate within the partnership; essentially connectivity capacity, and
- (f) an enthusiasm and capability to undertake business as **un**usual.

Individuals or organisations that need to be coaxed into the Partnership are unlikely to be effective members. On the other hand, it is essential that the TAIP objectives, approach and strategy are clear to all potential participants, and that the incentives and benefits of working with the Partnership are well understood.

As a rule – a rare one for the Partnership - TAIP does not pay Sitting Allowances to those taking part in meetings or training sessions. While this usually causes some initial complaint, especially at District level, experience shows that those who understand the benefits will participate without the artificial inducement of this allowance. The justification is that “if it does not help you do your job better (for the public sector and Civil Society Organisations) or make more money (for business) then do not bother to come”. This is now becoming a more regular practice throughout Tanzania.

### The Incentives

Incentives and benefits are the cement that will bind the Partnership together. These need to be well understood, even though some will take a while to become evident. But there are also some disadvantages associated with working with the Partnership which also need to be understood. These are summarised in Table 1.

**Table 1: Incentives and Dis-incentives for TAIP Partners**

<b>Private Sector</b>		<b>Public Sector and CSOs</b>	
<b>Incentives</b>	<b>Dis-incentives</b>	<b>Incentives</b>	<b>Dis-incentives</b>
New contacts	Fear that competitors may learn secrets or gain advantage	More responsive services	Erosion of traditional control
Expanded business opportunities	Difficulty of understanding a range of different objectives	More efficient service delivery	Required to share information with others
Solving 'related' business problems	Need to work and think outside usual "box"	Capacity to respond to political pressure	Need to share activities with private sector
Greater efficiency	Requirement to work with others who have different institutional culture	Practical, low-budget response to poverty reduction	Requirement to work with others who have different institutional culture
Lower operational costs	Extra work load to communicate and participate with others in Value Chain		Extra work load to communicate and participate with others in Value Chain
Larger profits	More time required to work with PPP	Better results	More time required to work with PPP

### The Districts

With Local Government Reform underway, and the Agricultural Sector Development Programme trying to work more through the Districts and the District Agricultural Development Plans, the Districts must have an increasingly active role in the National Rollout of TAIP. They will be essential members of the Partnership. But, as with other institutions, they can not be coerced to cooperate. Some districts – and some Local Government Authorities – will be more interested and able than others.

There are high levels of distrust between the Local Government Authorities and the private sector in many Districts. Some districts have been slow to respond to the changes to a market-driven economy, and many in the private sector are reluctant to invest the time and effort to dialogue effectively with the local authorities. But if agriculture is to develop this constraint needs to be acknowledged and directly tackled. Progress will not be possible unless both public and private sectors respect each other; but this respect can not be assumed, it must be earned.

An important part of the TAIP Strategy therefore is to bring the LGAs into the work of the Partnership. This would be clearly defined by the roles for LGAs providing a supportive and enabling local environment for TAIP work, rather than directly involved with implementation.

Including TAIP in the District Agricultural Development Plans will be the first step in this process.

Some districts still do not respond well to informal communication processes or use email regularly. This was a constraint during the Fast Track and improving information and communication skills needs to be built into the planning process. For the Partnership, the two critical technical personnel in the LGAs are the District Executive Directors (DEDs) and the District Agricultural and Livestock Development Officers (DALDOs). The District, or Municipal, Councils will also need to be brought into the process.

## 6.6 Stimulating Demand

In most cases, and especially at the District level, interest in the TAIP will not arise automatically. So someone has to take the initiative and make the initial move to generate awareness and interest. While ideally the process is demand-driven from the field, there is a need to stimulate the demand. The problems of low levels of use of agricultural inputs, and the constraints to developing commercial input supply businesses are known at the District level, but the potential and opportunity for change and development are less well understood.

There has been no general awareness programme or public information system explaining the opportunities and benefits of the new TAIP approach to Tanzania's farmers, potential investors or local and central government civil servants. If TAIP is to expand and thrive, this is an area that requires attention.

One of the ways this can be tackled is through the public sector channels, and stimulating demand for ASDP support through the District Agricultural Development Plans. A Briefing Note that will be sent, jointly by ACT and the Ministry of Agriculture, Food Security and Cooperatives, to all DEDs and DALDOs in the country. Although no immediate, major response is expected from most Districts, this is the first step in an awareness and information process that should eventually bring results.

## 6.7 Planning

It is unwise to try and plan too far ahead at the start of an operation like TAIP that uses a flexible, empirical approach. Although this may be difficult for some organisations to accept, pragmatism and responsiveness are essential elements for an endeavour that is not yet well developed and lacking in established large-scale models to show the route to success. Highly detailed log-frames and other rigid long-term planning instruments should not be used at the early stages. It is important to leave room for innovation and new ideas, to enable some well-calculated risks, to welcome new partners, and be ready to react where things go unexpectedly wrong.

On the other hand, investors, implementers, business and local and central Government all need to have a solid and reliable framework on which to base the allocation of resources. And they also need to have unambiguous targets to enable them to plan activities and against which to measure progress and performance. Therefore the TAIP Strategy for planning at this stage is to have clear, simple plans without too much detail. Within the overall TAIP Planning Framework,

however, each component<sup>18</sup> can be more specific on expected activities, inputs and outputs. This, like other aspects of TAIP, requires high levels of both trust and professionalism. But this demand is the preferred alternative to highly detailed micro-management which leaves little room for initiative and quick response and adaptation.

## 6.8 Information and Communications

Improving information and communication processes is an important part of the TAIP Strategy, and includes culture as well as technology and skills. Connectivity of Partners is a crucial element of the TAIP strategy, and must be taken seriously by all organisations taking part. The habit of sharing information, however, is not well developed in some parts of Tanzanian society. And although the use of mobile phones and the internet is rapidly expanding, this is not a feature of the daily work of some; particularly in the public sector, and especially at the District level.<sup>19</sup>

Effective information and communications are critical to any partnership, and no more so than between two fundamentally different types of institutions (the public and the private sectors) developing innovative activities over such a vast area as Tanzania. There is, as already noted, often considerable mistrust between the different groups, which makes developing better ways of open communications and the sharing of information a particularly critical challenge.

It must also be recognised that the established public sector communication and approval procedures of local and central governments - including some donors - can create a significant constraint to rapid response. Overcoming these problems requires tolerance on one side, and a considerable effort to reduce delays and keep formalities to the minimum on the other. Planning well ahead to take the inevitable and unavoidable delays into account is a necessary mitigation strategy.

### *Silence is consent, but not really*

With already about 40 partners, and trying to move forward with a reasonable degree of consensus on key issues, TAIP has problems in getting responses and feedback from Partners. Very often TAIP activities are not the first, second or even third priority for most partners, so TAIP business receives less attention than other work. As a result, TAIP must continue to use the principle of silence being tantamount to approval of documents that are circulated. While this provides the ACT team trying to coordinate the partnership with a theoretically agreed basis for moving forward, it is far from satisfactory and in no way replaces genuine response and the real contribution to discussion from partners. Until and unless TAIP becomes more important to partners, this situation will not change.

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<sup>18</sup> Such as the Training Programmes, the FIPS Small Package Scheme, the Agro Dealer Programme, and the Agricultural Input Finance Pilot, and the Research Into Use Programme.

<sup>19</sup> For many reasons, senior District staff often prefer to travel to Dar es Salaam themselves to resolve a problem or collect and provide information rather than send emails, text messages or telephone. This is not efficient use of time, and will not work for the planning and implementation of TAIP operations.

## 6.9 Economic and Financial Sustainability

TAIP strategy for financial sustainability is to move as quickly as possible to reduce public sector funding levels and increase the contribution from local, national and international business.

TAIP will not work in a sustainable manner if it continues to depend on external, donor funding. The program's economic and financial sustainability must eventually come mainly from its commercial merits. There will, inevitably, be significant parts of the programme which fall within the public domain. But in order to be successful, a major part of the Partnership's work must be driven by private sector values and resources. This will not happen in the early years, so initial operations and institutional capacity building will require additional subvention from the government and donors. However the longer term goal of TAIP must be to encourage and facilitate stronger private sector investment in the agricultural sector. This is needed to ensure the financial burden on the Tanzanian Government and donors - and on their general taxpayers - is reduced, local fiscal revenues are increased and public funds can be diverted to fulfilling other public service development goals

## 6.10 Value Chain Improvements

The TAIP strategy includes activities at both national and district level. TAIP has started, during the Fast Track Phase, a series of analytical studies to address major constraints in the value chain and make recommendations. These have included:

- Dockside handling and internal transport
- Agricultural Input Data Management
- Information and Communication Systems
- Output Marketing
- Monitoring and Evaluation

Additional analytical work that is needed includes:

- Environmental Impact Assessment,
- the Tax Structure for Inputs and
- Training Needs Assessment.

The details of the expansion of these activities will be prepared as part of the National Rollout Plan.

## 6.11 Anticipated TAIP Outputs

The TAIP strategy needs to identify what the Partnership can provide to those involved in the agricultural inputs value chain. A preliminary assessment indicates that the following outputs might be expected:

- An overview of partners, potential partners, activities, and new trends in policies and sector developments,
- A link between the Agricultural Sector Development Program (ASDP), donor-funded activities, NGOs and private sector service providers; thus facilitating the Partnership,
- Support to LGAs and the DALDOs to include demand for TAIP activities in the DADPs,
- Advice to private companies and entrepreneurs wishing to invest and develop profitable businesses involved in input markets,
- Analytical capabilities, experiences of activities, studies to assist partners to address sector policies and ultimately contribute to poverty reduction,
- Facilities and human resources for coordination and management,
- Assistance in establishing working groups, networks and local public-private partnerships in the areas of agricultural inputs and marketing,
- Networking self-selected organisations to enhance the sustainability and impact of the partners' achievements,
- Communication and information at international, national and local levels. At the district level it would be through the development of the District Agricultural Input Output Network (DAION) model
- Advice on the establishment and facilitation of local PPPs to assist with negotiation, advice and information in order to mobilize public and private partners.

#### 6.11 TAIP Review and Monitoring

A monitoring and evaluation plan for the Partnership is being finalized by the Sokoine University of Agriculture. This will be reviewed by the Partners before final adoption. To be effective, the M&E system will need to provide clear, unambiguous feedback and guidance to the Partnership on its performance. It will need to be focused on providing pragmatic rather than academic information that can be used to improve the design and operation of TAIP. It will not, however, replace the individual requirements and corporate needs of the Partners to review and assess their own performance.

### 7. A Code of Conduct

Some TAIP Partners are not able to enter into an Memorandum of Understanding, which would have provided a written basis for joint action by the Partnership. It has therefore been proposed to establish a Code of Conduct for the Partnership, which would establish simple norms for work with TAIP and the participating institutions. The details of this Code of Conduct are being developed, but it will need to be a very collaborative process that involves all the major players in the partnership.

The Code of Conduct would establish the platform for the shared objectives, accepted approaches and agreed ways of working. The Code of Conduct would be an operationally-focused document. Penalties for failing to comply would be difficult to establish, so the system would have to depend mainly on the incentives and benefits of respecting the Code, and on peer pressure within the Partnership.

## **8. Conclusions**

This draft TAIP Strategy presents suggestions for future discussion by the Partnership. The Strategy remains incomplete, specifically lacking more information on the M&E System and the Code of Conduct. These elements are currently being worked on and will subsequently be added to the overall Strategy. In the meantime, there should be sufficient material to stimulate some initial response from the interested Partners.

### **ANNEX 1 – Draft Terms of Reference for ACT’s Role in TAIP**

To be added