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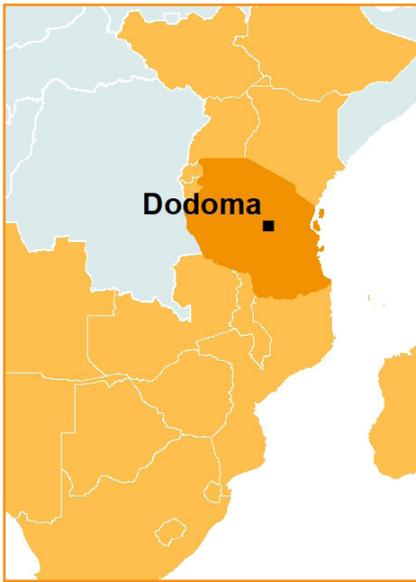
Investing in rural people in the **United Republic of Tanzania**

Tanzania is one of the strongest economies in sub-Saharan Africa and one of the top three growth performers in East Africa. Between 2013 and 2018, and before the outbreak of the COVID-19 pandemic, its average GDP growth was 6.5 per cent.

The economy largely depends on agriculture, which accounts for about one quarter of GDP and employs about 65 per cent of the workforce. Tanzania currently grows enough food to satisfy the needs of its population but the poorest people have limited access to it. Most production comes from subsistence farmers relying on hand hoes, ox ploughs and rainfed agriculture. To date, production gains have been achieved by expanding the area cultivated rather than by yield increases, and this has driven deforestation and land degradation.

Small-scale agriculture is labour-intensive, with little application of modern technologies and inputs, and is highly vulnerable to weather shocks. Agriculture is a sector where significant productivity achievements can be made and production can be made more climate-resilient. The country imports significant volumes of cereals, which could be produced nationally.

Growth in Tanzania's agricultural sector was projected to decline from 5 per cent in 2019 to 2 per cent in 2020 due to the recent locust infestation and the COVID-19 pandemic. The decline in growth has resulted in negative impacts such as high cost of inputs and limited access to markets. Small-scale farmers have borne the brunt of these hardships.



Eradicating rural poverty in the United Republic of Tanzania

Tanzania has mainstreamed the United Nations' Sustainable Development Goals (SDGs) into its national policy frameworks, including its national development plan. The Tanzania Development Vision 2025 sees agriculture becoming a semi-industrialized system in which irrigation and modern technology generate production to support manufacturing activities.

The country is part of the African Union's Comprehensive Africa Agriculture Development Programme (CAADP) and has formulated its investment plan – the Tanzania Agriculture and Food Security Investment Plan. With the help of various other strategies, including the Tanzania Agriculture Climate Resilience Plan, Tanzania envisions that by 2025 it will have ensured food security, self-sufficiency, and increased farm incomes through viable and sustainable internal and international trade.

IFAD's strategy in the United Republic of Tanzania

IFAD's Executive Board approved its first loan to the United Republic of Tanzania in 1978 – the second loan ever approved by the Board. Since then, IFAD has approved and financed 16 projects with investments of US\$402.5 million and 4.2 million households have benefited from these activities. Tanzania has the fifth-largest IFAD portfolio (in terms of volume of lending) in the East and Southern Africa region.

IFAD's strategy in Tanzania is embodied in the results-based country strategic opportunities programme (RB-COSOP) for 2022-2027. This COSOP aims to benefit 1.3 million poor rural households, representing 6.5 million people engaged in family farming (crop, livestock, aquaculture and fisheries), but who face several challenges, including lack of access to quality inputs, technologies, financial services and knowledge, poor infrastructure, low human capital and exposure to climatic shocks.

The COSOP's overall goal is to transform the agrifood systems so that they achieve higher productivity, better nutrition, more income and resilience for the rural poor in Tanzania. It is aligned with the Five-Year Development Plan (FYDP-III) strategic priority area of realizing an inclusive and competitive economy for human development and specifically with FYDP-III's objective of increasing the value and productivity of agricultural production for income, employment creation and diversification of products.

It is also aligned with and contributes to two of the outcomes envisaged in the United Nations Sustainable Development Cooperation Framework:

- Outcome 2 (Prosperity): People [...] working in micro, small and medium-sized enterprises 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.
- Outcome 3 (Planet): People [...], especially the most vulnerable, contribute to, and benefit from more inclusive and gender-responsive management of natural resources, climate change resilience, disaster risk reduction and increased use of efficient renewable energy.

The COSOP's objective is fully aligned with the overall objective of the Agricultural Sector Development Programme Phase II (ASDP-II), which is to transform the agricultural sector (crops, livestock and fisheries) so that it can achieve higher productivity and commercialization, and increase small-scale farmer income, improve livelihoods, and guarantee food and nutrition security.

The COSOP will pursue two mutually reinforcing strategic objectives:

- Enhance climate-resilient production systems for increased productivity of crop, livestock and fisheries value chains.
- Improve small-scale producers' access to markets and to micro, small and medium-sized enterprises.

The financial envelope for the COSOP is estimated at US\$400 million, sourced from IFAD12 and IFAD13 financial cycles, with cofinancing from other development partners and the private sector.

Ongoing operations

Agriculture and Fisheries Development Programme (AFDP) 2021-2027

The Agriculture and Fisheries Development Programme is a new programme that will be implemented in 41 districts of mainland Tanzania and Zanzibar. The programme aims to enhance sustainable productivity, resilience, profitability and commercialization of selected crop seeds, fisheries and aquaculture.

AFDP is fully aligned with the 2016-2021 COSOP for Tanzania, which seeks to contribute to the transformation of the country's agricultural sector. The programme will benefit 260,000 small-scale farmers, small and medium-scale seed producers, artisanal fishers, processors, aquafarmers and seaweed farmers, among others.

The total programme cost is US\$77.4 million, with IFAD providing a loan of US\$58.8 million. The programme is cofinanced by the Government of Tanzania (US\$7.7 million), the private sector (US\$8.4 million) and beneficiaries (US\$2.4 million).

Grants

Reversing Land Degradation Trends and Increasing Food Security in Degraded Ecosystems in Semi-arid Areas of Tanzania (LDFS) 2017-2024

The LDFS is aimed at reversing land degradation trends in central Tanzania and Pemba (Zanzibar) through sustainable land and water management and ecosystem-based adaptation.

The project focuses on geographic areas with a high level of poverty, food insecurity, malnutrition of children under 5 years of age, land degradation and average annual rainfall. It also centres on areas where there may be conflict among communities related to access to and use of crop, grass and forest land and water resources.



The direct investment in the project is US\$7.9 million over the five-year implementation period. The project is funded by a Global Environment Facility grant (US\$7.15 million)) and by the Government of Tanzania (US\$0.68 million). To date, 5,738 direct beneficiaries have been reached, 19 per cent of the 30,000 original target.

Supporting the Recovery of Priority Food Crop Value Chains from the Effects of COVID-19, 2021-2023

The main objective of the project is to restore and increase the productivity and profitability of key food and oilseed crops and widen market access for rural women and young farmers in Tanzania to mitigate the negative impact of the COVID-19 pandemic and enhance resilience. The project will strengthen prioritized value chains of beans, cassava, and sunflower, which have huge potential for both domestic and export markets.

The China-IFAD South-South and Triangular Cooperation Facility grant, which is worth US\$489,417, will benefit 20,000 smallholder-farmers, of whom 50 per cent will be women and 30 per cent youth in the regions of Dodoma, Geita, Manyara, Morogoro and Mwanza. It will further benefit at least 10 traders/agroprocessor small and medium-sized enterprises.

Joint Programme on Rural Women's Economic Empowerment (Phase II) 2022-2026

The Joint Programme on Accelerating Progress Towards Rural Women's Empowerment (JP RWEE) is a global initiative led by FAO, IFAD, UN Women and WFP to improve rural women's livelihoods, rights and resilience to advance sustainable development, the 2030 Agenda and the SDGs, while addressing the multiple forms of discrimination faced by rural women, and mitigating and adapting to the effects of climate change. Now in its second phase, the JP RWEE is being implemented by FAO, IFAD, UN Women and WFP in several countries. In Tanzania, it supports the country's commitments to various national and international instruments that aim to guarantee gender equality and to empower women and girls. The programme, which will focus on empowering seaweed and sardine women farmers in Zanzibar, is expected to directly reach 8,000 people, of whom 85 per cent will be women, with an additional 32,000 people benefiting indirectly. The total budget for this five-year phase is US\$5 million, of which IFAD's allocation is US\$1.2 million.

Piloting agriculture insurance for maize farmers

As part of IFAD's non-lending activities, and in partnership with the INSURED facility hosted within IFAD, the Fund is supporting small-scale farmers to access agricultural insurance in order to enhance their resilience to climate change.



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IFAD is an international financial institution and a United Nations specialized agency. Based in Rome – the United Nations food and agriculture hub – IFAD invests in rural people, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, we have provided more than US\$24 billion in grants and low-interest loans to fund projects in developing countries.

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Investing in rural people

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