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SERA POLICY PROJECT YEAR 3 QUARTER 2 REPORT

TANZANIA ENABLING POLICY ENVIRONMENT FOR AGRICULTURAL SECTOR GROWTH

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SERA POLICY PROJECT

YEAR 3 QUARTER 2 REPORT

Contract No. 621-C-00-11-00003-00
USAID Feed the Future SERA Policy Project
Tanzania Enabling Policy Environment for Agricultural Sector Growth

Implemented by Booz Allen Hamilton

DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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ABBREVIATIONS AND ACRONYMS

AIRD	Associates for International Resources and Development
BRN	Big Results Now
BMGF	Bill & Melinda Gates Foundation
BoT	Bank of Tanzania
CCB	Communications and Capacity Building
CI	Custom Indicator
COP	Chief of Party
DFS	Department of Food Security of MAFC
DMD	Disaster Management Department
ERS	Economic Research Service
FAO	Food and Agriculture Organization
FtF	Feed the Future
GoT	Government of the United Republic of Tanzania
iAGRI	USAID Feed the Future Research and Education Project
IR	Intermediate Result
LOE	Level of Effort
MAFC	Ministry of Agriculture, Food Security and Cooperatives
MIT	Ministry of Industry and Trade
MLHSD	Ministry of Lands, Housing and Human Settlements Development
MoF	Ministry of Finance
NAFAKA	USAID Feed the Future Staples Value Chain Project
NFRA	National Food Reserve Agency
PMO	Prime Minister's Office
PMP	Performance Management Plan
RGoZ	Revolutionary Government of Zanzibar
SAGCOT	Southern Agriculture Growth Corridor of Tanzania
SERA	USAID Feed the Future Policy Project
SMEs	Small- and Medium-Scale Enterprises
SOW	Statement of Work
SPP	Strategic Prioritization Plan
SUA	Sokoine University
TANEXA	Tanzania Exporter Association
TAPP	Tanzania Agricultural Productivity Program
TASTA	Tanzania Seed Traders Association
TMG	The Mitchell Group, an FtF Implementing Partner
USAID	United States Agency for International Development
USDA	United States Department of Agriculture

USG
ZFSND

United State Government
Zanzibar Department of Food Security and Nutrition Department

EXECUTIVE SUMMARY

Implemented by Booz Allen Hamilton, the Tanzania SERA Policy Project (SERA) of the United States Agency for International Development (USAID) Feed the Future Initiative (FtF) began in April 2011 and completed the second full year of operation on September 30, 2013. The second quarter Project Year 3 covers the period from January 1, 2014 to March 31, 2014.

SERA Project is focused on improving the policy environment for agriculture, and developing individual and institutional capacity to undertake policy analysis and advocate effectively for policy reforms. Quarter 1 (Q1) of Year 3 focused heavily on establishing relationships with new government actors in policy and on designing and staffing new activities to be undertaken in Year 3. Quarter 2 (Q2) developed these relationships and continued ongoing activities.

A number of important meetings were held with key government counterparts in Q2 and resulted in approval and support for new and ongoing activities on food security, land policy, access to credit, improved seed policy, and the economic environment. In particular, SERA staff met with senior staff of the Bank of Tanzania (BoT) in early January to discuss the development of the collateral registry system. In that meeting, SERA learned that the BoT has included the activity as one of its priority activities in its efforts to improve access to credit. This was a major accomplishment for SERA as since the project's inception, we have worked to promote the development of a modern collateral registry system in Tanzania.

The draft Land Compensation and Benefits Sharing study undertaken by Landesa, with support from SERA, was discussed with the Ministry of Lands, Housing and Human Settlements Development (MLHSD) in mid-January. The discussion with the Ministry included the legal basis for local communities to engage directly with investors. This could provide an alternative to the current practice of communities converting their land to general land for the central government to control. Further work is being undertaken to obtain a second legal opinion from a respected Tanzanian land law expert. SERA also agreed to co-sponsor a national workshop on land policy with the Ministry.

A meeting was held with the co-directors of the MUCHALI Framework, which is the Government of Tanzania's (GoT) early warning and disaster response activity. The program is jointly managed by the Department of Disaster Management in the Prime Minister's Office (PMO) and the Ministry of Agriculture, Food Security and Cooperatives (MAFC). A work plan was developed to better utilize data to identify chronically food insecure villages and districts, and once identified, the potential for developing programs to assist such villages and districts out of poverty will be explored.

A meeting was held with the Permanent Secretary of the Ministry of Agriculture to discuss the proposed SERA work plan on Food Security and other activities, and support and approval was received. The activities discussed included: 1) developing a policy options paper on food security, 2) continued training of Ministry staff on the Food Basket Methodology (FBM), 3) a study of food security data systems, 4) preparation of a submission to the Ministry of Finance

(MoF) on improved tax treatment of seeds, and 5) further research to quantify the impacts of the maize export ban. All of these activities will begin in Q3 of Y3 and will be priorities for SERA.

Other activities undertaken in Q2 included continued capacity building with the Zanzibar Department of Food Security and Nutrition (ZFSND) and participation of senior SERA staff in the Big Results Now (BRN) lab. In addition to the work activities noted, two new staff joined the SERA team, including the Operations Manager, and the Communications and Capacity Building (CCB) Specialist.

INTRODUCTION

The Tanzania SERA Policy Project assists both the Government of the Republic of Tanzania and the private sector to enable a broad-based, sustainable transformation of the agricultural sector through policy reform. The vision for this project is twofold: to improve the policy and regulatory environment for agriculture growth and to build a group of public sector institutions, advocacy organizations, and individuals capable of performing rigorous policy analysis and advocating for policy reform. Improving agricultural policies will be accomplished by working with the GoT and other stakeholders to identify important policy constraints to growth in the agricultural sector and by helping to alleviate these constraints through policy reform.

The SERA Project conducts and commissions evidence-based policy research to inform the GoT and other stakeholders of the impacts of existing policies and the potential benefits of improved policies. In addition, the SERA Project develops the capacity of individuals and organizations to engage in policy analysis and advocate for policy change. At the conclusion of the project, we expect USAID will leave behind an improved policy environment and a legacy of enabling the GoT and other stakeholders to initiate, develop, and utilize evidence-based research in policy decisions and implementation. The SERA Project focuses its activities around priorities identified in collaboration with the Southern Agriculture Growth Corridor of Tanzania (SAGCOT) initiative.

OVERVIEW

The SERA Policy Project has three primary components: Policy Research and Reform, Capacity Building, and Advocacy and Communications. Other important activity areas include collaboration and leadership, and monitoring and evaluation.

Policy Research and Reform

The SERA Project's approach to policy reform is to provide evidence-based research on important policy issues to inform GoT and other stakeholders on policy impacts and options. This has proven to be an effective method of encouraging policy debate and achieving policy reform.

Capacity Building

The SERA Project is engaged in both institutional and individual capacity building in support of policy reform. This includes institutional evaluations and support for strategic planning as well as formal training for GoT staff. Support to individuals includes financial assistance for research on important policy issues and training for selected individuals.

Advocacy and Communications

The approach to advocacy and communication is to provide information and disseminate research findings rather than to publicly advocate for policy reform. This is consistent with our approach to policy reform which is focused on government counterparts for policy reform rather than using grass roots organizations to advocate for policy reform.

IMPLEMENTATION PROGRESS

COMPONENT I: POLICY RESEARCH AND REFORM

The SERA Project undertakes analysis and research on important policy issues in an effort to provide evidence-based analysis of policy impacts and provide policy options to government. Some of this research is conducted by SERA staff, and some is contracted to consultants. In all cases, high standards are maintained.

1. Intermediate Result 1: Improved Agriculture Productivity

A. Seed Policy

Access to high quality seeds is essential to raising agricultural productivity and improving the competitiveness of the agricultural sector. However, improved seeds in Tanzania comprise less than 15 percent of total seeds sown, which is among the lowest in the region. This situation is due, at least in part, to weak enforcement of existing regulations and strong GoT controls on certain aspects of the seed industry which limits private sector involvement. The SERA Project seeks to improve access to high quality seeds at internationally competitive prices, and to stimulate investment in the seed sector by creating an enabling economic environment for the private sector. In Year 3, SERA will review the seed sector and meet with local experts and MAFC officials in order to identify priority policy reforms needed to create an enabling environment. SERA will then focus research on these issues in an effort to inform policy makers of policy alternatives that could improve the sector's performance.

Tasks Planned for Q3:

- Review existing policy studies, and identify priority policy issues with seed experts and MAFC officials.
- Prepare Concept Note for policy analysis.

Milestones:

- Priority policy issues identified. (Q3)
- Concept Note completed. (Q3)

Resources:

- SERA Staff.

Key Partners:

- Tanzania Seed Traders Association (TASTA), SAGCOT, MAFC

Contribute to:

- Intermediate Result (IR) 4.5.1-24. Number of policies/regulations/administrative procedures in each of the following stages: Stage 1, Analysed; Stage 2, Drafted and presented for public/stakeholder consultation; Stage 3, Presented for legislative decree; Stage 4, Passed/approved; or Stage 5, Implementation begun.
- Custom Indicator (CI) 1.1.1 Volume of improved seed available in domestic market.
- CI 4.1.1 Number of research outputs.

B. Taxes on Seeds and Seed Packaging Materials

High taxes on seed packaging materials have been identified as one of the constraints to expanding local production and sale of seeds, and the SERA Project is working with the Tanzania Seed Traders Association and the MAFC to improve the tax treatment of seeds and seed packaging materials. The case for reducing taxes on seeds and seed packaging materials was prepared by SERA in collaboration with TASTA and MAFC in Year 2 and submitted to MAFC for submission to the Ministry of Finance. However no policy action was taken and SERA worked with TASTA and MAFC to strengthen the case for reduced taxes on seed packaging materials and resubmitted the proposal to the MAFC in Q2. The material is scheduled to be presented to the Ministry of Finance in Q3.

Tasks Completed in Q2:

- Prepare the material to support MAFC's request to MoF to reduce taxes on seed packaging materials.

Tasks Planned for Q3:

- Present the request for improved treatment of seeds and seed packaging materials to Ministry of Finance's Committee on Taxes.

Milestones:

- Supporting material to reduce taxes on seeds packaging material completed. (Q3)
- Taxes on seed packaging materials reduced. (Q3)

Resources:

- SERA Staff

Key Partners:

- TASTA, SAGCOT, MAFC

Contribute to:

- IR 4.5.1-24. Number of policies/regulations/administrative procedures in each of the following stages: Stage 1, Analysed; Stage 2, Drafted and presented for public/stakeholder consultation; Stage 3, Presented for legislative decree; Stage 4, Passed/approved; or Stage 5, Implementation begun.
- CI 1.1.1 Volume of improved seed available in domestic market.

2. Intermediate Result 2: Expanding Markets and Trade

SERA Project is working to expand markets through improved trade policies, improved market performance, and increased access to credit. Trade policy is an important component of economic policy and an enabling economic environment. The SERA Project has focused on two important trade policy issues. The first is to remove the requirement that traders obtain export and import permits from GoT before importing or exporting food crops. The second is to introduce a rules-based transparent policy for emergency food imports to replace the ad hoc approach of GoT to emergency food imports which can disrupt markets and is vulnerable to rent seeking. Improved credit also contributes to expanding markets and trade and is addressed by the collateral registry system being developed with the Bank of Tanzania. SERA will also begin efforts to improve the performance of food crop markets through a study of price transmissions between regions and the causes of delayed and incomplete transmissions.

A. Export Permits

Permits are required from the MAFC Department of Food Security to import or export food crops to or from Tanzania. The confusing, lengthy, and costly procedure for obtaining permits has led to widespread efforts to circumvent the system. Research conducted by the SERA Project in Years 1 and 2 showed that export permits do not provide accurate information on export levels nor do they control the flow of exports. Imports are similarly controlled by permits and traders report that food crops are often imported without appropriate permits. The SERA Project is working with the MAFC and the PMO to remove unnecessary permits and provide a better method of recording trade.

Tasks Planned for Q3:

- Review current legislation and Acts regarding trade of agricultural products.

Milestones:

- Current legislation and Acts reviewed. (Q3)
- Export/Import permits not required for trade of food crops. (Q3)

Resources:

- SERA Staff.

Key Partners:

- NAFKA, Associates for International Resources and Development (AIRD)

Contribute to:

- IR 4.5.1-24. Number of policies/regulations/administrative procedures in each of the following stages: Stage 1, Analysed; Stage 2, Drafted and presented for public/stakeholder consultation; Stage 3, Presented for legislative decree; Stage 4, Passed/approved; or Stage 5, Implementation begun.
- CI 4.1.1 Number of research outputs.

B. Transparent and Rules-Based Import Policy

The GoT allowed duty-free rice imports from January to March of 2013 leading to market disruptions and protests by the private sector. A more transparent policy would be for the GoT to enforce existing tariffs and allow the private sector to import and export freely based on

market conditions. The SERA Project will assist the GoT in designing and implementing a rules-based and transparent mechanism to allow emergency food imports.

Tasks Completed in Q2:

- Draft of rules-based import policy.

Tasks Planned for Q3:

- Stakeholders' workshop on rules-based system.

Milestones:

- Transparent and rules-based mechanism for emergency food imports implemented. (Q4)

Resources:

- SERA Staff.

Key Partners:

- NAFKA, AIRD, SAGCOT, MAFC

Contribute to:

- IR 4.5.1-24. Number of policies/regulations/administrative procedures in each of the following stages: Stage 1, Analysed; Stage 2, Drafted and presented for public/stakeholder consultation; Stage 3, Presented for legislative decree; Stage 4, Passed/approved; or Stage 5, Implementation begun.
- CI 4.1.1 Number of research outputs.

C. Credit to smallholders and SMEs

The SERA Project has encouraged the GoT to establish a modern collateral registry as part of its efforts to improve the financial system. This two year-long effort resulted in the Bank of Tanzania releasing its National Financial Inclusion Framework in December 2013 which included the development of the collateral registry as one of its priority activities. A Concept Note is being prepared by the BoT with SERA support and will be submitted to GoT for approval and a mandate to develop the project. The SERA Project will provide financial support for local and international experts to contribute to the BoT effort as requested. A modern collateral registry would provide the legal framework and computer registry that would improve access to credit by allowing lenders to more easily use collateral for lending.

Tasks Completed in Q2:

- Met with Bank of Tanzania officials to offer support to their commitment to develop the legal framework for the collateral registry.

Tasks Planned for Q3:

- Provide support to the development of the legislation pending approval of the concept note.

Milestones:

- Concept Note approved.
- Draft legislation completed. (Q3)
- Legal framework developed. (Q4)

Resources:

- SERA Staff.

Key Partners:

- BoT, Ministry of Finance

Contribute to:

- IR 4.5.1-24. Number of policies/regulations/administrative procedures in each of the following stages: Stage 1, Analysed; Stage 2, Drafted and presented for public/stakeholder consultation; Stage 3, Presented for legislative decree; Stage 4, Passed/approved; or Stage 5, Implementation begun.
- IR 4.5.2-7 Number of individuals who have received United States Government (USG) supported short-term agricultural sector productivity or food security training.

D. Improving Markets

Research has shown that food markets in Tanzania are not as efficient as those in neighboring countries with slower and less complete price adjustments to changes in market fundamentals. The SERA Project will design research to determine the causes for these inefficiencies and recommend policy changes that will improve market performance.

Tasks Completed in Q2:

- Identify a consultant to undertake research and discussed research approach.

Tasks Planned for Q3:

- Develop a concept note and scope of work (SOW) for research on food crops market performance.
- Research food crop market performance.

Milestones:

- Concept note and SOW completed. (Q3)
- Research completed. (Q4)
- Policies to improve food crop markets implemented. (Q4)

Resources:

- SERA Staff.
- One local consultant for 10 days of level of effort (LOE).

Key Partners:

- iAGRI

Contribute to:

- IR 4.5.1-24. Number of policies/regulations/administrative procedures in each of the following stages: Stage 1, Analysed; Stage 2, Drafted and presented for public/stakeholder consultation; Stage 3, Presented for legislative decree; Stage 4, Passed/approved; or Stage 5, Implementation begun.
- CI 4.1.1 Number of research outputs.

3. Intermediate Result 4: Improved Enabling Policy Environment for both Agriculture and Nutrition

A. Food Security

The SERA Project's research on the impacts of the maize export ban continues to influence GoT policy as shown by a recent interview in the Daily News with the Minister of Agriculture, Food Security and Cooperatives (October 2, 2013). In that interview, the Minister said that research by the SERA Project of USAID Feed the Future Initiative has shown that the export bans were not effective at ensuring food security, controlling food prices or preventing exports and the idea of banning food exports was a failure. In an effort to reinforce this message, additional research on the impacts of the 2011/2012 maize export ban will be undertaken. A Policy Options paper will also be prepared for the mainland GoT bringing together research from Years 1 and 2 on important issues such as trade policy, social safety nets, and food reserves. This paper will be presented to GoT in Q4, and will conclude SERA research efforts to provide Tanzania with a more comprehensive food security program except for new challenges that may develop and require analysis.

Tasks Completed in Q2:

- Consultant identified and engaged for Policy Options Paper.

Tasks Planned for Q3:

- Prepare a Policy Options Paper on Food Security for GoT.

Milestones:

- Policy Options paper presented to GoT and stakeholders at national workshop. (Q4)
- New Food Security Program adopted. (Q4)

Resources:

- SERA Staff.

Key Partners:

- NAFKA, AIRD.

Contribute to:

- IR 4.5.1-24. Number of policies/regulations/administrative procedures in each of the following stages: Stage 1, Analysed; Stage 2, Drafted and presented for public/stakeholder consultation; Stage 3, Presented for legislative decree; Stage 4, Passed/approved; or Stage 5, Implementation begun.
- CI 4.1.1 Number of research outputs.

B. National Food Reserve Agency

An assessment of the policies, procedures, and priorities of the National Food Reserve Agency (NFRA) was initiated in Year 2 and will be completed in Year 3. That will provide an improved understanding of the emergency food requirements. NFRA's policies and procedures will also be examined in order to create a more efficient and effective Agency.

Tasks Planned for Q3:

- Complete the NFRA assessment.

Milestones:

- Assessment report completed and presented to GoT. (Q3)

Resources:

- Don Mitchell, Alex Mkindi, Aneth Kayombo

Key Partners:

- NAFKA, AIRD

Contribute to:

- IR 4.5.1-24. Number of policies/regulations/administrative procedures in each of the following stages: Stage 1, Analysed; Stage 2, Drafted and presented for public/stakeholder consultation; Stage 3, Presented for legislative decree; Stage 4, Passed/approved; or Stage 5, Implementation begun.

C. Land Policy

Only one-quarter of the land suitable for cropping in Tanzania is actually used to grow crops, which suggests that there is substantial land available to expand agricultural production. However, much of this is used for other livelihood activities by people with informal land use rights. These people are often displaced when land is allocated to investors, and that has made land use and land policies very controversial. The SERA Project was invited to undertake a study on compensation and benefits sharing approaches in the region. The first draft of the report was completed in Q1, and provided substantial new findings that local communities can engage directly with investors while still retaining the rights to their land. This research found both legal authority and precedence for local communities to directly enter into agreements with domestic or foreign investors without transferring their land to the national government. This finding has the potential to increase the willingness of local communities to provide land to investors since they would be able to retain the rights to the land. The approach currently advocated by the MLHSD is for local communities to transfer their land to the national government before land is leased to investors. However, local communities are reluctant to follow this approach since they are unlikely to have the land returned at the conclusion of the lease or to share adequately in the lease fees or other revenues generated by the project. The findings were presented to USAID management in Q1 and the Ministry of Lands in Q2. A national workshop is planned to disseminate the findings of the land study in Q3.

Tasks Completed in Q2:

- Met with Ministry of Lands to present findings of report.

Tasks Planned for Q3:

- Workshop with stakeholder.

Milestones:

- Land Compensation and Benefits Sharing report completed and presented at national workshop. (Q3)

Resources:

- SERA Staff, Landesa Consulting, Local Consultant

Key Partners:

- Ministry of Land, Housing and Human Settlements Development, Landesa Consulting

Contribute to:

- IR 4.5.1-24. Number of policies/regulations/administrative procedures in each of the following stages: Stage 1, Analysed; Stage 2, Drafted and presented for public/stakeholder consultation; Stage 3, Presented for legislative decree; Stage 4, Passed/approved; or Stage 5, Implementation begun.
- CI 4.1.1 Number of research outputs.

A. Business Environment

Existing studies of competitiveness and the regulatory environment by the World Economic Forum and the World Bank do not compare the economic environment for investors in individual sectors such as agriculture. The SERA Project plans to undertake a study to compare the input and output prices, taxes and fees, and government incentives available to large-scale agricultural investors in Tanzania with those of neighboring countries. This activity will help to inform the GoT on how their agricultural sector compares with others in the region and provide a basis to adjust current investment incentives as necessary to be more competitive.

Tasks Completed in Q2:

- Review of competitiveness indicators prepared by World Bank and World Economic Forum.

Tasks Planned for Q3 and Q4:

- Prepare a concept note and SOW for a report comparing the incentives available to large-scale agricultural investors in Tanzania and neighboring countries. (Q3)
- Engage a consultant to undertake the study. (Q4)

Milestones:

- Concept note and SOW completed. (Q3)
- Consultant engaged. (Q4)
- Report completed. (Y4)

Resources:

- Don Mitchell, Alex Mkindi, Aneth Kayombo, and STTA

Key Partners:

- SAGCOT

Contribute to:

- IR 4.5.1-24. Number of policies/regulations/administrative procedures in each of the following stages: Stage 1, Analysed; Stage 2, Drafted and presented for public/stakeholder consultation; Stage 3, Presented for legislative decree; Stage 4, Passed/approved; or Stage 5, Implementation begun.
- CI 4.1.1 Number of research outputs.

COMPONENT II: INDIVIDUAL AND INSTITUTIONAL CAPACITY BUILDING

The SERA Project's approach to capacity building is twofold. The first approach focuses on institutional capacity building activities for selected organizations that can provide the greatest impact to support development of an enabling policy environment. The second approach

addresses increasing capacity for research and evidenced-based policy analysis of individuals through training and support for research and policy analysis.

In Year 3, the SERA Project will focus on public sector institutions, and individual capacity building to support the implementation of policy reforms. The majority of resources will focus on GoT and Revolutionary Government of Zanzibar (RGoZ) agriculture line ministries and institutions. The SERA Project will continue the individual capacity building efforts already underway and will initiate new ones based on interest and opportunity. In some cases, individual capacity building will be part of larger institutional capacity building plan.

1. Intermediate Result 4: Improved Enabling Policy Environment for both Agriculture and Nutrition

A. MUCHALI - Institutional Assessments and Capacity Building Action Plan

MUCHALI is the Tanzanian Food Security and Nutrition Analysis System. The system includes two core institutions, the national MUCHALI team and secretariat, and local government authorities (Council) MUCHALI teams. The national team is composed of public, private, and donor stakeholders, with the secretariat and day-to-day management as part of the MAFC Department of Food Security Crops and Early Warning Unit. Council MUCHALI teams participate at the regional and local with identification of vulnerable groups and data collection. MUCHALI is jointly managed by the PMO Disaster Management Department (PMO-DMD) and the MAFC which provides the final assessment of food security needs to the GoT and recommendations on the locations and levels of food assistance required from the National Food Reserve Agency. In Q2 of Y3, the SERA Project finalized the MUCHALI secretariat Institutional Capacity Building Action Plan (Annex 1). The Action Plan focuses on an Assessment of the Tanzania Early Warning System, MUCHALI Framework, the information management system, the feasibility of integrating the Food Basket Methodology into the early warning system and a capacity needs assessment (Annex 2). The team leader has been identified and other team members are being recruited. It is anticipated that the technical leadership of MUCHALI will work closely with the team. This activity will start in June 2014.

Tasks Completed in Q2:

- Capacity Building Action Plan finalized.
- SOW for an Assessment of the Food Security Early Warning System finalized.
- Team leader identified, and recruitment of team members started.

Tasks Planned for Q3:

- Implement the SOW for the assessment of the food security early warning system.

Milestones:

- Final report that includes an assessment of field tools and reporting templates, information management systems inventory, mapping and recommendations for improvements.(Q4)
- Feasibility report on the adoption of FBM into the early warning system.(Q4)
- Training Needs Assessment with an Illustrative Training Plan. (Q4)

Resources:

- One expatriate consultant for 36 days of LOE.
- Local consultants for 21 days of LOE.
- One international trip to Tanzania for a total of 22 days.

Key Partners:

- MAFC Department of Food Security, Crops and Early Warning Unit, PMO Disaster Management Department, MUCHALI Secretariat.

Contribute to:

- IR 4.5.2-7 Number of individuals who have received USG support short-term agricultural sector productivity of food security training.
- CI 4.1.1. Number of institutions receiving USG assistance.

B. Ministry of Agriculture, Food Security and Cooperatives, Department of Food Security

The Economic Research Service (ERS) of the U.S. Department of Agriculture (USDA), the MAFC Department of Food Security (DFS), and the SERA Project developed a capacity building program based on the Food Basket Methodology researched in Year 1 and piloted it in Year 2. In Q2, 29 individuals from four different GoT institutions received training on the FBM. A review of the training process resulted in the following changes in the approach: 1) show applications of the FBM to strengthen student understanding, 2) spend more classroom time with individuals working in smaller groups, and 3) eliminate the field training.

The SERA Project has committed to complete the training of a core group from DFS in June 2014. The two-week classroom based training will focus on skills and implementation. The core participants will be selected from the first training group. In addition, there will be new participants from the DFS MUCHALI team, Sokoine University (SUA), and regional food security partners. At the conclusion of the training the participants will be trained to implement the FBM starting 1 July, 2014.

Tasks Completed in Q 2:

- Initial training of MAFC staff completed in January 2014.

Tasks Planned for Q 3:

- Complete phase two of the training planned for June 2014.

Milestones:

- Trainings completed. (Q4)

Resources:

- SERA Staff, USDA ERS.

Key Partners:

- USDA ERS, MAFC Department of Food Security.

Contribute to:

- IR 4.5.2-7 Number of individuals who have received USG support short-term agricultural sector productivity of food security training.
- CI 4.1.1. Number of institutions receiving USG assistance.

C. Retail Price Data

This activity has been incorporated into the Assessment of the Early Warning System under the MUCHALI Capacity Building Action Plan.

D. Economic Modeling - Ministry of Agriculture, Food Security and Cooperatives, Department of Policy and Planning

The SERA Project has explored the need for greater analytical capacity for policy research with the iAGRI Project of FtF and agreed to support efforts of iAGRI to develop an economic modeling activity at Sokoine University. Discussions continue, and a plan has not yet been finalized.

Tasks Completed in Q2:

- Discussions with iAGRI.

Tasks Planned for Q3:

- Complete concept note and commit resources to develop an economic modeling capability at SUA.

Resources:

- SERA Staff.

Key Partners:

- iAGRI.

Contribute to:

- IR 4.5.2-7 Number of individuals who have received USG support short-term agricultural sector productivity of food security training.
- CI 4.2.1 Number of institutions receiving USG assistance.

E. Strategic Support

Private sector organizations that are key stakeholders in policy reform activities will be considered for strategic capacity building support in Year 3. Organizations identified for potential support include:

- i. Tanzania Seed Traders Association is receiving capacity building support from the Bill & Melinda Gates Foundation (BMGF) to develop a capacity building action plan. SERA plans to continue to provide targeted support to TASTA.
- ii. Tanzania Exporter Association (TANEXA) is a key stakeholder in facilitating trade and removing constraints such as export permits.

Tasks Planned for Q3:

- Evaluate private sector organizations for capacity building.
- Support for stakeholder events as needed.
- Support policy research as needed.

Milestones: TBD

Resources: TBD

Key Partners:

- iAGRI

Contribute to:

- IR 4.5.2-7 Number of individuals who have received USG support short-term agricultural sector productivity of food security training.
- CI 4.2.1 Number of institutions receiving USG assistance

F. MAFC ICT Systems

This activity has been incorporated into the Assessment of the Early Warning System under the MUCHALI Capacity Building Action Plan.

G. Policy Seminar Series at Sokoine University

The SERA Project and iAGRI have jointly sponsored a Policy Seminar Series for faculty and student at Sokoine University to encourage policy research. Four research teams received support to prepare research papers for presentation at the Policy Seminar Series and the papers were presented in Year 2. The activity will continue in Year 3.

Tasks Completed in Q2:

- Review the first Policy Seminar Series and make program adjustments.

Tasks Planned for Q3:

- Policy Seminar Conference for the first round of papers. (Planned for June 2014.)
- Select teams to undertake the second round of policy research for the Policy Seminar Series and support them to undertake research.

Milestones:

- First Policy Seminar research papers and seminars completed. (Q4)
- Second Policy Seminar series groups selected (Q4)

Resources:

- SERA Staff, Diligent

Key Partners:

- iAGRI

Contribute to:

- IR 4.5.2-7 Number of individuals who have received USG support short-term agricultural sector productivity of food security training.
- CI 4.2.1 Number of institutions receiving USG assistance.

H. Policy Analysis Training Course

The most requested capacity building activity of SERA has been for training in policy analysis. In response, the SERA Chief of Party (COP) designed and jointly taught with the SERA junior policy analyst an eight-week course on policy analysis to 20 students from various Ministries in Zanzibar. The course was very well received and may be taught on the mainland in Y3, depending upon SERA staff availability.

Tasks Planned for Q3:

- Explore interest in the policy analysis course.

Resources:

- SERA Staff

Key Partners:

- TBD

Contribute to:

- IR 4.5.2-7 Number of individuals who have received USG support short-term agricultural sector productivity of food security training.
- CI 4.2.1 Number of institutions receiving USG assistance.

COMPONENT III: ADVOCACY AND COMMUNICATIONS

The Communications and Capacity Building Specialist started in Q2. This staff person is responsible for the implementation of the revised Communications and Advocacy Strategy, website management, and will support to capacity building activities.

1. Intermediate Result 4: Improved Enabling Policy Environment for both Agriculture and Nutrition**A. SERA Website**

Significant progress was made on the finalization of the website platform and content. The website developer was contracted to make changes to the website platform, train the Communication Specialist in basic website programming, support the launch of the website, and develop a transition plan for the website to SERA Project's existing domain. The website launch was delayed due to unforeseen issues with content development and management. The new launch date is set for Q3.

Tasks Completed in Q2:

- Website developer was engaged to continue work on the site.
- A website host was selected.
- Training for content management initiated.

Tasks Planned for Q3:

- Launch website.

Milestones:

- Website launched (Q3)

Resources:

- Subcontract for services with OMIS.

Key Partners:

- OMIS

Contribute to:

- CI 4.1.3 Number of hits/visits to the SERA website.

B. Policy Briefs

SERA will continue to draft research and policy briefs on a case-by-case basis as part of our revised Communication and Advocacy Strategy.

Tasks: TBD

Milestones: TBD

Resources:

- Communications and Capacity Building Specialist

Key Partners: TBD

Contribute to:

- CI 4.1.2 Total number of SERA mentions in the press and social media.

C. Revised Communications and Advocacy Strategy

The first quarter of Year 3 included a review of the SERA Project Communications and Advocacy Strategy. The revised strategy will be incorporated into the work program of the new CCB Specialist.

Tasks Completed in Q2:

- Communications and Capacity Building Specialist hired.

Tasks Planned for Q3:

- SOW Video website content developed.

Milestones:

- Communications and Advocacy Strategy Revised. (Q1)

Contribute to:

- CI 4.1.2 Total number of SERA mentions in the press and social media.

ACTIVITIES IMPLEMENTED IN ZANZIBAR

1. Intermediate Result 2: Expanding Markets and Trade

A. Rice Import Policy

Rice is the main staple food crop in Zanzibar and about 75 percent of consumption is imported. That makes Zanzibar very dependent on the world market. There are also close linkages with the mainland rice market as rice is imported from the mainland and exported to the mainland to take advantage of the differential tariff rates between Zanzibar and the mainland. The SERA Project worked closely with the ZFSND to better understand the rice market in Zanzibar and to advise the RGoZ on the strategic rice reserve.

Tasks Planned for Q3:

- Present results of profitability study of rice irrigation.

Resources:

- SERA Staff, AIRD

Key Partners:

- NAFKA, Tanzania Agricultural Productivity Program (TAPP)

Contribute to:

- IR 4.5.1-24. Number of policies/regulations/administrative procedures in each of the following stages: Stage 1, Analysed; Stage 2, Drafted and presented for

public/stakeholder consultation; Stage 3, Presented for legislative decree; Stage 4, Passed/approved; or Stage 5, Implementation begun.

- CI 4.1.1 Number of research outputs.

2. Intermediate Result 4: Improved Enabling Policy Environment for both Agriculture and Nutrition

A. Zanzibar Department of Food Security and Nutrition

The SERA Project continued its organizational capacity building program with the Zanzibar Department of Food Security and Nutrition by completing Performance Monitoring Plan (PMP) training and the Strategic Prioritization Plan (SPP). SERA project will support the adoption and implementation of the SPP and PMP in Q3. In addition SERA will begin to provide support for the implementation of the ZFSND Communication Strategy, specifically in the development of a newsletter. In Q3, the SERA Project and USDA will provide strategic support in the establishment and adoption of a food basket approach as part of the Early Warning Information System.

Tasks Completed in Q2:

- PMP training.
- Finalization SPP and the PMP.

Task Planned for Q3:

- Adoption of the SPP and PMP.
- Food Basket Methodology for Zanzibar developed.
- Training on FBM for Zanzibar started.
- Communications Strategy deliverables finalized (newsletter).

Milestones:

- PMP completed and SPP completed. (Q2)
- SOW for the development and adoption of the food basket approach. (Q3)
- FSND communications products distributed. (Q3)

Resources:

- SERA Communications and Capacity Building Specialist.
- Organization Capacity Building Specialist for 8 days of LOE, in-country travel to Zanzibar 5 days.
- USDA ERS, local in-country travel in Zanzibar for 3 days.

Key Partners:

- ZFSND, USDA ERS

Contribute to:

- IR 4.5.2-7 Number of individuals who have received USG supported short-term agricultural sector productivity or food security training.
- CI 4.2.1 Number of institutions receiving USG assistance.

PROJECT MANAGEMENT AND PERFORMANCE

In Q2, the Operations Manager, and Communications and Capacity Building Specialist were hired.

In March SERA Project received instructions to prepare a Contact Addendum for the purpose of modifying the Contract and increasing the contract ceiling from USD 5.65 million to USD 8.5 million. It is expected that this process will be completed in Q3.

PROBLEMS / CHALLENGES

Challenges faced by the SERA Project include the limited capacity of counterparts, weak systems for collecting and disseminating data, and delays in completing agreed tasks in a timely manner. These impact the entire range of SERA activities from policy analysis to capacity building. For example, the lack of consistency and rigor in collecting data reduce the accuracy of data and limits the effectiveness of the systems that rely on this data such as the Food Basket Methodology. The lack of detail on crop quantities and grades limits the value of crop price data and makes analysis of policy impacts less precise and more difficult. Delays in disseminating data from key ministries increases the resources required to obtain and maintain databases used for research. Many of these challenges are due to inadequate training and the heavy work load that many GoT officials face. The SERA Project makes every effort to overcome these challenges without placing undue burden on counterparts or engaging in unnecessary activities that do not have clear and expected beneficial outcomes.

SPECIAL ISSUES

A. Evaluating the Impact of the Maize Export Ban

The maize export ban was in place from 6 July, 2011 until 23 January, 2012. The GoT has since committed to using other policy instruments to deal with food security concerns and is to be commended for this commitment. In an effort to better understand the impact of the export ban on farm gate prices, a study is being conducted to quantify the impacts at the regional level. This study should provide further evidence that the export ban reduces farm gate prices and reduces farm incomes.

Tasks Completed in Q2:

- Develop SOW and engage consultant to undertake study. (Annex 4)

Tasks Planned for Q3:

- Complete study and disseminate as appropriate.

Milestones:

- Study completed. (Q3)

Resources:

- SERA Staff.
- Consultant.

CROSS-CUTTING ISSUES

1. Gender

Gender is an important cross cutting issue and the SERA Project has begun to explore ways of identifying the gender impacts of its policy reform activities. Discussions with NAFKA and The Mitchell Group (TMG) FtF implementing partner suggested several ways that such impacts could be measured. If substantial gender impacts of SERA policy reforms are found, then more targeted approaches will be sought to strengthen these impacts. The initial investigation will focus on whether higher producer prices that result from lifting the export ban have a gender dimensions.

2. Poverty

Poverty is an important cross cutting issue and SERA policy reform activities are expected to be pro-poor because they deal with food crops produced by most rural households. Important policy research is needed to determine whether higher maize prices benefit the poorest rural households as previous research has shown, and if so, by how much. Such research will be undertaken by SERA as resources become available.

FINANCIAL SUMMARY

QUARTERLY REPORT	SERA YEAR 3 - QTR 2				
	Jan-14	Feb-14	Mar-14	Quarter Total	Project Cumulative
Reimbursable Costs	\$212,035	\$245,563	\$284,586	\$742,184	\$4,006,285
Fee	\$16,960	\$19,643	\$22,767	\$59,369	\$319,532
Reimbursable Costs plus Fixed Fee	\$228,995	\$265,206	\$307,353	\$801,554	\$4,325,816
Contract Cumulative	\$3,753,258	\$4,018,464	\$4,325,816		

PERFORMANCE MANAGEMENT PLAN

Table 1. USAID Standard Indicator and Required if Applicable Indicator Targets for Life of Contract

Indicator		Baseline	Y3 Target	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	Y3 Total	LIFE OF CONTRACT TARGET
IR 4.5.2-7. Number of individuals who have participated in USG support training activities (RiA)	New	0	159	0	2				1,700
	Continue	0	80	17	27				
	Male	0	159	11	16				
	Female	0	80	6	13				
IR 4.5.2-36 Value of exports of targeted agricultural commodities as a result of USG assistance (RiA)	Maize	\$20,820,000	\$31,910,000	NA	NA				
	Rice	\$37,050,000		NA	NA				
IR 4.5.2-30 Number of MSMEs businesses, including farmers, receiving USG assistance to access loans (S)	Medium	0	800	0	0				2,400
	Small	0	125	0	0				350
	Micro	0	75	0	0				250
IR 4.5.1-24 Number of policies / regulations / administrative procedures in each of the following stages of development (S)	NA								16
	• Stage 1: Analyzed	0	0	0	0			0	2
	• Stage 2: Drafted and presented for public / stakeholder consultation	0	2	0	0			0	3
	• Stage 3: Presented for legislation decree	0	1	0	0			0	0
	• Stage 4: Passed / approved	0	3	0	0			0	0
	• Stage 5: Passes for which implementation has begun	0	3	1	0			1	11

Table 2. Project/Custom Level Indicator Targets for Life of Contract

Indicator	Baseline	Y3 Target	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	Y3 Total	LIFE OF CONTRACT TARGET
IR 4.2.2 Number of institutions receiving USG assistance	0	4	1	4			1	15
IR 4.2.5 Number of hits/visits to the SERA website	0	2,500	NA	NA			NA	9,000
IR 4.2.6 Total number of SERA mentions in the press and social media	0	10	1	0			1	40
IR 4.1.1.1 Number of research output	0	2	0				0	7
IR 4.1.3.2 Volume of improved seed available in domestic market	26,545 tons	5,000 tons	NA	NA			NA	36,000 tons

Annex 1: MUCHALI Framework Capacity Building Action Plan

The Tanzania SERA Project is part of the United States Agency for International Development Tanzania Feed the Future Initiative. The SERA Project assists both the Government of the United Republic of Tanzania (GoT) and the private sector to enable a broad-based, sustainable transformation of the agricultural sector through policy reform. The vision for this project is twofold: to improve the policy and regulatory environment for agriculture growth and to build a group of public sector institutions, advocacy organizations, and individuals capable of performing rigorous policy analysis and advocating for policy reform.

This Capacity Building Action Plan outlines proposed support for the MUCHALI Framework system, the second phase in the Tanzania Food Security and Early Warning System. MUCHALI is a comprehensive framework jointly led by the Ministry of Agriculture, Food Security and Cooperative (MAFC) and the Prime Ministers Office Disaster Management Department (PMO-DMD). The secretariat and day-to-day management are part of the MAFC Department of Food Security Crops and Early Warning Unit. The lead organization providing support for the implementation of MUCHALI is the Food and Agriculture Organization (FAO). MAFC's Department of Food Security also receives technical and capacity support from regional partners, SADC and EAC.

This plan overlaps and incorporates activities implemented under the MAFC Department of Food Security Capacity Building Action Plan.

Background

The Tanzania Food Security and Early Warning System is a three -phased process engaging multiple GoT and other stakeholders. Key government actors are the MAFC's National Food Security Department Crops and Early Warning Unit, the Prime Minister's Office Disaster Management Department (PMO-DMD), the inter-Ministerial Tanzania Disaster Relief Committee (TANDREC) and the National Food Reserve Agency (NFRA).

1) Preliminary and Final Production Forecast. The MAFC's Department of Food Security Crops and Early Warning Unit is the government's institution responsible for the first phase of information and reporting. The preliminary and final forecasts of major crop production are generally done In June and December, respectively. Forecasts of production data are collected bi-weekly by Local Government Authorities (LGAs) for 10 basic food crops: maize, rice, sorghum, millet, rice, pulses, cassava, bananas, and round/Irish potatoes. This information is submitted directly to the MAFC. Estimates of production for each commodity are converted into their maize equivalent.

The MAFC then uses a national average food basket, population projections and a formula to convert the total food requirement to a maize equivalent.¹ The production estimates and food requirements are used to determine the total deficit or surplus of food (reported in maize equivalent). The final report identifies districts that are at risk for production shortfalls.

2) *MUCHALI Framework Reporting.* MUCHALI is a comprehensive framework jointly led by MAFC and the PMO-DMD. MUCHALI is an information system that uses livelihood-based food security and nutrition information to analyze food security. The system includes two core institutions, the National MUCHALI Team, and local government authorities (Council). The National Team is composed of public, private, and donor stakeholders. The secretariat and day-to-day management is responsibility of the MAFC's Department of Food Security - Crops and Early Warning Section.

The MUCHALI frameworks uses the crop production forecast as the starting point for identifying districts and villages to conduct a household livelihood surveys based on the FAO Integrated Food Security Phase Classification (IPC) methodology. Field assessment Teams include representative from Local Government and local stakeholders. MUCHALI provides the final assessment of food security needs to the GoT and recommendations on the respective interventions that might be needed. Two reports are produced a year, following the Preliminary and Final Production Forecast.

3) *TANDREC and emergency food assistance.* The Tanzania Disaster Relief Committee (TANDREC) is the inter-Ministerial Committee responsible for overseeing and coordinating overall relief operations at the national level. The Comprehensive Food Security and Nutrition Assessment Reports are submitted to TANDREC for review and action. TANDREC assigns the respective institutions of the government to intervene accordingly.

Role of USAID SERA

USAID SERA seeks to supplement technical assistance provided by FAO, SADC and EAC and support the introduction and utilization of the Food Basket Methodology (FBM) in the Tanzania Food Security Early Warning System. Activities will focus on technical assessments, operations support, information management and human capacity building.

The approach is to work in partnership with the PMO-DMD and the MAFC and identify resources, information and training gaps in the implementation of the MUCHALI Framework. Some specific capacity building activities have been identified, others require a more in-depth assessment and prioritization. SERA will conducted an assessment of targeted areas, including the feasibility of incorporating the food basket methodology and develop a comprehensive training and support plan.

¹ The MAFC forecasts production of 10 basic food crops: maize, rice, sorghum, millet, rice, pulses, cassava, bananas and potatoes. Production and requirements for each staple commodity are converted into a maize equivalent, and the total deficit or surplus is reported as a maize equivalent. Total requirements are derived from a norm of 2100 calories per person per day converted to maize equivalent.

Assessment Objectives

The objectives of the assessment are to determine information requirements, data sources, and review systems that provide data and information for the Tanzania national food security system; specifically the FBM and the MUCHALI framework. The activity will identify strengths, limitations, opportunities and gaps/weaknesses in the current food security early warning information system utilized by the MAFC and make recommendations on how to strengthen the early warning system. Specifically, this activity will:

- Provide a technical review of the MUCHALI field tools and reporting templates.
- Assess the collection, maintenance and use of existing data required for the MUCHALI Framework.
- Conduct a feasibility assessment on the integration of the FBM into the early warning system.
- Complete a training needs assessment of the MUCHALI national team.

Capacity Action Plan

- The technical assistance and capacity building activities will be based off the recommendations made in the Assessment Final report. The Final Report will include:
- An assessment of field tools and reporting templates, information management systems inventory, mapping and recommendations for improvements.
- Feasibility report on the adoption of FBM into the early warning system.
- Training Needs Assessment with and Illustrative Training Plan.

Annex 2. Assessment of the Tanzania Food Security Early Warning System

I. Overview

The Tanzania SERA Project assists both the Government of the United Republic of Tanzania (GoT) and the private sector to enable a broad-based, sustainable transformation of the agricultural sector through policy reform. The vision for this project is twofold: to improve the policy and regulatory environment for agriculture growth and to build a group of public sector institutions, advocacy organizations, and individuals capable of performing rigorous policy analysis and advocating for policy reform. The SERA Project is part of United States Agency for International Development (USAID) Tanzania Feed the Future Initiative and works closely with other implementing partners and USAID.

The SERA project is working with the Ministry of Agriculture, Food Security and Cooperatives (MAFC) to improve the food security system of Tanzania through the adoption of improved methodologies and analysis. Food Security is under the mandate of the MAFC and relies on inputs and actions from multiple stakeholders and uses primary and secondary data. The section below summarizes the key stakeholders and the annual cycle of this system.

II. Tanzania Food Security and Early Warning System

The Tanzania Food Security and Early Warning System is a three -phased process engaging multiple GoT and other stakeholders. Key government actors are the MAFC's National Food Security Department Crops and Early Warning Unit, the Prime Minister's Office Disaster Management Department (PMO-DMD), the inter-Ministerial Tanzania Disaster Relief Committee (TANDREC) and the National Food Reserve Agency (NFRA).

1) Preliminary and Final Production Forecast. The MAFC's Department of Food Security Crops and Early Warning Unit is the government's institution responsible for the first phase of information and reporting. The preliminary and final forecasts of major crop production are generally done In June and December, respectively. Forecasts of production data are collected bi-weekly by Local Government Authorities (LGAs) for 10 basic food crops: maize, rice, sorghum, millet, rice, pulses, cassava, bananas, and round/Irish potatoes. This information is submitted directly to the MAFC. Estimates of production for each commodity are converted into their maize equivalent.

The MAFC then uses a national average food basket, population projections and a formula to convert the total food requirement to a maize equivalent.² The production estimates and food requirements are used to determine the total deficit or surplus of food (reported in maize equivalent). The final report identifies districts that are at risk for production shortfalls.

² The MAFC forecasts production of 10 basic food crops: maize, rice, sorghum, millet, rice, pulses, cassava, bananas and potatoes. Production and requirements for each staple commodity are converted into a maize equivalent, and the total deficit or surplus is reported as a maize equivalent. Total requirements are derived from a norm of 2100 calories per person per day converted to maize equivalent.

2) *MUCHALI Framework Reporting.* MUCHALI is a comprehensive framework jointly led by MAFC and the PMO-DMD. MUCHALI is an information system that uses livelihood-based food security and nutrition information to analyze food security. The system includes two core institutions, the National MUCHALI Team, and local government authorities (Council). The National Team is composed of public, private, and donor stakeholders. The secretariat and day-to-day management is responsibility of the MAFC's Department of Food Security - Crops and Early Warning Section. Field assessment Teams include representative from Local Government and local stakeholders. MUCHALI provides the final assessment of food security needs to the GoT and recommendations on the respective interventions that might be needed.

3) *TANDREC and emergency food assistance.* The Tanzania Disaster Relief Committee (TANDREC) is the inter-Ministerial Committee responsible for overseeing and coordinating overall relief operations at the national level. The Comprehensive Food Security and Nutrition Assessment Reports are submitted to TANDREC for review and action. TANDREC assigns the respective institutions of the government to intervene accordingly.

MUCHALI Process

The MUCHALI frameworks uses the crop production forecast as the starting point for identifying districts and villages to conduct a household livelihood surveys based on the Food and Agricultural Organization (FAO) Integrated Food Security Phase Classification (IPC) methodology. Two reports are produced a year, following the Preliminary and Final Production Forecast.

1. The National MUCHALI Team meets with various GoT and NGO stakeholders to review production forecasts to ground truth the forecast information with direct input from stakeholders. This group agrees on a list of districts that require further evaluation.
2. Members of the National MUCHALI Team meet with regional governments and local stakeholders of the districts to revised list of districts with villages in need of further analysis.
3. The MUCHALI Team, including national, regional and NGO representatives meet with selected district government and stakeholders to decide on villages to sample for the household survey. The Team selects three villages in each district, and, in consultation with village leaders, group village households into three wealth categories: "resource weak", "moderate", and "food secure". The Team then interviews 12 households in each of the 3 villages, chosen such that all three-wealth groups are represented.
4. The questionnaires administered by the Team includes a wide range of questions covering household crop and livestock production, sales, prices received, food availability, and coping strategies. Nutritionists on the Team select a sample of 100 children and conduct anthropomorphic measurements as an estimate of nutritional status.
5. The Comprehensive Food Security and Nutrition Assessment Report is drafted and submitted to the MUCHALI Chairperson for submission to TANDREC.

Team Composition

Each Team visit up at least two districts and consist of representatives and experts from the national, sub-national and local level.

- National Team representatives include a Food Security specialist and a Nutrition specialist
- Regional representatives include 1-3 individuals including local NGO representatives
- District representative include 2-5 individuals.

Food Basket Methodology (FBM)

In 2012 the USDA's Economic Research Service (ERS) undertook a detailed assessment of the information system in place to measure food needs and availability in Tanzania. Based on this analysis, the USDA Team recommended expanding the focus of the food security assessment and emergency assistance program to include a total food basket of staple foods. A Food Basket measures changes in access to food through the calculation of the monthly cost of a representative food basket. Access is defined as the ratio of the total cost of the food basket to income. The methodology can help measure the impact of a price shocks for a specific commodity, such as maize, on the total cost of the food basket, as price shocks are weighted by the commodity's share in consumption. The analysis requires retail prices of the foods in the basket broken out to a regional level. These prices are collected by the National Bureau of Statistics and the Ministry of Industry and Trade (MIT).

The FBM allows the food basket cost to be calculated over time to measure food security trends. If timely price data can be obtained, then this method can provide early warning of an impending food crisis. This indicator can be used to compare food costs-income ratios at the household level in different regions of a country or across countries. Monitoring changes in food costs relative to consumer purchasing power can provide feedback on the effectiveness of government food security policies, the efficiency of marketing systems, and the investment required to address problems of food security. Furthermore, this method relies on data that are already available and avoids the high cost of primary data collection.

III. Objectives

The objectives of this assessment are to determine information requirements, data sources, and review systems that provide data and information for the Tanzania national food security system; specifically the FBM and the MUCHALI framework. The activity seeks to identify strengths, limitations, opportunities and gaps/weaknesses of the current food security early warning information system utilized by the MAFC. Specifically, this activity will:

- Provide a technical review of the MUCHALI field tools and reporting templates.
- Assess the collection, maintenance and use of existing data required for the MUCHALI Framework.
- Conduct a feasibility assessment on the integration of the FBM into the early warning system.
- Oversee a training needs assessment of the MUCHALI national team.
- Present activity finding to beneficiaries.

IV. Approach

The Team will utilize the detailed information mapping and assessment approach as developed in the 2008 FAO report Tanzania Food Security and Nutrition Information Systems: A Review

and the draft MUCHALI framework and the Food Basket Methodology as a basis of understanding the current operating system. The Team will meet with the teams and individuals who have contributed to the current national food security system including current/past representatives of the FAO, USDA NASS, USDA ERS and the MUCAHLI system.

The Team will engage and work directly with members of the National Food Security Team, meet with other food security information stakeholders and users, gather and inventory data collection tools (both digital and non-digital) and map relationships among data collectors and users.

V. Illustrative Activities/Tasks

- Complete a SWOT of the MUCHALI field survey tools and assessment documents.
- Review the feasibility of the adoption of the FBM into the early warning system work cycle.
- Identify both internal and external information sources, assess existing information flows and identify strengths, limitations, opportunities and gaps/weaknesses.
- Inventory information management system hardware and software, including the location of data sources, how often information is updated and how.
- Complete training needs assessment of the MUCAHLI National Team.

VI. Team Structure and Responsibility

Team Leader, Food Security Specialist. – George Gray proposed

- Food security and agricultural policy expert with 15 years of demonstrated experience designing, implementing and assessing food security systems. At least 5 years' experience in team leadership roles. East Africa experience required.
- Responsible for completing a review of the field survey tools and assessment documents and the integration of the FBM into the annual early warning system cycle. Evaluate FBM and MUCHALI data requirements against available primary and second data. Oversee the mapping and inventory of information and the recommendations for an improved information management system. Prepare final report including specific recommendation to address immediate information gaps and propose long-term activities to meet the future needs of the MAFC.

Information Management Specialist - TBD

- Ability to inventory and analyze information shared among multiple sources. Demonstrated experience building information systems across various stakeholders with diverse mandates. Experience working in East Africa required.
- Conduct an inventory and assessment of data systems required to support the FBM and MUCHALI. Prepare recommendations for improvements, including but not limited to, inter-agency MOUs, information management structure, annual operating guidelines, and technical/hardware needs.

Food Security and Agricultural Information Specialist – TBD

Food Basket Methodology Specialist – Aneth Kayombo, SERA Staff.

- Support the feasibility study of the adoption of the FBM.

Training Specialist – Josephat Kanyunyu, SERA Staff.

- Conduct the Training needs assessment of the MUCHALI National team.

Research Assistant – TBD

VII. Deliverables

- Final report that includes an assessment of field tools and reporting templates, information management systems inventory, mapping and recommendations for improvements.
- Feasibility report on the adoption of FBM into the early warning system.
- Training Needs Assessment with and Illustrative Training Plan.

Annex 3. SOW for Study on the Impact of the Maize Export Ban on Tanzanian Maize Prices

STATEMENT OF WORK

Study on the Impact of the Maize Export Ban on Tanzanian Maize Prices

February – April 2014

I. Project Overview

Tanzania SERA Policy Project assists the Government of the Republic of Tanzania (GoT) and the private sector to enable broad-based, sustainable transformation of the agriculture sector through policy reforms. The project facilitates and supports partnerships such as Southern Agriculture Growth Corridor of Tanzania (SAGCOT), conducts policy analysis, research, advocacy, and legal work in support of policy reforms and builds capacity of the private/public sectors and advocacy organizations. The project will also develop communications campaigns in support of key reform efforts.

II. Assignment Objective

The assignment will be a study of the impact of the maize export ban of 2011/2012 on maize prices in 19 regions in Tanzania compared to the prices in Nairobi, Kenya, during which time Nairobi was the major export market for maize. The study will econometrically estimate the impact of the maize export ban using monthly maize prices from 2000 to 2013 from each region in Tanzania and Nairobi. The objective of the study is to quantify the maize export ban on wholesale prices (as a proxy) for farm-gate prices and to inform Tanzanian Government officials, decision makers, and stakeholders of the results.

III. Tasks to be performed

The selected consultant will study 19 local maize markets monthly price-time series in Tanzania and estimate changes in the time series structure of maize prices in these markets. Further, these changes will be linked to the export ban. The analysis will also provide an estimate of counterfactual prices in the absence of the maize export ban.

The work will focus on the following areas:

1. Estimating the degree of market integration with Nairobi using an error correction model (for all 19 price-time series that have sufficient data). This will be evaluated for the entire sample as well as separately for the three periods (prior to the imposition of the ban, during the imposition of the ban, and after the removal of the ban). Other periods of export ban will also be examined to determine their impacts.
2. For the same periods, the analysis will estimate food linkage networks between all Tanzanian markets and Nairobi to understand how the structure of markets may have changed during the export ban(s). Specifically this will speak to which Tanzanian markets appeared to be more isolated (and have the potential for greatest food surpluses or deficits) as a result of the ban(s).
3. Understanding changes in price seasonality during the period when the ban was imposed. Specifically, controlling for the weather (using satellite-derived vegetation

indices), did market prices fall more excessively than usual because of inadequate demand engendered by the export ban(s)?

4. After adjusting for seasonal changes and exchange rates, the analysis will identify periods when price differentials with Nairobi experienced a regime shift. These periods will be related to changes in government maize trade policy.

IV. Deliverables

1. A working paper, of publishable quality and intended for peer-reviewed publication, that provides a detailed analysis of the consequences of Tanzania's maize price ban(s) (approx. 20 pages).
2. An additional report that provides greater detail and constitutes a more complete resource (approx. 40 pages) to guide responses to peer review comments and suggestions.

V. Reporting Responsibility

The consultant will report directly to the SERA Policy Project Chief of Party, or his designee.

VI. Level of Effort and Period of Performance

The level of effort for this activity is 45 days from on/around February 15 to April 15, 2014. All work will be performed in Washington DC.

VII. Budget

The estimated cost for this activity is \$24,300 for 45 days of labor.

Estimated Costs	Amt
Reimbursable Costs	\$22,500.00
Fee	\$1,800.00
	\$24,300.00

