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SERA POLICY PROJECT YEAR 5 QUARTER 2 REPORT

TANZANIA ENABLING POLICY ENVIRONMENT FOR AGRICULTURAL SECTOR GROWTH

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SERA POLICY PROJECT

YEAR 5 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

ANSAF	Agriculture Non-State Actors Forum
BOT	Bank of Tanzania
CEO	Chief Executive Officer
CI	Custom Indicator
COP	Chief of Party
DAEA	Department of Agricultural Economics and Agribusiness
DFSN	Department of Food Security and Nutrition
DPP	Department of Policy and Planning
ERS	Economic Research Service
FBM	Food Basket Methodology
FtF	Feed the Future
GDP	Gross Domestic Product
GOT	Government of the United Republic of Tanzania
HEA	Household Economic Approach
iAGRI	USAID Feed the Future Research and Education Project
IFC	International Finance Corporation
IR	Intermediate Result
MAFC	Ministry of Agriculture, Food Security and Cooperatives
MALF	Ministry of Agriculture, Livestock and Fisheries
MIU	Market Intelligence Unit
MLHSD	Ministry of Lands, Housing and Human Settlements Development
MSU	Michigan State University
NA	Not applicable
NAFAKA	USAID Feed the Future Staples Value Chain Project
NFRA	National Food Reserve Agency
NFSD	National Food Security Department
PAC	Policy Action Committee
PAG	Policy Agricultural Group
PAPAC	Platform for Agricultural Policy Analysis and Coordination
PDB	President's Delivery Bureau
PMO	Prime Minister's Office
PRU	Policy Research Unit
PS	Permanent Secretary
RCT	Rice Council of Tanzania
RGoZ	Revolutionary Government of Zanzibar
SAGCOT	Southern Agricultural Growth Corridor of Tanzania
SERA	USAID Feed the Future Policy Project

SME	Small Medium Enterprise
SUA	Sokoine University
TASTA	Tanzania Seed Trade Association
TBD	To be determined
TIC	Tanzania Investment Centre
TNS	Taylor Nelson Sofres
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
USG	United States Government
WB	World Bank

EXECUTIVE SUMMARY

The Tanzania SERA Policy Project (SERA) of the United States Agency for International Development (USAID) Feed the Future (FtF) Initiative is implemented by Booz Allen Hamilton. The 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. SERA began in April 2011, and completed the fourth full year of operation on September 30, 2015. This Quarterly Report, Quarter 2 (Q2) of Project Year 5 (Y5), covers the period from January 1, 2016 to March 31, 2016. SERA Project's period of performance was originally set to end on April 7, 2016. However, a request for a no-cost extension has been approved by USAID which extends the period of performance through August 30, 2016. The SERA Chief-of-Party (COP), Marialyce Mutchler, was on leave during Q2 and the Senior Advisor, Don Mitchell, was the Interim Chief-of-Party and was resident in Tanzania from January 9 to March 12. The Ministry of Agriculture, Food Security and Cooperatives (MAFC) was reorganized in Q1 and the Ministries of Agriculture, Livestock and Fisheries were combined into a single ministry called the Ministry of Agriculture, Livestock and Fisheries (MALF). This Quarterly Report will refer to the reorganized Ministry and distinguish between activities undertaken with MAFC and MALF.

The following activities were completed during Q2:

- The study tour to Mozambique for the Agriculture Business Environment Study was undertaken from January 17-23.
- The draft Maize Gender Report was completed on January 31 and additional data analysis was requested of Taylor Nelson Sofres (TNS).
- Don Mitchell attended the USAID Partner's Meeting in Morogoro from February 8-10.
- Alex Mkindi participated in a workshop in Dodoma from February 15-19 on Agricultural Investment Incentives and the Agricultural Business Environment.
- Nancy Cochrane from the United States Department of Agriculture (USDA) delivered training on the construction of a Healthy Food Basket to staff of the Department of Food Security and Nutrition in Zanzibar during February 16-18 and was assisted by Aneth Kayombo of SERA.
- Don Mitchell conducted training on Economic Principles for Food Basket Methodology (FBM) in Zanzibar on February 18.
- Nancy Cochran and Aneth Kayombo met with the Department of Food Security of MALF on February 22 to discuss piloting the FBM in four districts and introduced the concept of a Healthy Food Basket.
- The Food Basket Costs Policy Brief was launched at a workshop on February 19 by Don Mitchell, and Nancy Cochran made a presentation on the Healthy Food Basket.
- The No-Cost Extension Modification Proposal was submitted on February 25.
- Presentations and Chairing of Session at the Agriculture Policy Conference February 23-25 included:
 - Policy Options for Food Security by Don Mitchell

- Agriculture Business Environment and Incentives by Don Mitchell
- Land Compensation and Valuation Schemes by Don Mitchell
- Secured Transactions/Collateral Registry by Dale Furnish
- Chairing of Session on Inputs by Alex Mkindi
- Don Mitchell and Dale Furnish met with the Bank of Tanzania (BOT) staff to discuss the Secured Transactions/Collateral Registry activity on February 26.
- Professor Chen Zhen from the University of Georgia traveled to Tanzania to work with Edith Lazaro of SERA on the Food Demand Study from March 7-12.

The Mozambique study tour for the Agriculture Business Environment and Incentives study was conducted from January 17-23 and led by Don Mitchell. The team included James Ngwira from the President's Delivery Bureau (PDB) and Martin Marsalu from the Tanzania Investment Center (TIC) as well Edith Lazaro of SERA. A local facilitator (Calisto Bias) was hired to arrange meetings and translate as necessary. The trip was very successful and provided the information needed to compare the agriculture business environment of Mozambique with that of Tanzania. The trip report (Annex 1) was circulated to the study team for comments and then revised and sent to the manager in each of the participating organizations.

Don Mitchell attended the USAID Partner's Meeting from February 8-10 in Morogoro and renewed contacts with Feed the Future implementing partners and others involved with the USAID Economic Growth Agenda. Of particular note were discussions with David Kraybill and Isaac Minde of the iAGRI project, Geoffrey Kirenga and Jennifer Baarnes of Southern Agricultural Growth Corridor of Tanzania (SAGCOT), Julie Harrison from Michigan State University (MSU), Tom Carr of the NAFKA, and the team from Dalbert that is providing support for SAGCOT Centre. Jennifer Baarnes, deputy Chief Executive Officer (CEO) of the SAGCOT Centre, was briefed on the status of the Agriculture Business Environment study and was provided with a preliminary draft of the PowerPoint to be delivered at the Agriculture Policy Conference. Geoffrey Kirenga, CEO of the SAGCOT Centre, delivered a presentation on the challenges faced by SAGCOT in attracting investors and said that SAGCOT has only delivered one land title of eight hectares (to Unilever for a new tea factory) in the entire five years that SAGCOT Centre has operated. Tom Carr, COP of NAFKA, expressed interest in meeting to discuss SERA policy activities and was especially interested in our maize gender study. The Dalbert Group requested a meeting to compare our work on policy with their support of SAGCOT Centre. Julie Harrison of Michigan State University, who is involved in a review of SAGCOT, was very interested in SERA's views of SAGCOT's successes that were reported by Geoffrey Kiringa.

The draft Maize Gender Report (Annex 2) was completed and circulated to our World Bank (WB)/International Finance Corporation (IFC) collaborators for comments and to SERA staff and selected others. It was also sent to TNS consultants for data corrections and completions.

Alex Mkindi traveled to Dodoma to participate in a workshop on the business environment and incentives for agricultural investors from February 15-20. The trip report is attached (Annex 3).

Training on basic economic principles needed for analysis of food security and implementation of the FBM (Annex 4) was provided to the Department of Food Security and Nutrition in Zanzibar on February 18 by Don Mitchell. The three-hour training covered the basics of demand, supply, price determination, inflation, exchange rates, import dependence, gross domestic product (GDP), and monitoring of regional and global food markets and food prices. The training was well received and should have improved the team's ability to understand economic principles needed to implement the Food Basket Methodology.

The Food Basket Costs Policy Brief (Annex 5) was launched in Dar es Salaam on February 19 at a half-day workshop at the Protea Courtyard Hotel to about 20 people from various organizations. The Ministry of Agriculture, Livestock and Fisheries was represented by Caroline Kilembe from the Department of Food Security and she is emerging as a strong supporter of the Food Basket Methodology. She will feature strongly in our future efforts to anchor the Methodology in the MALF. Nancy Cochrane presented her work (done in collaboration with SERA) on the development of a Healthy Food Basket. Nancy plans to return in April to continue work on the FBM and Healthy Food Basket with the MALF.

The 2nd Annual Agricultural Policy Conference was held during February 23-25 at the Serena Hotel in Dar es Salaam. SERA provided financial support for the conference, assisted in the planning of the conference, and was very visible by contributing to four presentations and chairing one session. The conference brought together key decision makers, including the Deputy Minister of Agriculture, the Permanent Secretary (PS) of Food Security in MALF, a member of parliament who is on the agriculture committee, the CEO of SAGCOT, and elder statesmen including Peniel Lyimo a former PS in both the Prime Minister's Office (PMO) and MAFC. The new PS of the MALF requested that the presentations and reports be sent to him. Don Mitchell presented the Policy Options for Food Security which was updated from an earlier version with new material on Food Basket Costs and the Business Environment. Don Mitchell also presented the draft of an Agriculture Business Environment Study that showed that Tanzania is not competitive on taxes, fees, and operating costs compared to Mozambique and Zambia, and that access to land is the single most important constraint to attracting large investors into the agricultural sector. The results make it easier to understand why SAGCOT has not been successful in attracting foreign investors into the sector. Conference participants encouraged SERA to try and use the results to lobby the Government of Tanzania (GOT) to improve Tanzanian competitiveness in corporate agriculture. Don Mitchell also made a presentation on Land Compensation Schemes and Valuation Models from the study completed by Landesa for SERA. Professor Dale Furnish, the SERA consultant working on Secured Transactions/Collateral Registry made a presentation showing how the Secured Transactions Law needs to be changed and what the subsequent benefits of making such changes would be. Finally, Alex Mkindi chaired a session on Agricultural Inputs. The program for the conference and all PowerPoint presentations are attached as Annex 6.

Don Mitchell and Dale Furnish met with the Bank of Tanzania staff on February 26 to follow-up on the progress on the implementation of the Secured Transactions/Collateral Registry.

Augustino Hotay, the BOT lead on this activity, and Nkawna Magina, presented SERA with a work plan for fast tracking the activity and requested support for a workshop and consultants to present the activity to BOT management. We suggested they submit a formal request and advised BOT that our availability and funds to support the activity were limited by the upcoming closing of the SERA Project. No request had been received by the end of Q2.

Nancy Cochran of the Economic Research Service (ERS) of USDA visited Tanzania from February 15-26 to provide training to the Department of Food Security and Nutrition in Zanzibar on the construction of a Healthy Food Basket and to meet with the Department of Food Security of the MALF to discuss continued work on the implementation of the Food Basket Methodology. The training in Zanzibar was conducted from February 16-18 and is attached in Annex 7. The discussions with the MALF included planning of a desk study prior to conducting a pilot in four districts (Bahi, Kilosa, Masai, and Longido).

Professor Chen Zhen of the University of Georgia in Atlanta, Georgia traveled to Tanzania from March 7-12 to work with Edith Lazaro and Don Mitchell of SERA on the Tanzania Food Demand Study. Professor Zhen is an expert on the econometric estimation of food demand systems and was able to provide technical leadership and guidance on the activity and substantial progress was made on the estimation of a theoretically sound demand system. The results will be completed by July and are expected to provide a better understanding of the economic parameters of food demand and provide the basis for estimation of future demand trends. The trip report is attached as Annex 8.

The first draft of the Agriculture Business Environment and Incentives study was completed by Don Mitchell and Edith Lazaro in March 2016 and circulated to team members for review and comments. The findings from the study show that Tanzania is not competitive with Mozambique and Zambia at attracting large foreign investors into the sector. Tanzania does not offer special corporate tax incentives to agriculture while Mozambique and Zambia do, and Tanzania has significantly higher local taxes and operating costs than Mozambique or Zambia. Access to land is also a constraint to foreign investors and the Tanzania Land Act (1999) precludes the sale of a land title by a foreign investor which prevents an investor from benefiting from land value appreciation. The preliminary findings were presented at the Agricultural Policy Conference and the final report will be submitted to key stakeholders and decision makers in April.

INTRODUCTION

The Tanzania SERA Policy Project assists both the Government of the United 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 agricultural 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 is 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 and regulatory reforms.

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, institutions, 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 Agricultural Growth Corridor of Tanzania 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, leadership, 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 reforms.

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 GOT counterparts for policy reform rather than grass roots organizations or other stakeholders.

IMPLEMENTATION PROGRESS - MAINLAND

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 sought. Increasingly, the SERA team is invited to join policy discussions at an early stage to provide input on important policy issues and this is an effective way to influence policies in the early development stages.

1. Intermediate Result 2: Binding Constraints to Private Sector Investment Reduced

The SERA Project works 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 the economic environment. The SERA Project has previously focused on two important trade policy issues: the requirement of the MAFC that traders obtain export and import permits from the GOT before undertaking trade, and the ad hoc approach of GOT to emergency food imports that can disrupt markets and are vulnerable to rent seeking. Both of these efforts are on-going. The SERA Project is also conducting research on the performance of maize and rice markets, and the impact of gender on maize marketing and production to provide deeper understanding of these issues and provide support for policy reform recommendations. The proposal for a Transparent Rules-Based System for Emergency Food Imports, first proposed by SERA to the GOT in 2012, has gained strong support within the Government and will be the main policy activity of SERA to Expand Markets and Trade during the remainder of the project. This effort will be combined with activities that support the proposed Market Intelligence Unit (MIU) in the Ministry of Agriculture, Livestock and Fisheries. Improved credit to smallholders and SMEs has been a SERA priority since inception, and the meeting with the BOT on February 26 gave new hope to the activity because a work plan was presented by BOT. However, there is also a realization that the activity cannot be completed in the time remaining due to the lack of urgency displayed by the BOT. The activity will be transitioned to other development partners.

A. Transparent and Rules-Based Import/Export Permit Policy

In Year 4, the SERA Project presented a series of recommendations and options in the Policy Options for Food Security, Agricultural Growth and Poverty Alleviation (Policy Options Paper) for the establishment of a transparent and rules-based emergency food import policy. The GOT has expressed interest in receiving support to design and implement such a policy as part of the proposed Market Intelligence Unit. SERA Project will develop draft operational guidelines and training materials to support the design and implementation of a Transparent Rules-Based System for Emergency Food Imports. The draft guidelines will be developed with key stakeholders and the training delivered to the Platform for Agricultural Policy Analysis and Coordination (PAPAC) training group. This activity will transition to PAPAC.

Policy Action Status:

- Stage 2: Stakeholder consultation/public debate.
SERA Project presented recommendations for eliminating the permit systems in the Policy Options Paper presented to GOT at a workshop in February 2014. Since then, there has not been any progress in the status of the export permit policy. No further action has been requested or indicated by the GOT.

Tasks completed in Q2 of Y5: None.

Tasks planned for Q3 of Y5:

- Design and test a Transparent Rules-Based System for Emergency Food Imports in preparation for training of the proposed Market Intelligence Unit in the MALF.
- Conduct stakeholders' workshop on proposed transparent rules-based system for emergency food imports and exports.
- Draft and implement training on the application of the transparent rules-based system for emergency food imports and exports.

Milestones:

- Rules-based transparent system presented to GOT and other stakeholders (Q3).
- Implementation plan and capacity building action plan created (Q3).
- Capacity building provided (Q4).

Resources:

- SERA Policy Analyst
- SERA Senior Agriculture Policy Advisor
- SERA Senior Advisor
- Short term technical assistance (STTA) Economist Varun Kshirsagar.

Key Partners: MSU, MALF.**Contribute to:**

- Intermediate Result (IR) 4.5.1-24 Number of agricultural and nutritional enabling environment policies completing the following process/steps of development as a result of United States Government (USG) assistance in each case: 1: Analysis -- 2: Stakeholder consultation/public debate -- 3: Drafting or revision -- 4: Approval (legislative or regulatory) -- 5: Full and effective implementation.
- Custom Indicator (CI) 4.1.1 Number of research outputs.

B. Credit to Smallholders and SMEs /Collateral Registry

Credit is essential to investments and delivering credit to small and medium enterprises (SMEs) and small farmers has been a challenge in Tanzania because of the lack of a legal framework governing lending for movable assets. Land cannot generally be used as collateral because all land is owned by the government. Moveable assets have not been used as collateral in Tanzania due to the weak legal structure and undeveloped registry to record liens against such assets. The SERA Project is working to improve this situation by supporting the Bank of Tanzania to adopt and implement a modern secured transactions/collateral registry. The SERA Project has agreed to collaborate with the World Bank on this important activity, with the World Bank providing financial support for the necessary computer equipment and software, and SERA providing policy support. Capacity to use this system will then be developed through training and capacity building activities. Progress has been limited on this activity because the Bank of Tanzania has not devoted the necessary resources to develop this activity nor accepted the support offered by SERA. A meeting was held on February 26 with the BOT and they provided a plan to fast track the activity. Unfortunately, SERA is still waiting on a proposed activity timeline from the BOT.

Policy Action Status:

- Stage 1: Analysis.

The target policy action for Year 5 is *Stage 4, Approval (legislative or regulatory)*. In Year 3, SERA Project reported delays in attaining targets for this activity and the same delays remained in Year 4. Lack of progress on the draft, presentation, and adoption of the legislations has a direct impact on meeting *IR 4.5.2-30 Number of MSMEs including farmers, receiving USG assistance to access loans*.

Tasks completed in Q2 of Y5:

- STTA Dale Furnish presented the Secured Transaction/Collateral Registry Policy Brief at the 2nd Annual Agricultural Policy Conference February 23-25, 2016.

Tasks planned for Q3 of Y5: *Awaiting workplan from BOT.***Milestones:**

- Legislation finalized (Q2).
- Stakeholder events held in support of the Legislation (Q2).
- Legislation presented in Parliament (Q3).

Resources:

- SERA Senior Agriculture Policy Advisor
- SERA Senior Advisor
- SERA Communications and Capacity Building Specialist
- STTA Legal Expert Dale Furnish
- M&N Law Associates (Advocates).

Key Partners: BOT, WB, MSU, Agriculture Non-State Actors Forum (ANSAF).

Contribute to:

- IR 4.5.1-24 Number of agricultural and nutritional enabling environment policies completing the following process/steps of development as a result of USG assistance in each case: 1: Analysis -- 2: Stakeholder consultation/public debate -- 3: Drafting or revision -- 4: Approval (legislative or regulatory) -- 5: Full and effective implementation.
- IR 4.5.2-30 Number of MSMEs, including farmers, receiving USG assistance to access loans.

C. Improving Performance of Maize and Rice Market Prices

The SERA Project's research on maize and rice markets efficiency is comprised of two components. The first looked at the domestic and external drivers of maize prices and the report was completed in 2014. That study resulted in a Policy Brief that was disseminated in December 2014 at the 1st Annual Agricultural Policy Conference in Tanzania, and a research paper that was presented at the International Conference of Agricultural Economists in Milan, Italy in August 2015. The paper has been submitted for publication in the World Bank's Research journal. The second component of the study will look at the domestic and external drivers of rice prices using the same methodology as the maize study. The rice study will contrast its results with the findings of the maize study. It is anticipated that the rice study will result in a Policy Brief and research paper in 2016.

Policy Action Status:

- Stage 2: Stakeholder consultation/public debate.

Tasks completed in Q2 of Y5: None.

Tasks planned for Q3 of Y5:

- Complete study of domestic and external drivers of rice prices.

Milestones:

- Research results presented to stakeholders (Q3).

Resources:

- SERA Policy Analyst
- SERA Senior Advisor
- STTA Economist Varun Kshirsagar.

Key Partners: NA.

Contribute to:

- IR 4.5.1-24 Number of agricultural and nutritional enabling environment policies completing the following process/steps of development as a result of USG assistance in each case: 1: Analysis -- 2: Stakeholder consultation/public debate -- 3: Drafting or revision -- 4: Approval (legislative or regulatory) -- 5: Full and effective implementation.
- CI 4.1.1 Number of research outputs.

2. Intermediate Result 2.2: Agricultural Productivity and Profitability Increased in Targeted Value Chains

An enabling environment is essential to a competitive agricultural sector led by the private-sector. The SERA Project has had several activities designed to improve the enabling environment, including reviewing food security policies, reviewing operations of the National Food Reserve Agency (NFRA), improving land policies, and improving the business environment and incentives. The reviews of food security policies and the NFRA are complete, the analysis of the agricultural business environment and incentives is on-going, and the study of land compensation and valuation is completed and has been disseminated to stakeholders.

A. Food Security

The SERA Project is working with the GOT to develop a more comprehensive food security policy, and presented a workshop in Y4 on Policy Options for Food Security, Agricultural Growth and Poverty Alleviation. This Policy Options Paper concluded our research efforts to provide mainland Tanzania with options for a more comprehensive food security policy. The policy recommendations presented to GOT are discussed further under ***Component II: Individual and Institutional Capacity Building***.

B. Agriculture Business Environment Study

The business environment facing agriculture in Tanzania is poor and that largely accounts for the low level of foreign direct investment in the sector. A number of studies have identified factors contributing to the poor business environment and they include: an unreliable and costly power supply, poor infrastructure, lengthy and uncertain procedures for foreign investors to acquire land, and high taxes and operating costs. In response to requests from

GOT, the SERA Project began a study of the business environment for Tanzanian agriculture and a comparison with those of Mozambique and Zambia. This study is being conducted in collaboration with the staff from MALF, SAGCOT, PDB and TIC.

Policy Action Status:

- Stage 2: Stakeholder consultation/public debate.

Tasks completed in Q2 of Y5:

- Completed a study tour to Mozambique with staff from PDB and TIC.
- Presented findings to stakeholders at 2nd Annual Agricultural Policy Conference February 23-25, 2016.
- Participated in a workshop on the business environment and incentives in Dodoma from February 15-20.

Tasks planned for Q3 of Y5:

- Present report and Policy Brief to collaborators at workshop scheduled for April 20.
- Complete the report on the agriculture business environment in Tanzania.
- Disseminate final report.
- Publish a Policy Brief.

Milestones:

- Field research completed (Q1).
- Draft report delivered (Q2).
- Final report delivered (Q3).

Resources:

- SERA Research Associate
- SERA Senior Agriculture Policy Advisor
- SERA Senior Advisor.

Key Partners: SAGCOT, MALF Department of Policy and Planning (DPP), PDB, TIC.

Contribute to:

- IR 4.5.1-24 Number of agricultural and nutritional enabling environment policies completing the following process/steps of development as a result of USG assistance in each case: 1: Analysis -- 2: Stakeholder consultation/public debate -- 3: Drafting or revision -- 4: Approval (legislative or regulatory) -- 5: Full and effective implementation.
- CI 4.1.1 Number of research outputs.

C. Land Policy - Completed

Land policy is very controversial in Tanzania amid concerns that investors will grab land and displace those with informal or insecure land rights. The SERA Project was invited by the Minister of Lands, Housing and Human Settlements Development (MLHHSD) to undertake a study on Compensation and Benefits Sharing approaches used in the region. The study was completed and presented to MLHHSD for comments. MLHHSD staff expressed concern regarding the implications of the legal opinions of the powers of local communities to engage directly with investors, but expressed willingness to utilize information from the study in their current efforts to review and revise the Land Act of 1999. SERA Project has received no further communication from the MLHHSD or follow-up from the Commissioner of Lands.

Policy Action Status:

- Stage 2: Stakeholder consultation/public debate.

Tasks completed in Q2 of Y5:

- Presented study at the 2nd Annual Agricultural Policy Conference, February 23-25, 2016.

Contribute to:

- IR 4.5.1-24 Number of agricultural and nutritional enabling environment policies completing the following process/steps of development as a result of USG assistance in each case: 1: Analysis -- 2: Stakeholder consultation/public debate -- 3: Drafting or revision -- 4: Approval (legislative or regulatory) -- 5: Full and effective implementation.
- CI 4.1.1 Number of research outputs.

D. Food Demand

The SERA Project began research on food demand in Year 4 and plans to complete it in Year 5. This study will contribute to a better understanding of the current situation and future trends in food demand, and will in turn be useful in directing resources, such as extension services and marketing into rapidly growing segments of food demand. Such information is essential to evidence-based policy decisions and strategic planning. The study uses data from the most recent household budget survey, and an academic expert identified to provide guidance on the methodology and interpreting of results. Among the expected outcomes of the study are:

- Estimates of price, income, and expenditure elasticities for different food groups;
- Comparisons of food demand patterns between rural and urban households;
- Identification of socio-economic characteristics that affect consumer food demand.

Policy Action Status: Stage 1: Analysis.**Tasks completed in Q2 of Y5:**

- Completed initial estimation of food demand.
- STTA travel by Professor Chen Zhen to Tanzania in March to assist with the estimation.

Tasks planned for Q3 of Y5:

- Complete the estimation of food demand.
- Travel to Tanzania by STTA Professor Chen Zhen to complete the Food Demand Study.

Milestones:

- Draft report (Q3).
- Final report and publication (Q4).

Resources:

- SERA Senior Advisor
- SERA Senior Agricultural Policy Advisor
- STTA Professor Chen Zhen.

Key Partners: iAGRI, MSU.**Contribute to:**

- IR 4.5.1-24 Number of agricultural and nutritional enabling environment policies completing the following process/steps of development as a result of USG assistance in

each case: 1: Analysis -- 2: Stakeholder consultation/public debate -- 3: Drafting or revision -- 4: Approval (legislative or regulatory) -- 5: Full and effective implementation.

- 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 of 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.

The SERA Project continues to focus its support on public sector institutions, providing institutional and individual capacity building to support the implementation of policy reforms. Public sector support in Year 4 was extended to include institutional training with the MAFC Department of Policy and Planning. Policy research activities have expanded opportunities to provide capacity building to individuals representing various GOT institutions through the development of local policy research teams. In addition, SERA Project provided strategic support to the Tanzania Agricultural Seed Traders Association (TASTA) and the Rice Council of Tanzania (RCT).

A. Ministry of Agriculture, Livestock and Fisheries, National Food Security Department

SERA Project continued to work with the United States Department of Agriculture Economic Research Service to support the adoption of the Food Basket Methodology by the MAFC National Food Security Department (NFSD). The focus of activities was on the development and implementation of a Food Basket pilot program that would help ensure stakeholder ownership and long-term sustainability.

The Department of Policy and Planning in MAFC expressed strong interest in the FBM and the implementation of recommendations from the Policy Options Paper. This led to the DPP submitting a proposal for a feasibility study for a Market Intelligence Unit, and training by SERA of the Platform for Agricultural Policy Analysis and Coordination (PAPAC) unit on the FBM.

i. Food Basket Methodology - NFSD

SERA Project and ERS of the USDA have provided support to the MAFC National Food Security Department for the development of a pilot activity that would address questions and concerns of the NFSD regarding data sources and income calculation for measuring access. USDA ERS returned to Tanzania in February to work intensively with three of the NFSD staff to begin the desk study. NFSD participants gathered monthly prices for 2014 and 2015 for the 12 monitored crops from four districts: Morogoro Urban, Mvomero District, Dodoma Urban, and Bahi District. The team also examined the feasibility of estimating household income using the results from the Household Economic Approach (HEA), which is currently underway in selected livelihood zones. As a next step, the MALF team will analyze four districts as a pilot:

- Bahi District of Dodoma,

- Kilosa District of Morogoro,
- Masasi District of Mtwara,
- Longido District of Arusha.

SERA Project provided continuous technical assistance throughout March to the MALF NFSD team. The team analyzed market prices from these four districts for 2014 and 2015, and for January and February 2016 where available. The team also continued to work on using the HEA to estimate monthly income for the pilot districts during the reference years.

The NFSD has requested support for field visits to the pilot districts. In Q3 the NFSD team will complete the pilot study. They will be able to identify data gaps and will be in a better position to develop a clear set of objectives and deliverables for the proposed field visits. USDA ERS will return in Q3 to review the proposal and agree on next steps.

Policy Action Status:

- Stage 2: Stakeholder consultation/public debate.
The target policy status for Year 5 is *Stage 5: Full and effective implementation*. This activity remains in Stage 2.

Tasks completed in Q2 of Y5:

- Completed desk study research and data analysis for FBM pilot activity.

Tasks planned for Q3 of Y5:

- Review of desk study FBM, determine next steps.

Milestones:

- Pilot activity completed (Q3).

Resources:

- SERA Chief of Party
- SERA Senior Agricultural Advisor
- SERA Communications and Capacity Building Specialist
- SERA Policy Analyst.

Key Partners: MALF Department of Food Security, USDA ERS.

Contribute to:

- IR 4.5.1-24 Number of agricultural and nutritional enabling environment policies completing the following process/steps of development as a result of USG assistance in each case: 1: Analysis -- 2: Stakeholder consultation/public debate -- 3: Drafting or revision -- 4: Approval (legislative or regulatory) -- 5: Full and effective implementation.
- 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.

B. Ministry of Agriculture, Livestock and Fisheries, Department of Policy and Planning

In Q4 of Year 4, the DPP requested support for a feasibility study on the creation of a Market Intelligence Unit. National elections and re-structuring of the MAFC led to delays in starting this activity. David Nyange, the MALF advisor, presented the MIU statement of work (SOW) to the

new MAF management team. The management team requested that the MIU team accelerate the activity and include a concept design to begin operations on July 1, 2016 as a pilot unit inside the MAF DPP. It is anticipated that the pilot unit will be supported by the continuing MSU activity, the ASPIRE project.

Policy Action Status: NA.

Tasks completed in Q2 of Y5: None.

Tasks planned for Q3 of Y5:

- Arrange meeting with MIU team members, David Nyange, and USAID SERA.
- Revise the work program.
- Start work program.

Milestones:

- Kick-Off Meeting with Stakeholders (Q1).
- Draft Study (Q2).
- Presentation of final Study to Stakeholders (Q3).

Resources:

- Diligent Consulting
- SERA COP
- SERA Senior Agricultural Policy Advisor.

Key Partners: MAFC, MSU, PAPAC.

Contributes to:

- IR 4.5.1-24 Number of agricultural and nutritional enabling environment policies completing the following processes/steps of development as a result of USG assistance in each case: State 1, Analysis; State 2, Stakeholder consultation/public debate; Stage 3, Drafting or revision; Stage 4, Approval (legislative or regulatory); Stage 5, Full and effective implementation.
- 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.

C. Strategic Support – Advocacy Organizations

Private sector organizations that are key stakeholders in policy reform activities will be considered for strategic capacity building support in Year 5. Organizations identified for potential support include:

- **TASTA.** In Year 5, SERA will continue to provide support to TASTA for stakeholder engagement and public private sector dialogue with the GOT. SERA Project supported a one-day stakeholder workshop on March 11, 2016 in Arusha with 68 participants from the public and private sectors. The agenda include updates on public access to government seeds and issues related to seed packaging taxation. Also discussed was Maize Lethal Necrosis Disease (MLND), its impact and mitigation efforts.

- **Rice Council of Tanzania.** The SERA Project will continue to provide personnel support for policy analysis in Year 5. It is anticipated that the personnel support will be picked up as a direct cost under RCT at the conclusion of SERA Project.

Additional support will be provided on a case-by-case basis. This may include support to attend events, support for stakeholder engagement, and communications development.

Related Policy Action Status: NA.

Tasks completed in Q2 of Y5:

- Provided support for TASTA stakeholders' workshop.
- Continued support for RCT Policy Analyst.

Tasks planned for Q3 of Y5:

- Provide strategic support based on demand.

Milestones: TBD.

Resources:

- SERA Communications and Capacity Building Specialist
- SERA Senior Agriculture Policy Advisor.

Key Partners: TASTA, RCT.

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.

D. Sokoine University

The SERA Project collaborations with iAGRI ended at the end of Q2. No further work is planned on the two activities listed below.

i. Policy Seminar Series - *Support concluded*

SERA, iAGRI, and MSU are jointly sponsoring a Policy Seminar Series for faculty and students at Sokoine University to encourage agricultural policy research. The second Policy Seminar Series began in Year 4 where the topical research focused on land. Four papers will be developed and reviewed for comments. iAGRI will continue to implement this activity.

ii. Policy Research Unit - *Closed*

SERA Project and iAGRI have been working together to support the development of a Policy Research Unit in the Department of Agricultural Economics and Agribusiness (DAEA) at Sokoine University. The vision is for the PRU to conduct demand driven evidence-based policy analysis for internal and external clients. MSU has joined this collaboration. Discussion resulted in agreement that a feasibility study should be conducted to ensure institutional readiness and demand for services. The concept continues to evolve, but SERA project is no longer directly involved. MSU is now leading this concept.

COMPONENT III: ADVOCACY AND COMMUNICATIONS

The SERA Project focuses on communication activities that support the policy research agenda and targets public sector institutions. The primary communication instruments are the SERA Project website, policy briefs, and public events such as conferences and stakeholder workshops.

A. SERA Website

The website is the main communications tool for SERA, making available evidence-based research and other key policy information. In Year 5, SERA will begin to transition information and research to local partners.

Related Policy Action Status: NA.

Tasks completed in Q2 of Y5:

- Update content and monitor usage.

Tasks planned for Q3 of Y5:

- Transition information to local partners.

Milestones: NA.

Resources:

- SERA Communications and Capacity Building Specialist.

Key Partners: OMIS.

Contribute to:

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

B. Policy Briefs and Policy Research Briefs

Policy Briefs and Policy Research Briefs summarize specific research and policy recommendations on key issues affecting the agriculture sector and are meant to inform decision makers and stakeholders.

Related Policy Action Status: NA.

Policy Briefs completed in Q2 of Y5:

- Food Basket Costs and Food Security.

Policy Briefs planned for Q3 of Y5:

- Policy Options for Food Security, Agricultural Growth and Poverty Reduction.
- Agriculture Business Environment and Incentives.
- Gender in Maize Marketing and Production.
- Transparent Rules-Based System for Emergency Food Imports.

Policy Research Briefs planned for Q3 of Y5:

- Drivers of Rice Prices.

Milestones:

- Policy Options for Food Security, Agricultural Growth and Poverty Reduction (Q3).
- Agriculture Business Environment and Incentives (Q3)
- Gender in Maize Marketing and Production (Q3).
- Drivers of Rice Prices (Q3).

- Transparent Rules-Based System for Emergency Food Imports (Q3)
- Demand for Food (Q4).

Resources:

- SERA Communications and Capacity Building Specialist
- SERA Policy Analyst
- SERA Senior Advisor.

Key Partners: iAGRI, MSU.

Contribute to:

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

C. Policy Conferences and Workshops

The 2nd Annual Agricultural Policy Conference was held during February 23-25 at the Serena Hotel in Dar es Salaam. SERA project played key roles in the planning and execution of this conference. SERA Project chaired the conference communications committee and provided logistical and administrative support to the event. In addition, SERA project was active in the technical program of the event. SERA Policy Project participation included:

- Presentation by Don Mitchell on:
 - Updated Policy Options for Food Security
 - Agriculture Business Environment Study
 - Land Compensation Schemes and Valuation Models (study done by Landesa).
- Presentation by Professor Dale Furnish on Secured Transactions/Collateral Registry.
- Session chaired by Alex Mkindi on Agricultural Inputs.

The program for the conference and all PowerPoint presentations are attached as Annex 6.

Related Policy Action Status: NA.

Tasks completed in Q2 of Y5:

- 2nd Annual Agricultural Policy Conference February 23-25, 2016

Tasks planned for Q3 of Y5:

- Participate in the Policy Agricultural Group (PAG)/Policy Action Committee (PAC) meeting planned for Q3.

Milestones: NA.

Resources:

- SERA Staff
- SERA Senior Advisor.

Key Partners: PAPAC, MSU.

Contribute to:

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

D. Success Stories

In Q2, success stories were outlined for the remaining time of the contract.

- Evidence-based research to support policy: Lifting the maize export ban;

- FBM – Zanzibar: Design and implementation of the food basket methodology, including healthy food basket design;
- FBM – Mainland: Design and implementation of a food basket methodology into the food security early warning system;
- Annual Agricultural Policy Conference;
- Rice – Transparent rules-based import/export system, and the creation of the MIU to support further sustained engagement;
- The RCT Story.

Related Policy Action Status: NA.

Tasks completed in Q2 of Y5:

- Drafted Evidence-based research to support policy: Lifting the maize export ban.
- Drafted FBM – Zanzibar: Design and implementation of the food basket methodology, including healthy food basket design.

Tasks planned for Q3 of Y5:

- Finalize Evidence-based research to support policy: Lifting the maize export ban.
- Finalize FBM – Zanzibar: Design and implementation of the food basket methodology, including healthy food basket design.
- Draft FBM – Mainland: Design and implementation of a food basket methodology into the food security early warning system.
- Draft Annual Agricultural Policy Conference.
- Draft Rice – Transparent rules-based import/export system.
- Draft the RCT Story.

Milestones:

- Evidence-based research to support policy: Lifting the maize export ban (Q3).
- FBM – Zanzibar: Design and implementation of the food basket methodology, including healthy food basket design (Q3).
- FBM – Mainland: Design and implementation of a food basket methodology into the food security early warning system (Q4).
- Annual Agricultural Policy Conference (Q4).
- Rice – Transparent rules-based import/export system, and the creation of the MIU to support further sustained engagement (Q4).
- The RCT Story (Q4).

Resources:

- SERA Staff
- SERA Senior Advisor.

Key Partners: MSU, PAPAC, RCT.

Contribute to:

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

IMPLEMENTATION PROGRESS - ZANZIBAR

1. Intermediate Result 2: Binding Constraints to Private Sector Investment Reduced

A. Zanzibar Department of Food Security and Nutrition

The SERA Project and the USDA's Economic Research Service is working with the Zanzibar Department of Food Security and Nutrition (DFSN) to support the application of the Food Basket Methodology in the Zanzibar Food Security early warning system. The development of the Food Basket Methodology and training of DFSN staff were completed in Y4, and the DFSN will use the FBM in quarterly presentation of early warning information to the Food Security and Nutrition Committee. In February, USDA ERS met with the DFSN and finalized the composition of the healthy and nutritious food basket. Capacity building and training on the application of the healthy and nutritious food basket was completed for eight members of the DFSN. In March the DFSN began to work with the calculations. USDA and SERA will return to Zanzibar in Q3 to complete the training.

Policy Action Status: NA.

Tasks completed in Q2 of Y5:

- Support the DFSN to develop a healthy and nutritious food basket.
- Support the Director of DFSN to report on the application of FBM in Zanzibar at the Policy Conference.

Tasks planned for Q3 of Y5:

- Training for DFSN on the application of the healthy and nutritious food basket.
- Finalize Zanzibar healthy and nutritious food basket.

Milestones:

- Quarterly report completed by DFSN on the healthy and nutritious food basket (Q3).

Resources:

- SERA Chief of Party
- SERA Senior Agricultural Advisor
- SERA Communications and Capacity Building Specialist
- SERA Policy Analyst.

Key Partners: 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

1. Management

In Q2, SERA's Senior Advisor, Don Mitchell, led the project as Interim Chief of Party until the return of COP Marialyce Mutchler on March 14.

PROBLEMS / CHALLENGES

The change in national government continued to cause delays in SERA implementation. The Ministry of Agricultural, Food Security and Cooperatives merged with the Ministry of Livestock and Fisheries. The appointment of new leadership and directors resulted in the delay in the start of the Market Intelligence Unit activity.

CROSS-CUTTING ISSUES

1. Gender

Gender is an important cross cutting issue and the SERA Project is undertaking research to better understand women maize farmers' input use, yields, and price received compared to men maize farmers.

A. Gender in Maize Marketing and Production

Gender is an important cross cutting issue and the SERA Project, in collaboration with the World Bank and the International Finance Corporation, is supporting research to better understand women maize farmers' input use, yields, and price received compared to men maize farmers. This activity will help identify key causes of differences in yields and policy constraints for women farmers, and will make policy recommendations. The results of the study are expected to be available in Q3 of Year 5.

Policy Action Status: NA.

Tasks completed in Q2 of Y5:

- Completed draft report.

Tasks planned for Q3 of Y5

- Complete final report.
- Complete Policy Brief.

Milestones:

- Field research completed (Q1).
- Draft report (Q2).
- Final report delivered to stakeholders (Q3).

Resources:

- SERA Senior Advisor
- SERA Senior Agricultural Policy Advisor
- TNS Social Research Division.

Key Partners: Diligent Consulting.

Contribute to:

- IR 4.5.1-24 Number of agricultural and nutritional enabling environment policies completing the following process/steps of development as a result of USG assistance in each case: 1: Analysis -- 2: Stakeholder consultation/public debate -- 3: Drafting or revision -- 4: Approval (legislative or regulatory) -- 5: Full and effective implementation.
- CI 4.1.1 Number of research outputs.

B. Gender representation in SERA activities.

SERA Project training activities track the inclusion of women in policy analysis, advocacy, and dialogue. In Q2, women represented 43% of all training participants

SERA Project staff gender representation is 50% women and 50% men.

2. Poverty

Tanzania has made significant progress in reducing poverty in recent years, with rural poverty declining by 15% from 2007 to 2011 according to the National Bureau of Statistics. However, poverty remains high and an estimated 80% of the poor live in rural areas and depend directly or indirectly on the agricultural sector for their livelihoods. The SERA Policy Project has focused on improving agricultural policies through evidence-based research and policy reform that contributes to reducing poverty. An example of the contribution of the SERA Project's research on policy was the Government's decision to lift the maize export ban in 2012 based on SERA policy research. That policy reform provides farmers greater access to foreign markets and the opportunity to receive higher prices for their marketed maize. It also provides greater employment opportunities for labor in rural areas to support expanded exports. The SERA Project has also been actively involved in improving access to high quality inputs that can raise productivity and reduce costs. Since an estimated 80% of Tanzanian farmers produce maize, the impact of improved access to markets and high quality inputs directly contributes to alleviating poverty.

3. Climate Change

Climate change is a serious concern for Tanzania because it could lead to increased variability in production and lower crop yields. One way to reduce the reliance on climate is to better utilize water resources and that should remain a long-term strategy. However, policies can also be used to offset the impacts of climate change and should be utilized as a low-cost approach to dealing with the impacts of climate change. The SERA Project research on Drivers of Maize Prices showed that open border policies reduce maize price variability and can help alleviate the impact of increased production variability on prices due to climate change. Other research presented by SERA Project showed that Tanzania could also face improved export opportunities as neighboring countries increase food crop imports to offset lower and more variable production, and more open trade policies would allow Tanzania to take advantage of these expanded export opportunities.

SERA Project's work with the Revolutionary Government of Zanzibar (RGoZ) on the potential to increase irrigated paddy areas on Zanzibar also contribute to work on Climate Change. The work was part of an effort to develop a strategy to reduce reliance on rain-fed rice due to concerns over climate change. The analysis also considered technologies that could raise irrigated paddy yield and better utilize limited ground water supplies.

FINANCIAL SUMMARY

QUARTERLY REPORT	SERA YEAR 5 - QTR 2				
	Jan-16	Feb-16	Mar-16	Quarter Total	Contract Cumulative
Reimbursable Costs	\$280,433	\$126,852	\$226,465	\$633,750	\$6,690,360
Fee	\$21,682	\$10,010	\$17,905	\$49,597	\$536,763
Reimbursable Costs plus Fixed Fee	\$302,115	\$136,862	\$244,370	\$683,347	\$7,227,123
Contract Cumulative	\$6,845,891	\$6,982,754	\$7,227,123		

PERFORMANCE MANAGEMENT PLAN

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

Indicator		Baseline	Y5 Target	Q1 Actual	Q2 Actual	Q3 Projected	Q4 NA	Y5 Total	LIFE OF CONTRACT TARGET
IR 4.5.2-7. Number of individuals who have received USG supported short-term agricultural sector productivity or food security training (RiA) (WOG).	New	0	80	0	NA	NA			1,700
	Continue	0	100	0	NA	NA			
	Male	0	60	2	12	25		14	
	Female	0	30	0	9	15		9	
IR 4.5.2-36 Value of exports of targeted agricultural commodities as a result of USG assistance (S).	Maize	\$20,820,000	\$34,990,000	NA	NA	NA		0	\$56,749,200
	Rice	\$37,050,000	\$38,500,000	NA	NA	NA		0	NA
IR 4.5.2-30 Number of MSMEs, including farmers, receiving USG assistance to access loans (S).	Medium	0	0	0	0	0		0	2,400
	Small	0	0	0	0	0		0	350
	Micro	0	0	0	0	0		0	250
IR 4.5.1-24 Number of agricultural and nutritional enabling environment policies completing the following process/steps of development as a result of USG assistance in each case (S):	NA								
• Stage 1: Analysis		0	1	0	0	0		0	2
• Stage 2: Stakeholder consultation/public debate;		0	0	0	4	3		4	3
• Stage 3: Drafting or revision;		0	1	0	0	0		0	3
• Stage 4: Approval (legislative or regulatory).		0	0	0	0	0		0	0
• Stage 5: Full and effective implementation.		0	0	0	0	0		0	6

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

Indicator	Baseline	Y5 Target	Q1 Actual	Q2 Actual	Q3 Projected	Q4 NA	Y5 Total	LIFE OF CONTRACT TARGET
1.1.1 Volume of improved seed available in domestic market	26,545 tons	5,000 tons	NA	NA	NA		NA	36,000 tons
4.1.1. Number of research output	0	4	0	0	1		0	7
4.1.2 Total number of SERA mentions in the press and social media	0	5	0	0	0		0	40
4.1.3 Number of hits/visits to the SERA website	0	1,800	734*	210	800		944	9,000
4.2.1 Number of institutions receiving USG assistance	0	4	2	10	3		12	15

**Google Analytics is used to track this indicator. Tracking began on 2 December 2014.*

Annex 1. Trip Report – Agriculture Business Environment, Mozambique Study Tour

Please see attachment *SERA Year 5 Quarterly Report 2, Attachment A*.

SERA Year 5 Quarterly Report 2, Attachment A

Mozambique Study Tour Report on Agriculture Business Environment

January 17th -23rd 2016

A study tour to Mozambique was undertaken by USAID-SERA project in collaboration with the President's Delivery Bureau (PDB) and the Tanzania Investment Centre (TIC) to learn about the corporate agriculture business environment as part of the study on agriculture business environment in Tanzania.

Team Members: Don Mitchell, Team Leader (SERA), Edith Lazaro (SERA), James Ngwira (PDB) and Martin Masalu (TIC)

Interviews Conducted: MSU Agriculture and Food Security Project, Directorate of Private sector Support (DASP), Institute for Promotion of Small Industries (IPEME), Banco Tera (BTM), Development Finance Organization (GAPI), Centre for policy and research, Commercial and Investment Bank (BCI), KPMG, PWC, National Directorate of Land, Ministry of Agriculture and Food Security, Centre for Promotion of Agriculture (CEPAGRI), Investment Promotion Centre (CPI), Beira Agricultural Growth Corridor (BAGCP), Association of Sugar Producers of Mozambique (APAMO), National Sugar Distributor (DNA).

Conclusion:

Mozambique provides special incentives to agriculture such as, a reduced corporate tax rates, VAT exemptions for agricultural inputs, and fuel subsidies. However, the incentives have not attracted many investors because of the long, cumbersome and unpredictable procedures for acquiring land. All land is owned by the Government and most is controlled under customary rights by communities. An investor

Annex 2. Draft Report –Gender and Maize Productivity and Marketing in Tanzania

Please see attachment ***SERA Year 5 Quarterly Report 2, Attachment B.***

SERA Year 5 Quarterly Report 2, Attachment B

Gender Effects on Agricultural Productivity, Marketing and Incomes: Evidence from Maize Farmers in Southern Tanzania

Don Mitchell, Senior Advisor USAID SERA Policy Project

January 31, 2016 Draft

Maize is grown by an estimated 80% of farmers in Tanzania and about 20% of those are by households headed by women. Most of these women are widowed or divorced and are disadvantaged compared to men headed households with respect to knowledge of production practices, land holdings, use of improved inputs, crop yields, and prices received for marketed maize. Better understanding of these women maize farmers and their characteristics and endowments could help Government, NGOs and donors to provide better services such as extension, access to inputs and information with the objective of raising incomes and reducing poverty of women maize farmers. In an effort to better understand these women maize farmers, the USAID-funded Tanzania SERA Policy Project and the International Finance Corporation of the World Bank group engaged TNS Social Research to survey 600 men and 600 women maize farmers in four regions of the southern highland maize producing area of Tanzania. The results of that survey are presented in this report along with recommendations of how to support women maize farmers through better delivery of services. The findings may have implications for women farmers producing other crops in Tanzania and for women farmers throughout the region.

Baffes (2009) reported the existence of a large productivity gap between male and female cotton growers in Uganda, thus highlighting the importance of gender in understanding productivity. Baffes and Maratou-Kolias (2013) undertook a subsequent two round survey in 2009 and 2010 and found that female cotton growers had smaller plots with lower quality soils and less secure land tenure

Annex 3. Trip Report – National Investment Policy and Investment Act Technical Workshop

Please see attachment ***SERA Year 5 Quarterly Report 2, Attachment C.***

SERA Year 5 Quarterly Report 2, Attachment C

REPORT ON THE SENIOR OFFICIAL TECHNICAL WORKSHOP FOR REVIEW OF THE NATIONAL INVESTMENT POLICY (1996) AND INVESTMENT ACT (1997) - DODOMA

15TH – 20TH FEBRUARY 2016

1. Introduction:

The report represents proceedings of the workshop held in Dodoma from 15th – 20th February to review National Investment Policy 1996. The workshop was attended by Senior Officers from P.M. Office, Ministries of Infrastructure, Transport and Communication; Energy and Minerals; Agriculture, Livestock and Fisheries; Land, Housing and Human Settlement; Water and Irrigation; Natural Resources and Tourism. Other participants were from TIC, EPZA, BOT, CTI, TRA and SAGCOT Center.

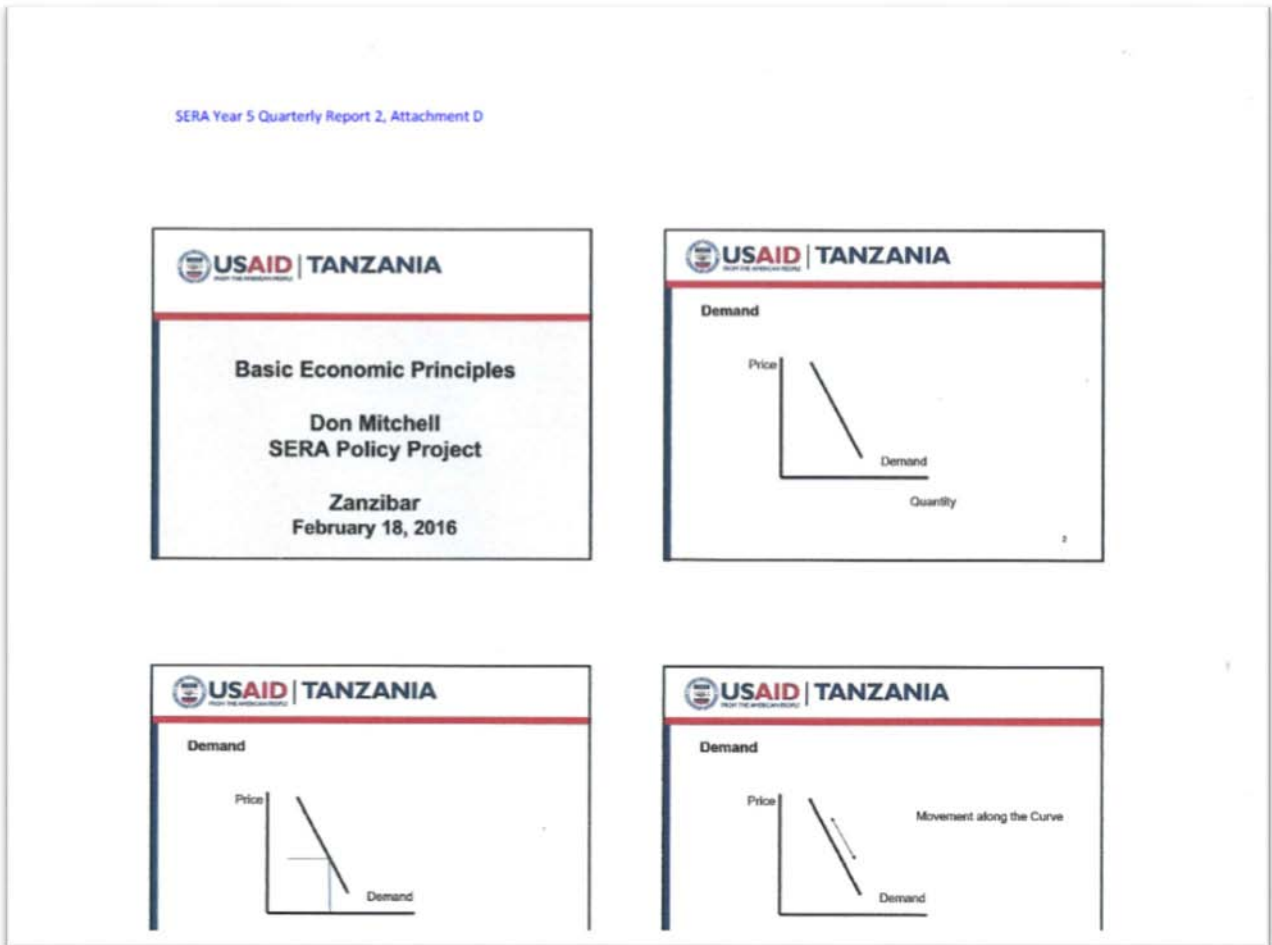
The workshop was opened by Dr. Mboya, Asst. Director in the PM office responsible investments. He pointed out that the workshop is a result of recommendations from the stakeholders meeting held on 3rd November 2015 in Dar es Salaam. Its purpose is to improve the Draft Policy.

2. Presentations:

- i Overview of National Investment Policy 1996 – Girson Ntimba Principal

Annex 4. Training Material – Basic Economic Principles for FBM Training, Zanzibar

Please see attachment ***SERA Year 5 Quarterly Report 2, Attachment D.***



Annex 5. Policy Brief – Food Basket Costs in Tanzania

Please see attachment ***SERA Year 5 Quarterly Report 2, Attachment E.***

SERA Year 5 Quarterly Report 2, Attachment E

**USAID**
FROM THE AMERICAN PEOPLE

 **FEED THE FUTURE**
The U.S. Government's Global Hunger & Food Security Initiative



September 2015, Policy Brief No. 3

SERA Policy Brief

*Food Basket Costs in Tanzania **


Food is the largest expenditure item for the typical Tanzanian household and accounts for significantly more than half of total expenditures for the poorest. Consequently, food prices and food costs are very important to consumers and to the Government of the United Republic of Tanzania (GOT) as it addresses food security concerns. Since the typical diet and food prices vary greatly across Tanzania, it is important to consider the

Annex 6. Programme and Presentations – Agricultural Policy Conference

Please see attachment

- ***SERA Year 5 Quarterly Report 2, Attachment F***
- ***SERA Year 5 Quarterly Report 2, Attachment G***
- ***SERA Year 5 Quarterly Report 2, Attachment H***
- ***SERA Year 5 Quarterly Report 2, Attachment I***
- ***SERA Year 5 Quarterly Report 2, Attachment J.***



 **USAID | TANZANIA**

**Policy Options for Food Security,
Economic Growth and Poverty Reduction**

Don Mitchell
SERA Policy Project

February 24, 2016


www.tzsera.com

 **USAID | TANZANIA**

Food Security has Many Dimensions

- **Increasing food availability** through improved incentives to farmers
- **Ensuring access to food** by providing safety nets to the poorest and most vulnerable
- **Ensuring utilization of food** through adequate diets and food fortification
- **Enhancing stability by reducing price volatility**, increasing storage and reducing post-harvest losses

Source: World Food Summit Declaration

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Poverty has declined in Tanzania

- Tanzania has had sustained rapid economic growth in the past decade of 6.6% per year
- The basic needs poverty rate declined from 34% in 2007 to 28% in 2012
- Rural poverty declined by 15% from 2007 to 2012, but remains high at 33%
- Eighty percent of the poor and extreme poor live in rural areas while only 4% of those living in Dar es Salaam were poor

 **USAID | TANZANIA**

Most cost-effective way to promote food security in the long run

Exploit Tanzania's comparative advantage within the region in food crops production -- especially maize and rice

Involve the poorer elements of the population as farmers or wage laborers to increase their incomes to improve food security

Encourage exports of surplus production to the

 **USAID | TANZANIA**

**The Business Environment for
Tanzanian Agriculture**

**SERA Policy Project in
collaboration with MALF, PDB,
SAGCOT and TIC**

February 24, 2016

 **USAID | TANZANIA**

**Tanzania has not been able to attract
large investments in agriculture**

According to the Bank of Tanzania (2012), only 2% of Foreign Direct Investments (FDI) was in the agricultural sector and they concluded...

"Efforts to make agriculture more attractive to investors need to be stepped up in order to boost inflows to agriculture..."

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Large investments in agriculture

- Are the cornerstone of Kilimo Kwanza, SAGCOT, and Big Results Now
BRN called for 25 commercial farming deals in rice and sugarcane. Not all, but some, will require foreign investors.
- Foreign Investors bring capital, technology, and market linkages
Effective model to support smallholder farmers,

 **USAID | TANZANIA**

**Why has Tanzania had difficulty attracting
foreign investors into agriculture?**

- SERA Policy Project in collaboration with MALF, PDB, SAGCOT and TIC undertook a study of the agriculture business environment to find out why.
- The study compared Tanzania, Mozambique and Zambia on policies, taxes, incentives, access to land, input costs, and the macroeconomic situation.

 **USAID | TANZANIA**

Land Compensation Schemes and Valuation Models

Based on Study by Landesa for SERA Project

presented by Don Mitchell
SERA Policy Project
February 25, 2016

www.tzsiera.com

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Land Compensation Schemes


Fixed-Price Leases are the most common form of payment for the use of rural land in Tanzania

Land for Equity arrangements have had limited use but have received support from Government

Other Compensation Schemes could also be considered and may have advantages in particular situations

All three of these have been used in Tanzania

2

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Accurate Land Valuation is required to equitably establish benefits

- The Land Act requires the land valuer to determine the market value of the property
- The lack of an active, transparent land market in Tanzania makes this difficult and often results in valuation and compensation that are inadequate

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Fixed-Price Leases

- Simplest and most common form of payment for use of rural land in Tanzania
- The land rights holder grants another party the right to use the land for a particular period of time in exchange for cash payment
- The amount, method of payment, and timing of the lease payment are stated in the lease contract
- There is no risk sharing or profit sharing in a simple

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Modern Secured Transactions Law

Dale Furnish
Emeritus Professor
Arizona State University

SERA Policy Project
February 25, 2016

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Reasons Behind PPSA Reform

Tanzania's smallholders and SMEs do not have access to the credit that would develop their sectors

According to World Bank/IFC, UNCITRAL, other world agencies a new law allowing personal property guarantees would reduce the price of credit and make it much more available.

Many African countries have reformed their laws, including Malawi, Nigeria, Mozambique and Ghana. An ongoing, worldwide movement.

2

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"security interest" – an all-inclusive, unitary concept

A single, exclusive law should regulate *all* guarantees against personal property collateral, whatever their style or form, including the pledge with or without dispossession of the debtor, chattel mortgages, conditional sales, title retention, financial leases, floating charges.

The draft PPSA abhors secret liens, and should provide no means for their enforcement.

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A security interest creates a preferential right to possession or control of personal property. –

Debtor who grants the security interest needs to have only a right to possession of the collateral

38 min (179)

Annex 7. Trip Report – Food Basket Analysis

Please see attachment ***SERA Year 5 Quarterly Report 2, Attachment K.***

SERA Year 5 Quarterly Report 2, Attachment K

Food Basket Analysis in Tanzania: February 2016 Trip Report

Nancy Cochrane
Economic Research Service USDA

The objectives of this trip were to

- continue work on a healthy food basket in Zanzibar, which was begun in September 2015,
- To help the Mainland Ministry of Agriculture initiate a desk study to develop food baskets for four pilot districts
- To introduce the concept of a healthy food basket to Mainland institutions

At the end of my visit, the Zanzibar participants had adjusted the Zanzibar food basket in a way that satisfied most nutritional requirements, although it is still deficient in a few key nutrients, such as calcium. The staff is looking forward to working further on this task with a U.S. nutrition expert. In the meantime, the staff announced their intention to initiate a quarterly reports on the representative food basket.

The Division of Food Security in the Mainland Ministry has expressed a desire to estimate food baskets at the district level using district market prices collected by local staff. They agreed to initiate a pilot study of four districts that commonly suffer food insecurity. The staff were also extremely interested in the concept of a healthy food basket. They were well aware that the narrow focus on availability of staple foods overlooked some serious nutritional problems in rural areas. They have been under pressure from multiple sides to pay more attention to nutrition.

Annex 8. Trip Report – Food Demand Study

Please see attachment ***SERA Year 5 Quarterly Report 2, Attachment L***.

SERA Year 5 Quarterly Report 2, Attachment L

Report of the Trip to the Tanzania SERA Project office, March 6–12, 2016, “Food Demand Study”, Contract No. 621-C-00-11-00003-00

Chen Zhen, April 2, 2016

Trip Accomplishments

- Met with Tanzania National Bureau of Statistics to discuss price imputation and strata.
- Estimated a censored EASI demand system with 20 food groups, 3 nonfood groups, and a *numéraire* good. When estimated with the 20 food groups and 2 of the 3 nonfood groups, the model was able to converge quickly and the price elasticities are reasonable. Numerical difficulty occurred when all 3 nonfood groups and the *numéraire* good were added to the system. Price collinearity may be a primary contributor to this issue.
- Selected asset and income variables that were used as predictors of total expenditures.
- Implemented an approach for obtaining cluster-robust standard errors for the demand system.
- Discussed possible policy applications for the estimated price elasticities, one of which is to simulate the effect of changing population demographics on future food demand.

Planned Activities

- Diagnose the exact cause(s) for the numerical issues. One problem is that we can't create

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