

Data Sheet

USAID Mission:	Tanzania
Program Title:	Economic Growth
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	621-009
Proposed FY 2004 Obligation:	\$1,900,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$3,142,000 DA
Year of Initial Obligation:	FY 2000
Year of Final Obligation:	FY 2005

Summary: USAID's economic growth program aims to increase micro and small enterprise (MSE) participation in the Tanzanian economy by improving the policy environment for MSEs, strengthening MSEs as value-adding businesses, and providing targeted technical assistance to improve the overall environment for business. Business skills training and technical assistance are supplied to increase farm yields and product quality, as well as the competitiveness of agricultural enterprises. Most of these efforts will center on producer associations, improving their effectiveness and ability to provide member services.

Inputs, Outputs, Activities:

FY 2004 Program:

Improving the MSE Policy Environment (\$400,000 DA). USAID will work with its contractors and grantees to provide technical assistance in three key areas: strengthening business associations; promoting private-public policy dialogue; and augmenting capacity of selected government agencies. Specific interventions will include developing policy advocacy capacity within producer associations by giving them necessary skills and assisting them to become effective lobby groups. The membership of agriculture-related associations already involved in these USAID-supported efforts totals approximately 17,000 individuals. USAID will use a combination of commodity-specific and broader national policy approaches to forge effective public-private partnerships. Emphasis will be on commodity sectors that show high potential for growth such as coffee, cashews, and citrus fruit. To encourage reforms, USAID will provide targeted and limited technical support to strengthen government's ability to implement policy-related changes, particularly in implementing its National Small and Medium Enterprises policy and National Agricultural Policy. An "Investors Road Map" will be used to identify strategic USAID intervention points for strengthening the capacity of government agencies charged with regulating and facilitating agricultural production and trade. Principal contractors and grantees: Development Alternatives Inc. (DAI) (prime), Management Systems International (MSI)(sub), Technoserve.

Broadening MSE Market Access (\$800,000 DA). Rural incomes will be enhanced through USAID activities aimed at creating and strengthening farmer businesses. USAID partners will analyze market supply and demand characteristics of particular commodities, then organize and develop commodity-based sub-sector alliances. This work is already underway. These alliances will work to improve and broaden access to inputs and markets for agriculture entrepreneurs. During the previous year, five high potential commodities were identified: cashews, cotton, horticulture, oranges, and rice. USAID will continue to work with producer associations. One grantee, Technoserve, is already working with coffee producer associations. USAID will assist producer associations and MSEs in identifying export opportunities for various products, including coffee, horticulture, tree crops, and oilseeds. USAID will also support market analyses to identify opportunities and bottlenecks, and sharpen MSE competitiveness. Particular emphasis will be placed on improving the ability of rural producers to meet market quality standards. Principal contractors and grantees: DAI (prime), Technoserve, EnterpriseWorks, ACDI/VOCA, Tuskegee/Sokoine Universities.

Strengthening MSE Capacity (\$700,000). USAID will strengthen the capacity of MSEs through a combination of formal skills training courses and selected technical assistance in applying improved technology. Training will also be provided for producer groups and for their board members to improve the capacity of these associations. Business courses will cover such topics as: how to start a business; accounting; market development; and business planning. Technology improvements will include: better cropping techniques; sorting and grading; processing and storage; and marketing strategies. Principal contractors and grantees: DAI (prime), Technoserve, EnterpriseWorks, ACDI/VOCA.

FY 2005 Program:

Improved Policy Environment (\$720,000 DA): Under the new USAID Country Strategic Plan, now under design, the economic growth component will shift its focus to the agriculture sector, including small producers, but also encompassing larger producers who have the capacity and resources to grow high value commodities for export. USAID plans to further consolidate its efforts in improving the policy environment, working through a network of producer associations who serve as advocates of an improved climate for investment. At the national level, again in conjunction with key producer/agribusiness organizations, USAID will work with its partners to increase the government's ability to implement specific business friendly policies and strategies. Same implementers as above.

Increased Productivity (\$1,220,000 DA): USAID intends to provide technical support to promote activities that have potential to raise agriculture productivity. This will build on the successes in specific commodity sectors during the previous two years and will include both food crops and cash crops produced for sale. In addition to improved production and processing techniques, additional technical areas could include post-harvest handling and marketing. USAID hopes to increase resources available for food production and trade through the Initiative to End Hunger in Africa. Same implementers as above.

Increased Access to Markets (\$1,202,000 DA): USAID expects to continue to facilitate the growth and maturation of producer associations at all levels, from local to national. Through the associations, we will support a broad range of interventions such as: the promotion of quality standards; improved market information systems; the organization of producers into larger marketing units to facilitate sale of their products; limited work on improving market infrastructure; and increasing regional trade capacity. Same implementers as above.

Performance and Results: USAID activities in this SO have achieved important results in all three of the major components. The most striking policy accomplishment involves coffee, one of the most valuable export crops. Due to USAID efforts, the Tanzania Coffee Board recently agreed to allow the direct export of premium, specialty coffee without using the state-run auction. As a result, the coffee association, which now has 7,000 members, has just been issued the first direct export license for coffee. Coffee producers were able to increase the quality and therefore the value of their product, selling 38% of their coffee as specialty grade, contrasted to only 2% in prior years. Work with producer associations continues. An estimated 17,000 members are registered with producer associations assisted by USAID. Finally, there are impressive results to report at the individual producer level. As a direct result of successful efforts to increase productivity in the Southern Highlands, incomes of its member farmers will increase by over \$3.7 million, or over 200%, as a result of the activity.

US Financing in Thousands of Dollars

Tanzania

	DA	DFA
621-009 Economic Growth		
Through September 30, 2002		
Obligations	27,824	19,730
Expenditures	15,508	19,690
Unliquidated	12,316	40
Fiscal Year 2003		
Obligations	5,007	0
Expenditures	7,527	-90
Through September 30, 2003		
Obligations	32,831	19,730
Expenditures	23,035	19,600
Unliquidated	9,796	130
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2004 NOA		
Obligations	1,900	0
Total Planned Fiscal Year 2004		
Obligations	1,900	0
Proposed Fiscal Year 2005 NOA		
Obligations	3,142	0
Future Obligations	0	0
Est. Total Cost	37,873	19,730