



Tanzania

In 1964 the United Republic of Tanzania was formed through the unification of Tanganyika and Zanzibar. Early policies followed principles of “Ujamaa,” a form of African socialism under which key economic sectors like agriculture were collectivized. By the 1970s, decreases in production and the subsequent collapse of export commodity prices presaged the downfall of the development model based on Ujamaa. War with Uganda in 1978, along with two years of drought, worsened the conditions in Tanzania and threatened the food security of much of the population. As a result, international aid became vital to the survival of many Tanzanians. In the following years, assistance in technical and capacity development was crucial in fostering eventual economic growth and increased food security.

Capacity Building and Rural Finance

Through the 1970s, ACDI provided advisory services addressing financial and operational management within nationalized sectors. Local participation and sustainability were and continue to be core goals of interventions. In 1971, ACDI fielded an agribusiness advisor in Tanzania to work directly with the Tea Authority and the Livestock Industries



Development Authority (LIDA) to build financial and management capacity. ACDI's first long-term program in the country was the USAID-funded **Grain Storage and Marketing Project**, which started in 1972. During the seven-year program, ACDI technicians trained local replacements and later served in advisory roles. In addition, ACDI developed an urban grain market reporting system and planning unit, improving grain reserves in the event of a drought.

One of ACDI's most successful early initiatives was assisting the Cooperative Rural Development Bank (CRDB) in its field operations and financial management. This was a two-phase program involving **the Small Farmer Credit Program** (1975-1981) and the follow-up **Village Income and Production**

Program (1981-1986). The latter was one of our first projects to include participant training. ACDI provided extensive staff training and operational upgrading to CRDB. In addition, 19 Tanzanians traveled to the U.S. to complete master's or bachelor's degree programs in program design, finance, administration and range management.

One of the main difficulties facing the CRDB was loan nonpayment both by large agricultural marketing agencies and by village borrowers. To ameliorate this, project staff developed a standardized loan accounting system that allowed accounts and economic transactions to be corrected and updated. As a result, more than 2,000 loan accounts were reconciled, over 400 accounts were reduced to zero, and the bank's loan portfolio increased to \$530,000. As a result of ACDI's role in this project, the CRDB expanded its activities to include commercial and cooperative banking. At the conclusion of the project, CRDB was considered to have the best-trained banking staff in Tanzania.

More recently, ACDI/VOCA has implemented rural finance activities with other donors and the private sector. In 1996, ACDI provided assistance to the Central Bank, working with World Bank's regulatory specialists to examine the existing cooperative system and financial structures and propose steps toward developing a countrywide rural finance system. In 2000, the **Regional Commodity Trade Information System for East Africa** was established in collaboration with the

privately held Kenya Agricultural Commodity Exchange (KACE).

Farmer-to-Farmer Activities

Beginning in the 1990s, VOCA's presence in Tanzania brought the unique contributions of expert U.S. volunteers to individual hosts and donor organizations. From 1990-1993, VOCA fielded 12 volunteers under the **Farmer-to-Farmer (F2F) Program** to address specific technical needs of hosts. In 1998-1999, two **Worldwide Farmer-to-Farmer** volunteers worked in seaweed cultivation, and three regional volunteers conducted a needs assessment of agricultural marketing stakeholders. This assessment was later used to design a prototype market information system for USAID's Regional Economic Development Services Office for East and Southern Africa.

Sustainability for Smallholder Farmers

Since 2000, ACDI/VOCA has provided sustainable, high-quality assistance to smallholders in Tanzania's mariculture, horticulture and staple crops sectors. The **Smallholder Empowerment and Economic Growth through Association Development (SEEGAD) Project**, was a two-year (2002-2004) pilot that assisted seaweed producers in Tanga. The success of SEEGAD led to the 2005 **Sustainable Environmental Management through Mariculture Activities (SEMMA)** project. SEMMA assisted in

conserving biodiversity along the Tanzanian coastline through the sustainable development of profitable mariculture enterprises.

In 2007, the two-year, \$1.3 million

Smallholder Horticulture Outgrower Promotion (SHOP) program began in Arusha. Although SHOP ended in 2009, its legacy of assisting smallholders and its overall success remains prominent in Tanzania. With the help of the **Rural Urban Development Initiative (RUDI)**, the SHOP program developed a commercially sustainable export vegetable outgrower scheme. Through the program, 1,267 participating outgrower farmers supplied GLOBALG.A.P.-certified vegetables to a nucleus farmer and an export partner, as well as high-value vegetables to upscale buyers in Dar es Salaam. SHOP also facilitated the entrance of Kenya-based exporter, Homegrown, into northern Tanzania, a move that broke the monopoly of Tanzania's only exporter and resulted in a 40 percent increase in prices paid to Tanzanian farmers.

Today, ACDI/VOCA's work in Tanzania is more visible than ever. As the prime implementer of the \$30 million **Feed the Future (FtF) Tanzania Staples Value Chain NAFKA project**, ACDI/VOCA works to improve the livelihoods of 80,000 smallholder farmers in the rice and maize value chains. The project is in its second year of implementation, and has been recognized as one of the leading FTF programs, both in Tanzania and worldwide.

In a testament to NAFKA's commitment to local organizations and capacity building, RUDI, the prominent local subcontractor from SHOP, now works under the Feed the Future NAFKA project to increase its internal capacity as part of our **USAID FORWARD** approach to local partnering.

Looking Ahead

ACDI/VOCA's work under the NAFKA project will contribute to and enhance our history of success in Tanzania. We know the country and its institutions well, and beyond that have developed a genuine stake in the nation's leadership role and record of increased broad-based prosperity.

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