Project Information Document/
Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 24-Oct-2016 | Report No: PIDISDSC20014
## BASIC INFORMATION

### A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Project ID</th>
<th>Parent Project ID (if any)</th>
<th>Project Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tanzania</td>
<td>P161764</td>
<td></td>
<td>Catalyzing the Future Agri-food Systems of Tanzania (CFAST) (P161764)</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>Estimated Appraisal Date</th>
<th>Estimated Board Date</th>
<th>Practice Area (Lead)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFRICA</td>
<td>Dec 02, 2016</td>
<td>Mar 06, 2017</td>
<td>Agriculture</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lending Instrument</th>
<th>Borrower(s)</th>
<th>Implementing Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Project Financing</td>
<td>GOVERNMENT OF TANZANIA</td>
<td>Ministry of Agriculture, Livestock and Fisheries</td>
</tr>
</tbody>
</table>

### Proposed Development Objective(s)

To transform irrigated agri-food systems to yield higher and more stable revenues, while being more resilient to climate change.

### Financing (in USD Million)

<table>
<thead>
<tr>
<th>Financing Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Development Association (IDA)</td>
<td>100.00</td>
</tr>
<tr>
<td><strong>Total Project Cost</strong></td>
<td><strong>100.00</strong></td>
</tr>
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### Environmental Assessment Category

<table>
<thead>
<tr>
<th>Environmental Assessment Category</th>
<th>Concept Review Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>B-Partial Assessment</td>
<td>Track II-The review did authorize the preparation to continue</td>
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**Note to Task Teams:** End of system generated content, document is editable from here.

Other Decision (as needed)
B. Introduction and Context

Country Context

With a Gross Domestic Product (GDP) of US$ 44 billion, Tanzania is one of the largest East African countries and the sixth largest economy in Sub-Saharan Africa. During the last decade Tanzania experienced high rates of economic growth and political stability, with macroeconomic indicators showing an average GDP growth of around 7 percent per annum (compared with just 3.5 percent during the 1990s) and a per capita GDP that is now around USD 1000. The service and industry sectors exhibited the strongest growth rates (8 and 7.8 percent, respectively), however growth in the agriculture sector was generally below GDP growth, with an average of only 3.9 percent per annum and its share in total GDP decreasing to 23.2 percent in 2012 (Bank of Tanzania, 2015). Recent developments, including the discovery of natural gas, are expected to further contribute to Tanzania’s positive economic performance, and World Bank projections indicate that Tanzania’s GDP will grow 6.6 and 7.0 percent in 2017 and 2018, respectively. However, the benefits have not been shared evenly and poverty is still prevalent, especially in the rural areas. Regional disparities are widening, with the capital city, Dar es Salaam growing at a much faster pace than the rest of the country. The sectors that have driven economic growth, such as construction, finance, mining, services, and telecommunications have not created jobs nor had the desired impact in rural areas.

The challenge in terms of delivering on Tanzania’s Development Vision (TDV 2025) and its aspiration of achieving Middle-Income Country (MIC) status, is whether the combined and mounting pressures from the global economic environment, population growth and climate change can be effectively managed. With less than 10 years to the TDV and 15 years to the World Bank Group (WBG) Twin Goals deadlines, Tanzania needs a renewed strategy that fully exploits its potential and opportunities. The new administration, which took office in October 2015, has already embarked on sweeping measures to strengthen fiscal management and address corruption. At the same time, the government recognizes the economic importance of agriculture for rural growth and poverty alleviation, and at the highest levels has made transformation of agriculture a major national priority. Through its second Agricultural Sector Development Program (ASDP2), the government has embarked on an ambitious program to strengthen agriculture value chains, integrate larger numbers of small-scale farmers through their organizations into these value chains (which enables them to strengthen their collective action, diversify their production, acquire modern technologies, reach better markets; and learn by doing) and build more resilient agri-food system.

Sectoral and Institutional Context

The agriculture sector accounts for 23 percent of the country’s real GDP, 75 percent of employment and 80 percent of rural household incomes. With 44 million hectares of good arable land, of which 34.5 million hectares is not cultivated and about 29 million hectares of land deemed suitable for irrigation, of which only 1 percent of is currently irrigated. As a result, the sector presents enormous potential for the country with opportunities for expansion, especially through attracting Foreign Direct Investment (FDI) to the sector. Because of its strategic location (sharing boarders with eight 8 countries that offer growing markets for its exports), the country also has a huge potential for increasing regional and international trade in agriculture. The country’s vast road and railway network to the major port in Dar es Salaam provide a major conduit for agricultural exports to regional and international markets. Already, regional demand and markets are emerging for crops like rice for which Tanzania has a competitive edge over its neighbors. Tapping into these regional markets and trade will not only increase incomes of producers but also create on-and-off-farm job opportunities, especially in the rural areas where poverty is highest. Consequently, the sector has been prioritized in

1 Including tourism.
national economic development planning including in the country’s long term development Vision 2025; Tanzania’s Five Year Development Plan 2011/12 to 2015/16 (FYDP); the National Strategy for Growth and Reduction of Poverty (NSGRP); the 2001 Agricultural Sector Development Strategy (ASDS) which sought to achieve sustained agricultural growth of 5 percent per annum, primarily through transformation from subsistence farming to commercial agriculture; 2 fifteen year Agriculture Sector Development Programs (ASDP1 and ASDP2) launched as vehicles for the implementation of the ASDS; the Comprehensive Africa Agriculture Development Program (CAADP) compact; and the 2011 Tanzania Agriculture and Food Security Investment Plan (TAFSIP) among others.

While the sector is widely expected to play a pivotal role in poverty reduction, boosting shared prosperity, and improving nutrition, among others\(^2\), its performance—and correspondingly—its contribution to these development objectives has been suboptimal. The sector has considerable gender gaps in agricultural production and is dominated by smallholder farmers and production systems characterized by low land and labor productivity mainly as a result of: (i) poor production technologies; (ii) underdeveloped markets, market infrastructure and farm-level value addition; (iii) poor rural infrastructure, including rural roads, and electricity; (iv) inadequate agricultural financing, including public expenditure; and (v) weak policy and institutional incentives, such as unfavorable agricultural taxation regime, export bans for grains and non-transparent import tariffs, among others. To-date, much of the sector’s modest growth (an average rate of 4 percent annually in the last decade), has not been pro-poor as it is ascribed to only a few subsectors primarily consisting of cash crops, such as coffee, tobacco, sugarcane and tea, which hitherto, have benefited from improved national and international commodity prices, but are largely the domain of large scale commercial farmers.

The Government of Tanzania (GoT) is committed to transforming the agricultural sector towards higher productivity and commercialization level, and increase smallholder farmer incomes for improved livelihood, food security and nutrition. Both the ASDP 1 program and a World Bank financed project in support of the program have been completed and have paved the way for a second generation investment operation in support of the GoT’s agriculture transformative agenda. The proposed project is designed to support the GoT’s efforts towards transforming the agricultural sector and rural livelihoods through support to smallholder farmers, both men and women, to strengthen their collective action through producer organizations. Specific attention and resources will be given to reducing gender gaps in access to inputs, services, labor, technology, and capacity building. Investments will also support enabling community investments, such as feeder roads, day care centers with feeding programs, etc. to allow for women farmers to benefit equally from the project. Progress will be tracked by gender disaggregated M&E indicators and data. Diversification into vegetables, fruits and aquaculture will be accompanied by nutrition advice to families. Integrated water resource management, water saving irrigation and crop management practices and technologies will be supported to promote resilience of the diversified production systems.

Relationship to CPF

**Link to the partnership strategy.** The proposed project is fully consistent with the International Development Association’s (IDA’s) current Country Partnership Framework (CPF) and contributes to its objective of promoting inclusive, sustainable, and private sector-led growth through increasing productivity and income. The proposed project is aligned with and supports the priorities of the ASD and ASDP-2, and other government plans such as Vision 2025, which underscores agriculture’s importance to Tanzania’s economy, employment, food security and nutrition, and poverty reduction; and the need to commercialize the agricultural sector by fostering viable domestic, regional and international trade. The proposed BFAST design follows the guidance from the ASDP-2 Program Document, which emphasizes the role of strong and inclusive small farmer organizations as the main vehicle for enabling small holders to

\(^{2}\) Given the sector’s role as the main source of food and livelihood for many malnourished people, agriculture has substantial potential to reduce poverty and hunger.
participate in the private sector stimulated agricultural growth and value chains (Agricultural Sector Program Document 2, 2015).

A new Country Partnership Framework (CPF) is currently under development. The Strategic Country Diagnosis (SCD) emphasizes increasing climatic variability, pressure on natural resources, rapid urbanization, limited institutional capacities, and the need for employment creation. The SCD pinpoints the need for a more transformational approach to investments in the agricultural sector, build around diversification, market linkages and technological change and emphasizing agro-industry and agro-processing. The design of this project takes these elements into full consideration and will in turn feed into the upcoming CPF.

**Scope of intervention and complementarity with other Bank-funded projects.** The proposed project will be implemented in a limited number of high potential districts in the SAGCOT area, with a focus on selected existing irrigated schemes. The targeted production systems will be complementary to those supported under ASDP1 interventions. Within these high potential districts, special attention will be given to the development of market opportunities, and for that purpose alliances may be developed with the private sector investors participating in the SAGCOT project (P125728) that recently became effective. The proposed project will develop a model for agricultural investment support that will combine two elements: (i) a focus on exploring and pursuing market development opportunities, through strengthening value chains of traditional products and through the pursuit of diversification into high value products, demanded by the growing urban population or for exports (ii) a complementary focus on investing in, and managing of productive capacity, through infrastructure, technology, and farmer based organizations. Upon validation of this combined approach through the BFAST interventions, it may be scaled up and replicated through future projects, and may inform other ongoing projects.

**C. Proposed Development Objective(s)**

**Note to Task Teams:** The PDO has been pre-populated from the datasheet for the first time for your convenience. Please keep it up to date whenever it is changed in the datasheet.

To transform irrigated agri-food systems to yield higher and more stable revenues, while being more resilient to climate change.

**Key Results (From PCN)**

Progress will be measured through two core indicators reflecting the two main dimensions of the PDO: (i) the number of farm families that have more than doubled their sales of agricultural products; and (ii) the number of schemes where water use efficiency has improved over 30 percent. In turn these core indicators will be fed by a number of intermediate indicators, such as: the variation in annual average yield of rice; the share of the project area in other crops; the number of successful alliances established between farmer organizations and market agents; the number of hectares of improved irrigation schemes; the number of government officials and the number of farmers that have been trained through the project. People based indicators will be specified by gender.

**D. Concept Description**

The proposed project takes an integrated approach to improving the value chain. The assumption is that market access and production system improvements are best accomplished together, that they reinforce each other, and that market opportunities, especially in urbanizing societies, are increasing and provide more incentives for change than production technologies.
Strengthening value chains is best done by working with and through farmer organizations. The project will engage with existing farmer/irrigator organizations in selected irrigation schemes/geographical areas and provide support for the development and implementation of two year sub-projects. Subprojects will be based on a business plan (to be prepared with the help of private service providers\(^3\) (NGOs, foundations, other development organizations), which will identify value chain improvements and irrigation rehabilitation activities.

The project will be structured as an Investment Project Financing (IPF), funded by an IDA credit in the amount of US$100 million. The proposed project duration is four years. The project will have the following components:

**Component 1. Transforming farmers’ livelihoods through diversified production systems under irrigation**

The objective of this component is to strengthen Irrigators Organizations (IOs) in each of the selected irrigation schemes to become effective players in value chains in irrigated agriculture, in order to increase their income and to diversify their income sources from agriculture. The component’s main focus will be on support for the development and implementation of business development plans of IOs. With support from contracted Private Service Providers (PSPs\(^4\)) IOs will develop business plans for funding the development of their irrigated crop production system and integration into the value chains of their choice.

**Component 2: Climate smart and sustainable irrigation schemes for farmer groups diversifying their value chains.** The objective of this component is to provide the infrastructural and water management basis for sustainably increasing farm incomes of smallholder irrigated crop production and value chains by: (i) addressing integrated water use and management (water from different sources, storage, mix of methods including piping on demand); (ii) the quality of rehabilitation of schemes for improved water use efficiency; and (iii) professional management of the IO irrigation schemes. Following the guidance from the ASDPII Program document, proposed interventions under this component will target 25 existing rice irrigation schemes covering about 15,000 to 20,000 hectares and would benefit approximately 25,000\(^5\) farmers (numbers need validation). The component will have 2 sub-components:

**Subcomponent 2.1: Management of Irrigated Schemes.** This subcomponent will focus on strengthening the management of irrigation scheme operations.

**Subcomponent 2.2: Infrastructure development.** This sub-component will support the: (i) rehabilitation and upgrading of existing irrigation and marketing infrastructure with specific support on the rehabilitation and completion of the 25 existing Irrigation schemes; and (ii) Development of Marketing Infrastructure.

**Component 3: Institutional Strengthening and Project Management.** This component will support all activities associated with project management and coordination, and monitoring and evaluation. The project will support the establishment and operation of a Ministerial Delivery Unit (MDU) in the Ministry of Agriculture, Livestock and Fisheries (MoALF). The MDU will be responsible for managing and coordinating the implementation of project activities, including the contracting of the Technical Advisory Organizations, awarding of rehabilitation contracts, in consultation with the Ministry of Water and Irrigation; and project monitoring and evaluation.

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\(^3\) To be selected through a competitive process.

\(^4\) NGOs, consultants, foundations

\(^5\) To be confirmed
Component 4. Replication of an agri-food system transformation model. As the project envisages to replicate the production and value chain development approach as part of the strategic collaboration with the GoT on agriculture, a small amount of funds will be reserved to facilitate the preparation of future investment projects along a similar approach.

Component 5. Contingent Emergency Response (zero component). This is a zero budget component on disaster risk management which will be included to facilitate the use of project funds to respond to natural or other disasters.

Note to Task Teams: The following sections are system generated and can only be edited online in the Portal.

SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The proposed project will be implemented in a limited number of high potential districts in the Southern Agricultural Growth Corridor of Tanzania (SAGCOT) area, but outside the Resilient Natural Resource Management for Growth (REGROW) and other sensitive areas. The project focus will be on geographically clustered and existing irrigated schemes with specific attention to value chain enhancement. The targeted production systems will be complementary to those supported under ASDP1 interventions.

Under the ASDP1, a Strategic Environmental and Social Assessment (SESA) was prepared. The SESA identifies potentially adverse environmental and social impacts emanating from the implementation of the national irrigation policy/national irrigation master plan, and identifies strategic guidance on how to minimize and mitigate those impacts when implementing irrigation development projects/programs in the sector. An environmental and social audit was also conducted to assess safeguards implementation under the ASDP1 and the capacity for implementation of safeguards in the key implementing institutions. These two documents will inform the design and implementation of the proposed project on safeguards. Further the project will prepare a resettlement policy framework (RPF) to guide any potential land acquisition that might occur. The RPF will be disclosed prior to project appraisal.

B. Borrower’s Institutional Capacity for Safeguard Policies

Experience and capacity for environmental and social management exist at the implementing agency (MoALF) augmented by the links the ministry has established with national environmental and land management authorities i.e. inclusion of Vice President’s Office (National Environment Management Council and Division of Environment) and Ministry of Lands. The implementing agency has established an Environment Management Unit at central level, which has adequate experience on environmental and social safeguard policies. Similarly, capacity exists among some of the key technical staff at Local Government Authority (LGA) level on safeguard policies, as well as application of safeguard instruments gained through training and implementation of other past and ongoing projects, especially World Bank financed operations in the agriculture sector, including: the Agricultural Development Project (ASDP1), the Accelerated Food Security Project (AFSP) and the Participatory Agricultural Development and Empowerment Project (PADEP). Nevertheless, institutional and technical capacity for environmental and social management at the district and lower levels of local government still need improvement. Capacity enhancement will continue under the proposed project.
An in-depth Environmental and Social safeguards capacity needs assessment of the implementing agencies will be conducted during project preparation to assess their capacity to plan, implement and monitor safeguards measures.

Screening for short and long-term climate change and disaster risks will be carried out during preparation, and where risks exist, appropriate resilience measures will be identified and detailed in the Project Appraisal Document.

### C. Environmental and Social Safeguards Specialists on the Team

Mary C.K. Bitekerezo, Jane A. N. Kibbassa

### D. Policies that might apply

<table>
<thead>
<tr>
<th>Safeguard Policies</th>
<th>Triggered?</th>
<th>Explanation (Optional)</th>
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</thead>
<tbody>
<tr>
<td>Environmental Assessment OP/BP 4.01</td>
<td>Yes</td>
<td>For irrigation subprojects an environmental and social assessment will be carried out to determine the likely impacts and to establish mitigation measures to address those impacts. MoAFL will screen individual subprojects to determine the extent of impacts that the identified subprojects may have on the environment. Relevant subsequent and more specific environmental and social impact assessments, including the corresponding management plans, will be undertaken per subproject.</td>
</tr>
<tr>
<td>Natural Habitats OP/BP 4.04</td>
<td>Yes</td>
<td>The envisaged expansion of irrigation investments in the Rufiji basin including, the main sub-catchments of Kilombero and Ruaha rivers potentially threaten the availability of water for the ecosystem. Abstraction of water for irrigation may reduce environmental flow in rivers and wetlands and negatively affect biodiversity. Natural habitat impacts will be addressed as part of the environmental and social impact assessments.</td>
</tr>
<tr>
<td>Forests OP/BP 4.36</td>
<td>No</td>
<td>This policy is triggered due to the possibility for increased use of agriculture inputs including pesticides supported under component 1 activities. In order to mitigate potential impacts from the use of agrochemicals, the existing IPMP for ASDP-1 and Expanding Rice Production Project (ERPP) will be reviewed and updated as necessary to address safeguards risks under the proposed project.</td>
</tr>
<tr>
<td>Pest Management OP 4.09</td>
<td>Yes</td>
<td>This policy is triggered because of anticipated activities</td>
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<tr>
<td>Physical Cultural Resources OP/BP 4.11</td>
<td>No</td>
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<tr>
<td>Indigenous Peoples OP/BP 4.10</td>
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<tr>
<td>Involuntary Resettlement OP/BP 4.12</td>
<td>Yes</td>
<td>This policy is triggered because of anticipated activities</td>
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under components 1 and 2. As a result, a resettlement policy framework (RPF) will be prepared during the appraisal stage. The RPF will guide the preparation of site specific plans where required.

<table>
<thead>
<tr>
<th>Safety of Dams OP/BP 4.37</th>
<th>Yes</th>
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</thead>
<tbody>
<tr>
<td>The Safety of Dams Policy is triggered because the project may rehabilitate or construct new water storage dams for irrigation. Any rehabilitation supported by the project will only be of small dams of less than 10m in height. Feasibility studies for storage options will recommend safety and mitigation measures for the design, construction, and operational phases.</td>
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<table>
<thead>
<tr>
<th>Projects on International Waterways OP/BP 7.50</th>
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</thead>
<tbody>
<tr>
<td>Projects in Disputed Areas OP/BP 7.60</td>
<td>No</td>
</tr>
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</table>

**E. Safeguard Preparation Plan**

Tentative target date for preparing the Appraisal Stage PID/ISDS

**Nov 18, 2016**

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

The applicable safeguards documents are expected to be ready and disclosed by November 14, 2016.

**CONTACT POINT**

**World Bank**

Wilhelmus Gerardus Janssen
Lead Agriculture Economist

**Borrower/Client/Recipient**

GOVERNMENT OF TANZANIA

Implementing Agencies
Ministry of Agriculture, Livestock and Fisheries
Florens Turuka
Permanent Secretary
turuka@yahoo.co.uk

FOR MORE INFORMATION CONTACT
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: http://www.worldbank.org/projects

APPROVAL

Task Team Leader(s): Wilhelmus Gerardus Janssen

Approved By

Practice Manager/Manager: Mark E. Cackler 24-Oct-2016
Country Director: Preeti Arora 26-Oct-2016

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