



The United Republic of Tanzania  
Agricultural Sector Lead Ministries

# Tanzania's Competitiveness in the African Continental Free Trade Area (AfCFTA): Challenges and Opportunities for the Agricultural, Livestock, and Fisheries Sectors

*A Concept Note for the 9th Annual Agricultural Policy Conference (AAPC)*

*Dodoma, April 13<sup>th</sup> – 14<sup>th</sup>, 2023*



## POLICY ANALYSIS GROUP (PAG) MEMBERS



## **The Context: 9<sup>th</sup> AAPC Theme and Sub-themes**

The global economy is struggling due to shocks associated with high inflation, tight financial conditions, and volatile energy prices. This has been brought about by the disruption of supply chains worldwide as an aftermath of the Covid-19 pandemic, the war in Ukraine, and the climate emergency. The slowdown in the global economy has weakened demand and disrupted supply, which has exerted more pressure on commodity prices, particularly in food and energy.

As part of the global economy, Tanzania is experiencing the ripple effect of the global economic snag. As growth slows down for its main trade partners, the demand and prices for its agricultural commodities and manufactured goods have decreased. At the same time, global commodity prices remain high as the dollar's value continues to strengthen. The adverse effects of climate change in Tanzania's agricultural sector have caused inflation in the country (World Bank, 2022), with a significant increase in domestic inflation since April 2022.

As the global economy slows down, the African Continental Free Trade Area Agreement (AfCFTA) presents a significant opportunity to African countries to diversify their exports, accelerate growth, and attract foreign direct investment (World Bank, 2020). African countries have historically relied on exports of agricultural commodities to generate the much-needed foreign exchange while being net importers of staple foods such as cereals, vegetable oils, dairy products, and meat. Over 80% of agricultural commodities imported by African countries are sourced from the global market. The continent has low inter-regional trade when compared to other regions. Most recent data show that the share of the continent's inter-regional trade as a percentage of total trade stands at 15% compared to 67% for intra-regional trade among European countries, 60% for Asia, and 46% for the Americas (Mold and Chowdhury, 2021).

Low levels of intra-regional trade in the continent are attributed to two major issues: The unresolved legacy of colonialism in which most African economies were linked to colonial empires; as a result, all export infrastructure in African countries facilitated export to colonial empires. Secondly, the similarity in the countries' agricultural export commodities was geared to cater to the colonial countries' markets (including oil, minerals, and traditional export crops like coffee, tea, tobacco, and cocoa). These still present an impediment for the continent to trade regionally.

However, the trade landscape has begun to change. African countries have invested in regional transport networks, including roads, railways, and airways, to facilitate regional trade. Still, commodity diversity in traditional export crops is challenging as most African countries produce and export similar commodities such as coffee, tea, cashew nut, and cocoa.

Nevertheless, there is potential for inter-regional trade among African countries, especially in food commodities, as most African countries are net importers. A World Bank report states that the continent's import bill for food is expected to grow to over USD 110 billion by 2025 (Kray, 2022). This imported food could be produced locally to create much-needed jobs and incomes for the nation.

The AfCFTA creates one of the largest single markets in the world, measured by the number of countries participating and the people involved. The pact connects 1.3 billion people across 55 countries with a combined gross domestic product (GDP) valued at USD 3.4 trillion (World Bank, 2020). Projections by the World Bank show that by 2035, the volume of total exports would increase by almost 29%, intra-regional continental exports would increase by more than 81%, and exports to non-African countries would rise by 19% (World Bank, 2020).

The AfCFTA Agreement allows Tanzania to face the current trade and economic development challenges in a manner that will significantly assist in growing the country's trade volumes and economy. Tanzania has a comparative and competitive advantage in agricultural production and intra- regional trade. Factors such as its strategic location enable easy access to ports, infrastructure, and border points that are strategic regional trade and investment channels. Tanzania's different agro-ecological zones can produce a variety of food commodities, while its stable economy and political environment are conducive to foreign investment. If utilized effectively, the country will significantly benefit from this trade Agreement. Additionally, The AfCTA has the potential to enable Tanzania's small and medium enterprises that dominate the economy to integrate into the regional and global value chains and trading systems.

There is a political will to increase production, productivity, and industrialization in the agricultural, livestock, and fisheries sectors. The Government is investing in the sector to create employment for a country dominated by 64% youth by increasing access to technology and fostering competitiveness. Presently, trade costs are high, and there is still a gap in implementing predictable policies and legislation that provide an enabling environment for investments in the agricultural sector. There is a need to align the country's regulations and policies to create an enabling environment for stakeholders to take full advantage of opportunities brought about by AfCTA.

During the 2021 United Nations Food Systems Summit (UNFSS), the president of Tanzania, Hon. Samia Suluhu Hassan, committed to innovatively transforming food systems and driving the progression toward attaining the UN's 17 Sustainable Development Goals (SDGs). To achieve this goal, the Government has increased the budget allocated to the agricultural sector four-fold, compared to the previous year. The Government continues to launch initiatives that aim to improve irrigation systems, create sustainable food systems, and create opportunities to engage the youth in the agricultural sector.

Tanzania is set to host the Africa Food Systems Forum this year, providing a vital platform for stakeholders in the agricultural sector to take practical actions towards advancing the continent's food systems agenda. The Forum aims to facilitate the sharing of lessons learned and promote collaboration in tackling key challenges, from food security to agri-food investments.

The 2023 Forum aspires to position Africa as a hub for innovation, investment, and the advancement of stronger, more diverse, and resilient food systems. By bringing together a diverse range of stakeholders, the Forum will provide a unique opportunity to share best practices, explore emerging trends, and develop strategies for addressing the pressing challenges facing the continent's food systems.

The greatest opportunity to capitalize on Africa's free continental trade is through food commodities. Thus, this year's 9th Annual Agricultural Policy Conference theme is “**Tanzania's Competitiveness in Africa's Free Continental Trade Area and its Implications for the Agricultural, Livestock, and Fisheries Sectors**”. The themes are:

- Africa Continental Free Trade Area (AfCFTA)
- Driving Inclusiveness in Tanzania's Agriculture and Food Systems
- Food Standards and Safety
- Policy Reforms: Prioritization
- Participation and the Role of the Policy Analysis Group (PAG) and Private Sector in Africa Food Systems Forum



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#### KEY POLICY QUESTIONS FOR DISCUSSION

Based on the theme and sub-themes for the 9<sup>th</sup> AAPC, the following are some of the critical questions that will be addressed during presentations and discussions:

- 1) How competitive are Tanzania's agricultural commodities and products in AfCFTA?
- 2) How can Tanzania improve the competitiveness of agricultural commodities and products to compete in AfCFTA?
- 3) How can Tanzania prioritize its investment in commodities value chains to get the highest returns when trading in AfCFTA?
- 4) What lessons could Tanzania draw from other countries within the region and from global leaders in regional trade?
- 5) What policy reforms are needed to create an enabling trading environment that can position Tanzania to take full advantage of AfCFTA?
- 6) What initiatives must be implemented or scaled up to increase Tanzania's food surplus to reach comfortable trade volumes?
- 7) What initiatives must be undertaken to kick-start Tanzania's agro-processing industries?
- 8) What policy areas are yet to be implemented to enhance the country's food production and processing competitiveness?
- 9) Is there a need for the Government to re-prioritize the agricultural value chain to take advantage of the AfCFTA?



## ABOUT PAG AND AAPC

The Annual Agricultural Policy Conference (AAPC) is organized by the Policy Analysis Group (PAG) in collaboration with the Ministry of Agriculture and Agricultural Sector Lead Ministries. The PAG is an informal (community of practice) and voluntary group comprising members working on Agricultural policy projects/initiatives, academia, and local and international policy think tanks. Established in 2013, the group has about 25 members and provides a platform for sharing information on policy research findings to enhance coordination, collaboration, and synergy. The PAG also aims to ensure consistency in policy messaging.

The AAPC brings together over 200 participants from academia, the private sector, research institutions, policy-making institutions, advocacy groups, and development practitioners from Tanzania and beyond. The Conference provides an opportunity to assess progress in implementing policy reforms under the Comprehensive Africa Agriculture Development Programme (CAADP) framework of the New Alliance on Food Security and Nutrition. In addition, the Conference discusses successes, lessons learned, identified(ies) remaining gaps, how to increase competitiveness within the alliance, and emerging issues that require attention.



*PAG members deliberating during a PAG retreat: 3rd of February, 2023.*

The Policy Analysis Group (PAG) includes the following:

- Aga Khan Foundation (AKDN)
- Agricultural Markets and Development Trust (AMDT)
- Agricultural Non-State Actors Forum (ANSAF)
- Agricultural Sector Lead Ministries (ASLMs)

- Agricultural Sector Policy and Institutional Reforms Strengthening (ASPIRES) Tanzania: (SERA BORA USAID)
- Alliance for a Green Revolution in Africa (AGRA)
- BRiTEN
- Dalberg
- Eastern Africa Grain Council (EAGC)
- Economic and Social Research Foundation (ESRF)
- Feed the Future Tanzania (USAID)
- International Fund for Agricultural Development (IFAD)
- International Food Policy Research Institute (IFPRI)
- International Livestock Research Institute (ILRI)
- Kilimo Tija (Feed the Future USAID)
- One Acre Fund (OAF)
- Prudence Zoe Glorious (PZG) Public Relations
- REPOA
- Sokoine University of Agriculture (SUA)
- Southern Agricultural Growth Corridor of Tanzania (SAGCOT)
- Tanzania Horticultural Association (TAHA)
- TAHA Fresh
- Tanzania Private Sector Foundation (TPSF)
- Trademark Africa
- Private Sector Strengthening Activity (PSSA)

Development Organizations who have been close partners to the PAG and financial contributors to the AAPC through the years include:

- AGRI-CONNECT
- Food and Agriculture Organization of the United Nations (FAO)
- Japan International Cooperation Agency (JICA)
- The World Bank
- UN Women
- UNEP
- USAID

PAG also recognizes the close collaboration of corporate organizations who have supported and financially sponsored the AAPC through the years:

- CRDB Bank
- National Microfinance Bank (NMB)

- Private Agricultural Sector Support (PASS) TRUST
- Tanzania Agricultural Development Bank (TADB)

## PREAMBLE FOR VALUE CHAIN SESSIONS

### **The Africa Continental Free Trade Area (AfCFTA)**

The African Continental Free Trade Area (AfCFTA) is the world's largest new free trade area since the World Trade Organization (WTO) was established in 1994. The AfCFTA agreement was signed in March 2018, ratified by the required number of countries in May 2019, and came into force in January 2021 (Signé, 2022).

The scope of AfCFTA is broad as it aims to increase intra-African trade through deeper trade liberalization and enhanced regulatory harmonization and coordination. Furthermore, the pact is expected to improve the competitiveness of African industries and enterprises through increased market access, the exploitation of economies of scale, and more effective resource allocation (Signé, 2022). The AfCFTA will bring together all 55 member states of the African Union, connecting more than 1.2 billion people with a combined gross domestic product (GDP) of more than USD 3.4 trillion (World Bank, 2020).

The World Bank estimates that the AfCFTA has the potential to lift 30 million Africans out of extreme poverty and boost the incomes of nearly 68 million others. Furthermore, implementing the trade area would boost Africa's revenue by USD 450 billion by 2035 and increase Africa's exports by USD 560 billion, mostly in manufacturing and agro-processing. This is a major opportunity for countries to boost growth, reduce poverty, and broaden economic inclusion.

### **Agribusiness Sector has the Highest Potential in AfCFTA**

The AfCFTA's economic benefits will primarily be centered around intra-African trade. Studies have shown that some sectors are likely to have a higher return in the AfCFTA agreement than others. Estimates by United Nations Economic Commission for Africa (UNECA) show the sector with the highest growth potential is the agribusiness sector, where it is estimated to grow by 41.1% compared to other sectors, the services sector at 39.2%, industry/manufacturing sector at 39%, and the energy / mining sector 16.1%.

The agriculture sector provides a sound ground to reach the AfCFTA's ambitions and promote the sector's growth across the continent. The single market has the potential to create a positive, more competitive business environment for agriculture, encouraging further investments and, ultimately, a modern, dynamic, productive, inclusive, resilient, and sustainable agriculture sector that can lift millions of Africans out of poverty.

Strengthening national food production capacities and linkages to regional markets will provide a solid basis for countries to boost regional trade. Policies and programs must encourage the private sector to inject new investments, add value to commodities, compete with imports, and create jobs (Haile-Gabriel, 2021).



Source: Splash.com

### **Driving Inclusiveness in Tanzania's Agriculture and Food Systems**

The Agricultural sector remains one of the largest sectors in Tanzania's economy. The sector provides 66% of all employment and contributes 26% to the country's GDP, 24% of total annual exports, and 65% of industrial raw materials. Agriculture has the largest potential to promote inclusive growth, especially for marginalized groups. To put this into perspective (when accounting for total employment in agriculture), the National Bureau of Statistics (NBS), in its 2019/20 Annual Agriculture Sample Survey, highlights that 7.8 million farming households are engaged in agricultural activities in Tanzania. And out of these, over 50% of these households produce food commodities.

Tanzania also ranks second in Africa after Ethiopia in cattle stockpiling. According to the National Sample Census of Agriculture 2019/20, Tanzania stocks 33.9 million cattle, other livestock species include 24.5 million goats, 8.5 million sheep, and 87.7 million poultry. The livestock sector employs 4.6 million households. In addition, the 2020 Economic Survey Report indicates that the livestock sector accounts for 27% of the agricultural sector's GDP, 40% of beef production, and 30% of the dairy industry. The remaining 30% is contributed by other livestock products such as eggs, hides, and skin.

Regarding the Fisheries sector, Tanzania hosts three of the world's largest lakes: Lake Victoria, Lake Tanganyika, and Lake Nyasa, and the 1,424 km coastline of the Indian Ocean. The total fish weight in the water bodies is about 2.8 million tons. The Fisheries Sector in Tanzania is comprised of capture fisheries and aquaculture value chains. The sector has been growing at an average annual rate of 1.5% and contributes 1.7% of the GDP (Ministry of Livestock and Fisheries, 2022).





*Source: Freepik.com*





*Source: Freepik.com*

The success of the AfCFTA is largely dependent on member countries' investments and trade in agricultural food commodities, specifically investment in the production, processing, and trading of food crops. This gives Tanzania a unique opportunity to promote inclusivity in economic and sector growth as a large portion of the marginalized population is engaged in food crop production. Additionally, the country has a comparative and competitive advantage in producing food crops. It has vast arable land and a diverse climatic condition ranging from temperate highlands to semi-arid central zones that can support over 80 crops and different types of livestock. Tanzania's potential in food crop production is further supported by value chain studies that have been conducted in the country, including a study by International Food Policy Research Institute (IFPRI) that revealed cereals, oilseeds, and pulses have the highest potential to contribute to poverty reduction, food security, nutrition, jobs, and sector growth.



*Source: Freepik.com*

AfCFTA's opportunity to trade in agricultural produce allows Tanzania to promote inclusiveness in its agricultural sector, food systems, and commodity value chains. It also provides an opportunity for enhanced participation of smallholder farmers, including women and youth.

Several initiatives have been launched by the Government that are geared toward strengthening the national food production capacity. They include:

- Agenda 10/30 initiative is a clarion call to transform the agricultural sector aiming at attaining an impressive 10% annual growth rate for the industry by the year 2030; one of the pillars of Agenda 10/30 is increasing the participation of young people to be self-employed in the agricultural sector
- The Building a Better Tomorrow initiative (BBT), whose main objective is to motivate and facilitate women and youth participation in agribusiness
- The Government is also transforming the livestock and fisheries sub-sectors guided by the Livestock Sector Transformation Plan 2022/27, Tanzania Livestock Modernization Initiative (2015) (which considers the sector to present attractive investment opportunities for meat production, dairy products, and leather) and the Fisheries Master Plan (2021/22–2036/37).

These Government initiatives can potentially absorb smallholder farmers, including women and youth, and micro, small, and medium-sized enterprises and connect them to the larger private sector, which dominates markets.



Increased integration of stakeholders along agricultural value chains is likely to create sustainable jobs and improve long-term agricultural productivity and, ultimately, broad-based agricultural sector growth.



**Key policy challenges for food commodities include the following:**

- Policy predictability, especially in regional food trade
- Predominance of the informal sector
- Lack of enforcement of standards – product standards, weights, and measures
- Effect of climate change on productivity

**Policy issues predominate the discussion of food commodities:**

- How can Tanzania leverage its comparative and competitive advantage in producing food crops, livestock, and fisheries (meat, dairy, poultry, hides and skins, and fisheries products)?
- How can Tanzania promote potential food crops, livestock, and fisheries value chains to take advantage of the AfCFTA market?
- What can Tanzania learn from countries that have been successful as global food exporters?
- How can Tanzania further promote inclusivity in agriculture?



*Source: Freepik.com*



## **Food Standards and Safety**

Effective food safety control is crucial to trade facilitation. Safe and nutritious food reduces the impact of food-borne diseases, which cause many illnesses and deaths and deteriorate human and economic development. To achieve optimal human health and well-being, people must be well-nourished and free from food-borne diseases. United Nations Food and Agriculture Organization (FAO) defines food safety as "the absence or safe, acceptable levels of hazards in food that may harm consumers' health." Food-borne hazards are invisible biological, chemical, or physical elements that adversely affect food quality. Food hazards include bacteria, viruses, parasites, and pesticide residues. The FAO declares that food safety is vital in ensuring food stays safe from production to harvest, processing, storage, distribution, and consumption.

The World Health Organization (WHO) estimates that one out of ten people falls ill from consuming contaminated food, and Africa bears the most burden. Approximately 92 million people fall ill from consuming contaminated foods, resulting in 137,000 deaths yearly in Africa (WHO, 2015). The impact of food safety risks is not only limited to the population's health but also tends to affect the agricultural sector's competitiveness, affecting efforts at promoting trade in agricultural commodities. Thus, investments in adequate food safety and quality control systems are critical to successfully implementing intra-regional trade. Also, the extent to which African countries can benefit fully from concessions and a liberal trade environment depends on how well they fulfill the sanitary rules for international trade in animal and animal products established by the World Organization for Animal Health -WOAH. This is a time when demand for livestock products is expected to increase by 100% by the mid-21st century (Garnett, 2009).

Initiatives are underway to improve food safety for the region to optimize national food and nutrition security strategies, promote economic development, and increase intra-regional trade. Accessing safe food is essential to ensure consumers can access the nutritional benefits of their food. The African Union (AU) has put forth initiatives such as the Africa Food Safety Initiative (AFSI) to attain the capacity to meet international agricultural trade standards to establish an African Food Safety Agency and coordinate food safety across the continent. These efforts are expected to promote investment in infrastructure, including food safety laboratories, to contribute to improvements in food safety standards necessary for implementing the AfCFTA (Covic, 2020).

Tanzania has been integrated into international markets as it trades with other regions. Hence, it has had to comply with related standards for trading agricultural commodities such as GlobalGAP (Asfaw, 2009). However, the same cannot be said for implementing food and safety standards related to regional and domestic markets. Despite several Tanzania laws and acts defining and shaping food safety, most agricultural commodities produced and consumed in these markets have gone through without inspection. Several governmental bodies, including the Ministry of Health, oversee food safety standards in the country.

Furthermore, only two agencies, the Tanzania Food and Drugs Authority (TFDA) and the Tanzania Bureau of Standards (TBS), are particularly involved in regulating food safety. Among other duties, such as providing food control guidelines and import/export permits, these two agencies perform inspections and registrations of food items and premises. Still, these institutions have mainly focused on processed and semi-processed products, not raw produce. Training, management practices, and availability of resources are likely among the limiting factors currently affecting food safety (Kashoma et al. 2018), especially for raw produce.

In the fisheries sub-sector, the Nile Perch provides a 'white flesh readily fillet' and in good demand meat option in international markets. Ten processing plants in Tanzania are authorized for international exports of Nile Perch

(compared to fourteen in Uganda and four in Kenya), all are situated in the region of Lake Victoria. In addition, four establishments are authorized to export marine products (based in Dar es Salaam, Mafia, and Tanga).

These establishments are operated to international standards, including Hazard Analysis and Critical Control Points (HACCP), and comply with European Union (EU) hygiene rules. In addition to complying with EU hygiene requirements, many establishments are certified to ISO 22000 BRC and other globally accredited food safety and hygiene standards. Although the sanitary conditions for fish export are primarily well regulated (at least for consignments to international markets), the domestic and regional trade in fishery products have hardly any adequate food safety controls. Handling and quality management practices leave much to be desired. As a result, post-harvest losses are high, and contamination with harmful hazards cannot be ruled out (Ministry of Livestock and Fisheries, 2019). Also, there are shortages of modern slaughter capacity in the livestock sector, with many of the existing facilities representing a health risk in the livestock sector.

Food safety in Tanzania, especially for raw agricultural products in domestic and regional markets, is still in its infancy in scope and practice. If Tanzania is to take advantage of trade in AfCFTA, it needs to re-think its strategy to improve the implementation of food safety standards in its domestic and regional markets to the same level as it does for international produce.

**Essential policy challenges concerning food standards and safety include the following:**

- Available capacity to enforce food safety standards
- Lack of policy structure to allow private sector investment in food safety
- Limited standards for food commodities in the domestic and regional markets
- Inefficient market structures to support regional and domestic food safety development

**Policy issues predominating discussions concerning food standards and safety:**

- How can Tanzania enforce food standards to improve food safety for its domestic and regional markets?
- How can Tanzania ensure that food handling, storage, and food preparation are correctly done to prevent infection and ensure that nutrients are well preserved for a healthy diet?
- What lessons can Tanzania learn from compliance with the food standards of its export produce?
- What measures can Tanzania take to incentivize producers, processors, and traders to adhere to food safety standards for food commodities?
- How can the country ensure that safe and nutritious food is available in all food services (retail and homegrown) to provide consumers with a broad and healthier choice of diversified foods required to meet nutritional needs?
- How can Tanzania consumers influence food safety standards in the country?
- How are policies affecting productivity and sanitary issues including livestock and fisheries products?



*Source: Ministry of Agriculture (MoA)*

### **Policy Reforms: Prioritization**

The Tanzanian Government is committed to transforming the agricultural sector, as evidenced by programs, strategies, and initiatives, including the current Agenda 10/30 initiative. The initiative aims to achieve more than 10% growth for the agriculture sector by 2030. Additionally, Agenda 10/30 intends to ensure food security and increased production to cater to domestic demand and export, increasing the value of export of agricultural produce from 1.2 billion US dollars to more than 5 billion US dollars by 2030.

As envisioned by the Government, a productive agricultural sector requires extensive and sustainable research, reliable agriculture inputs, extension services, suitable infrastructure, financing, and effective public-private partnership. Understanding this, the Government has taken steps to increase public spending in the sector and to implement policy reforms that create an enabling environment for the sector. The agricultural sector has received a boost in its budget with an increase of 200% from TZS 300 billion in 2021/22 to TZS 951 billion in 2022/23, with the primary objective of increasing sector productivity. A significant portion of the budget has been set aside for developing irrigation infrastructure and storage facilities, improving market access, enhancing agricultural research, seed production, and fertilizer subsidy provision. Similarly, the Ministry of Livestock and Fisheries

budget has been increased by TZS 100 billion, from TZS 168.3 to TZS 268.3 billion, encouraging more investment in agro-processing facilities for meat and its products (Ministry of Agriculture, 2022).

The new Government commitment has accelerated the pace of policy reforms, especially in recent years, committing to over 50 broad reforms (over 200 detailed reforms). There have been more reforms to protect the domestic industry through increased tariffs than to enhance the agricultural sector's competitiveness. The Ministry of Finance has implemented commendable fiscal reforms, but challenges remain in regulatory reforms under sector ministries. From the value chain perspective, policy reforms have varied by the kind of policies and potential impact. The reforms have targeted more traditional exports and import substitutes (for crops and livestock) with limited attention to food and non-traditional crops.

Through the Ministry of Livestock and Fisheries, The Government is embarking on transforming the Livestock and Fisheries sectors by increasing the Ministry of Livestock and Fisheries budget by 100 billion TZS from 168.3 billion TZS to 268.3 billion TZS. Out of the increased amount, 40 billion TZS allocated for the Livestock Sector and 60 billion TZS for the Fisheries Sector. Cumulatively, 92.1 billion TZS allocated to the Livestock Sector, and 176.2 billion TZS to the Fisheries Sector (Ministry of Livestock and Fisheries, 2022). Also, more than 50 reforms have been effected since 2019.

Noted achievements in the Livestock and Fisheries sector include:

1. The review of the Livestock Policy of 2006
2. The Fisheries Policy of 2015
3. The Fisheries Act
4. Imposition of an export levy on fish exports
5. Exempt Value Added Tax on Automatic Turning Table for the Lessor Machines (Ear tag supporting table) as a measure to enhance identification, registration, and traceability of livestock in the country
6. Exempt Value Added Tax on the Stunning Box and Skinning & Dehiding pulling machines to improve the quality of hides and skins and better quality of meat for domestic consumption and exports. The measures will also ensure the availability of sufficient and sustainable raw materials for local industries.

For Tanzania to take advantage of opportunities under the AfCFTA, it is crucial to start paying attention to policies that create an enabling environment for investments in the production, processing, and trading of food commodities. These commodity crops, livestock, and fisheries are forecasted to be the lifeline in the intra-regional trade under the AfCFTA pact.





*Source: ASPIRES Image, National Kongwa Ranch*

**Key policy challenges for policy reforms prioritization:**

- Policy predictability in regional food trade
- Harmonization of regional trade policies with other African countries
- Protection of domestic industry without compromising regional trade

**Policy issues predominating discussions concerning policy reforms prioritization:**

- What policy reforms are crucial for enabling Tanzania's participation and benefit in the AfCFTA?
- What value chain-specific policies need to be expedited to enable the growth of food commodities?



*Tanzanian Minister of Agriculture, Hon. Hussein Bashe (MP), at Parliament in Dodoma, Tanzania*

### **Participation and the Role of PAG and Private Sector in Africa Food Systems Forum**

The AGRF, Africa's Food Systems Forum, is the premier platform for advancing the continent's agriculture and food systems agenda, from food security to agri-food investments. The annual Summit convenes leaders, policymakers, scientists, heads of governments and private institutions, farmers, livestock and fisheries stakeholders, and the youth in the agriculture and food systems landscape to discuss and agree on practical actions and solutions that drive Africa's food security and better livelihoods for all.

The 2023 Summit will showcase Africa's solutions to Africa's food systems transformation while highlighting leadership, accountability, inclusion, and investment opportunities in Africa in general and in Tanzania in particular (Alliance for a Green Revolution in Africa (AGRF), 2023).

This opportunity to host the 2023 AGRF, Africa's Food Systems Forum comes at an integral time when Tanzania is re-inventing its agricultural sector to be the driver of economic growth. Government initiatives are in play to position Tanzania as the regional food basket and an agro-industrialization leader. With the ongoing transformation within Tanzania's agricultural sector, the Forum presents an opportunity for domestic entrepreneurs in the agricultural and agribusiness sectors to connect with a larger private sector and position Tanzania as a key player in the regional and international agricultural markets. This presents an opportunity for the domestic sector to access finance and unlock market entry solutions to grow their businesses and ultimately further transform the country's agricultural sector.

The Policy Analysis Group (PAG) has a crucial role in providing technical support during preparations for the Forum by channeling its members' extensive experiences and research-proven information to shape the agenda and thematic areas to be presented to foster meaningful discussions. Also, as a champion of private sector

engagement, the PAG has a role in supporting and encouraging private sector participation during the Forum and ongoing engagements in the AGRF deal rooms.

### Issues predominating the discussion concerning AGRF, Africa Food Systems Forum:

- How is Tanzania positioned to benefit from the AGRF summit?
- Are Tanzania's agricultural stakeholders aware of the opportunities brought about by the AGRF summit?
- Does Tanzania's private sector have the capacity to engage in AGRF deal rooms?
- What is the role of the private sector in the AGRF summit?
- What is the role of fora like PAG to ensure Tanzania benefits from the AGRF summit?



## PARTICIPANTS

The **two-day Conference (April 13<sup>th</sup> and 14<sup>th</sup>)** will bring together **120** stakeholders from the agricultural and nutrition-sensitive sectors. These include representatives from the following entities:

- Agricultural Sector Lead Ministries
- Development partners
- Farmers and agribusiness associations
- Members of the Parliamentary Committee on Agriculture Livestock and Water
- NGOs engaged in agricultural development
- Nutrition-specific and nutrition-sensitive sectors/ organizations
- Private sector
- Regulatory authorities in agriculture
- Research and training institutions

## THE APPROACH

The AAPC continues to intensify its regional and international character. This year, the Conference will be down-scaled in light of the upcoming Africa's Food Systems Forum (AGRF). Physical attendance at the 9th AAPC will be limited to **120 people**, with virtual participation encouraged to enable wider engagement.

This will be the third time in a row that the AAPC will implement a blended approach, combining physical and virtual attendance. This format has proved successful in motivating buy-in from the donor community and increasing participation in the conference.

The Conference will implement a "Davos" style, in which thematic papers are presented, followed by panel discussions, and followed by discussions and interaction of participants.

The Conference will take place at the **Dodoma Hotel, Dodoma**.

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