

**PROJECT INFORMATION DOCUMENT (PID)  
APPRAISAL STAGE**

Report No.: PIDA3676

<b>Project Name</b>	Tanzania: Expanding Rice Production (P144497)
<b>Region</b>	AFRICA
<b>Country</b>	Tanzania
<b>Sector(s)</b>	Crops (51%), Irrigation and drainage (31%), Public administration-Agriculture, fishing and forestry (13%), Agricultural extension and research (5%)
<b>Theme(s)</b>	Rural services and infrastructure (83%), Rural markets (17%)
<b>Lending Instrument</b>	Specific Investment Loan
<b>Project ID</b>	P144497
<b>Borrower(s)</b>	MINISTRY OF FINANCE
<b>Implementing Agency</b>	Ministry of Agriculture, Food Security and Cooperatives, Ministry of Agriculture and Natural Resources - Zanzibar
<b>Environmental Category</b>	B-Partial Assessment
<b>Date PID Prepared/Updated</b>	25-Nov-2014
<b>Date PID Approved/Disclosed</b>	30-Nov-2014
<b>Estimated Date of Appraisal Completion</b>	27-Oct-2014
<b>Estimated Date of First Grant Approval</b>	19-Feb-2015
<b>Decision</b>	

**I. Project Context**

**Country Context**

Tanzania has been experiencing high rates of economic growth driven by economic liberalization, sound macroeconomic policy management, and expanding public sector spending. Growth accelerated from an average of 3.5 percent per year during the 1990s to around 7 percent over the past decade. Fiscal policy has been largely prudent accompanied by strong growth in tax revenues.

Despite this impressive macro-fiscal performance, poverty has declined only slowly. The basic needs poverty level in Tanzania Mainland has fallen from 35.6 percent in 2000/01 to 28.2 percent in 2012. Poverty in rural areas, where 75 percent of the population resides, has declined from 38.7 percent to 33.3 percent. The main beneficiaries of the country's economic growth have been concentrated in urban areas, and in capital-intensive sectors, such as mining, communication, construction, and banking. Agricultural growth, so essential to the reduction of rural poverty, has been slower. While the agricultural sector employs about 75 percent of the labor force, the sector contributes only 25 percent of Tanzania's GDP.

## **Sectoral and institutional Context**

Tanzania aims to accelerate growth in the agricultural sector to a six percent average annual rate, in line with the objectives of the Comprehensive Africa Agriculture Development Program (CAADP). Tanzania's main challenge is to increase agricultural productivity. Most of the recent growth in the agricultural sector has been derived from expanding crop area, and animal numbers, associated with rising rural populations. Smallholder crop yields remain only 20 to 30 percent of their potential, and adoption of improved agricultural technologies has generally lagged. National statistics highlight little growth in the yields of basic staples over the past twenty years. These challenges are particularly evident in the nation's rice subsector.

The prospects for addressing the low productivity challenges in the rice sector are favorable. Tanzania has released thirteen new rice varieties during the past ten years. Yet fewer than 15 percent of paddy farmers are believed to be growing modern varieties, and a much smaller proportion of farmers have seen more than one of these varieties. Research and extension trials have confirmed the value of fertilizer, row planting, and water saving technologies broadly categorized under the rubric of the System of Rice Intensification (SRI). Yet less than one percent of farmers growing paddy have been exposed to these management practices. Improvements in water use efficiency are particularly important given the nation's growing competition for limited water resources, and the fact that 70 percent of formal irrigation schemes only have enough water to grow one crop a year. Evidence from on-farm research and extension trials suggests that with improved technology packages, smallholder farmers can achieve yields of up to 8 tons per hectare. If water can be used efficiently, a growing number of irrigation schemes can produce a second crop.

The proposed Tanzania Expanding Rice Production Project will be implemented both in the Mainland Tanzania and Zanzibar and support: i) the sustainable production and delivery of improved rice seed, ii) improving rice productivity through better irrigation and crop management, and iii) innovative rice crop marketing strategies. These activities are envisaged to translate into improved farmer's incomes and food security.

## **II. Proposed Development Objectives**

To increase the productivity and production of rice among smallholders in targeted areas of Morogoro and Zanzibar

## **III. Project Description**

### **Component Name**

1. Sustainable seed systems

### **Comments (optional)**

The objective of this component is to enhance the adoption and sustained use of improved rice varieties that have been released by the research system. The component will support: (i) introduction of new rice varieties to smallholder farmers; (ii) sustainable production and delivery of preferred varieties; and, (iii) strengthening seed quality control.

### **Component Name**

2. Improving crop productivity through better irrigation and crop management

### **Comments (optional)**

This component aims to improve smallholder rice productivity through support to irrigation and adoption of improved agronomic practices. The project will expand and/or rehabilitate infrastructure

at selected irrigation schemes in the mainland and in Zanzibar so as improve water use efficiency in the schemes. The project will also support on-farm demonstrations and a temporally input subsidy program to promote adoption of improved production practices.

**Component Name**

3. Innovative marketing strategies

**Comments (optional)**

The main objective of this component is to increase the quantity of rice marketed by strengthening access to markets and improving price incentives at the farmgate. The project will improve market efficiency through two major activities: (i) provision of marketing infrastructure and (ii) strengthening of market linkages.

**Component Name**

4. Project management and coordination

**Comments (optional)**

The objective of this component is to facilitate efficient implementation of project activities and tracking of results. The component will finance the operational costs of the implementing agencies: Ministry of Agriculture Food Security and Cooperatives (MAFC) for Tanzania Mainland and Ministry of Agriculture and Natural Resources (MANR) in Zanzibar including, procurement, monitoring, reporting and evaluation of activities under the project. It also finances baseline and impact assessment studies.

**IV. Financing (in USD Million)**

Total Project Cost:	22.90	Total Bank Financing:	0.00
Financing Gap:	0.00		
<b>For Loans/Credits/Others</b>			<b>Amount</b>
Borrower			0.00
Global Agriculture and Food Security Program			22.90
Total			22.90

**V. Implementation**

The project will be implemented through the MAFC in the Tanzania Mainland, and the MANR in Zanzibar. In the Mainland, project implementation will be led by a coordination team seconded from within government although day to day responsibility for implementing the various components of the project will remain with the relevant departments of the Ministry. At the local level, project implementation will be guided by Local Government Authorities (LGA) working through the District Agricultural Offices. Implementation in Zanzibar will be similarly let by a designated coordinator, backed by an identified team of experts all seconded to the project by the Ministry. Ministry procurement, financial management and monitoring and evaluation systems will be used, with support from supplementary technical assistance as required.

The project will be overseen by two technical steering committees, one for Mainland Tanzania and one for Zanzibar. These will be linked with a Joint Steering Committee encompassing the Permanent Secretaries of MAFC and PMO-RALG in Mainland, and MANR and President's Office (Regional Administration) for Zanzibar.

## VI. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	x	
Natural Habitats OP/BP 4.04	x	
Forests OP/BP 4.36		x
Pest Management OP 4.09	x	
Physical Cultural Resources OP/BP 4.11		x
Indigenous Peoples OP/BP 4.10		x
Involuntary Resettlement OP/BP 4.12	x	
Safety of Dams OP/BP 4.37		x
Projects on International Waterways OP/BP 7.50		x
Projects in Disputed Areas OP/BP 7.60		x

### Comments (optional)

## VII. Contact point

### World Bank

Contact: Abel Lufafa  
 Title: Sr Agricultural Spec.  
 Tel: 473-5748  
 Email: alufafa@worldbank.org

### Borrower/Client/Recipient

Name: MINISTRY OF FINANCE  
 Contact:  
 Title: Minister for Finance  
 Tel: 2552111174  
 Email:

### Implementing Agencies

Name: Ministry of Agriculture, Food Security and Cooperatives  
 Contact: Ms. Sophia Kaduma  
 Title: Permanent Secretary  
 Tel: 255 (22) 2862064  
 Email: psk@kilimo.go.tz

Name: Ministry of Agriculture and Natural Resources - Zanzibar  
 Contact: Juma A. Juma  
 Title: Principal Secretary  
 Tel: 255777-420186  
 Email: j\_alsaady@yahoo.com

**VIII. For more information contact:**

The InfoShop  
The World Bank  
1818 H Street, NW  
Washington, D.C. 20433  
Telephone: (202) 458-4500  
Fax: (202) 522-1500  
Web: <http://www.worldbank.org/infoshop>