

Edible oil seeds value chain development programme 2007-2015.



Result Report 2010

SNV Tanzania

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Table of Contents

Acronyms	Error! Bookmark not defined.
1. Context Analysis, Intervention Logic and Actor Constellation Map	4
1.1. Context – key issues in edible oil value chains	4
1.2 Actor Constellation.....	6
1.2 Actor Constellation.....	6
1.2.1 Actor constellation: clients	6
1.2.2 Partners	7
1.3.3. Local Capacity Builders (LCBs)	8
1.3 Theory of Change / Intervention logic	11
2. Timeline	18
3. Results Table	22
4. Narrative of the results	23
4.1 Alliance of Actors	23
4.2 Alliance of enterprises	23
4.3 Developing knowledge, legal and institutional framework for contract farming:	24
5. Overview table of uploaded documents	26
Overview of the uploaded documents is presented in Annex 6.List of references	26
List of references	27

List of Tables

Table 1. Overview of collaborating partners and their role in the Edible Oilseeds Programme	8
Table 2. Local Capacity Builders and Assignments overview.....	9
Table 3. Events, Breakthroughs and SNV adaptation in the intervention.....	20
Table 4. Overview of clients in Edible Oil Seeds and PPD investments over time.....	21
Table 5. External Evidence of SNV contribution to Sunflower Value Chain Development Programme in Tanzania.....	24

Figures

Figure 1. SNV Tanzania Edible Oilseeds VCD Result Chain Logic 2008.....	12
Figure 2. SNV Tanzania Edible Oilseeds Intervention Logic 2010.....	13
Figure 3. Value Chain Development Institutional Perspective Model	14

Acronymes

ARI:	Agricultural Research Institute
CEZOSOPA:	Central Zone Sunflower Processors' Association
DIFD:	Department for International Development
FAO:	Food and agricultural Organisation
PIE:	Production Income and Employment
NGOs:	Non Government Organizations
EPPM:	Effective Public Policy Management
FLO:	Fair trade Labelling Organisation
GDP:	Gross Domestic Production
LCBs:	Local Capacity Builders
LGAs :	Local Government Authorities
MAI:	Manyara' Agricultural Initiative
MAFC:	Ministry of Agricultural and Cooperatives
MAMCU:	Masasi and Mtwara Cooperative Union
MITM:	Ministry of Industries, Trade and Marketing
MKUKUTA:	Mkakati wa Kukuza Uchumi na Kupunguza Umasikini Tanzania
MoU:	Memorandum of Understanding
MSPs :	Multi-stakeholders Processes
MVIWATA:	Mtandao wa Wakulima Tanzania
RAS:	Regional Administrative Secretary
RLDC:	Rural livelihood Development Company
ROSDO:	Rural Oriented Sustainable Development Organization
SACCOS:	Saving and Credit Cooperative Society
SARI:	Serian Agricultural Research Institution
SNV :	Netherlands development Organisation
SIDO:	Small Industry Development Organization
SEDA:	Small Enterprise Development Agency
SSI:	Southern Sesame Initiative
TEOSA:	Tanzania Edible Oilseeds Association
TCCIA:	Tanzania Chamber of Commerce Industry and Agricultural
SUA:	Sokoine University of Agriculture
TBS:	Tanzania Bureau of Standard
TFDA:	Tanzania Food and Drugs Administration
UMAMBE:	Umoja wa Wasindikaji Wa Mbegu za Mafuta Manyara
VCD:	Value Chain Development

1. Context Analysis, Intervention Logic and Actor Constellation Map

1.1. Context – Key issues in Edible Oilseeds

Tanzania's economy heavily depends on agriculture, which accounts for 45% of gross domestic product, 80 % of employment and 30% of the nation's foreign exchange earnings (NSGRP I and II). Agriculture therefore is at the heart of the fight against poverty. The National Strategy for Growth and Reduction of Poverty (NSGRP I and II) targets rural areas where about 87% of the 40 million Tanzanians live. Thus, agriculture is a key sector both in terms of economic value, as well as looking at the demography of the country. However, the sector is still underdeveloped due to a number of factors which include weakly developed private sector development and heavy government control in business and the economy as a whole ("socialist heritage") – whereas government investment in agriculture has been inadequate. As a result, over the past thirty years, Tanzania's agriculture has largely remained at subsistence level. Agriculture exports have remained stagnant for the past twenty years. However, the business climate is slowly improving, and the government of Tanzania started to prioritize efforts to uplift agriculture, opening up to private sector led transformation – as laid down in the Tanzania Development Vision 2025, and the Agriculture Sector Development Strategy (ASDS). A home-grown government initiative such as Kilimo Kwanza (2010), coordinated by the Tanzania National Business Council, aims at stimulating a private sector-led Tanzanian Green Revolution, and market –driven agricultural growth.

SNV positioning in the agriculture sector is informed by and aligned with the Government of Tanzania Development Vision 2025, the Kilimo Kwanza initiative, the ASDS¹ and National Strategy for Growth and Reduction of Poverty (NSRGP 1, 2005-2010; NSGRP II). The NSGRP I and II welcome initiatives that add value to agricultural products in order to accelerate GDP growth rate, reduce unemployment and promote private sector investment.

In 2005, SNV conducted a secondary data analysis in agriculture on the basis of which seven subsectors were shortlisted as potential for SNV intervention. Consultation among 111 organisations from public and private sectors, resulted in the final selection of those commodities, which met the criteria of having a large outreach (number of households engaged in production), potential for increased income and employment and in which SNVs capacity development services can create impact. These identified subsectors were: horticulture, cattle and edible oil seeds (sunflower and sesame).

Subsequently, SNV undertook a sunflower and sesame sub-sector analysis in order to get more in-depth understanding of key production and marketing constraints (MMA, 2005).

About 4 million smallholder farmers are engaged in edible oilseed production, especially sunflower and sesame (URT, 2009). Traditionally, sunflower and sesame are women's and poor man's subsistence crops, with small yields between 135 and 225 kg per acre. Oilseeds are grown in the semi arid areas of the Central zone (Dodoma, Singida, Manyara) and the Southern coast (Lindi and Mtwara regions). These areas receive low and/or poorly distributed rainfall which affects the production of grains such as maize and rice. These areas are among the poorest of the country and classified as chronically food deficient (USAID, 2011). Edible oils, especially sunflower and sesame, constitute a major alternative income earner for

¹ Agricultural sector development strategy.

farmers in these zones, yet these commodities have not attracted adequate attention from (local) government. The supply of sunflower seeds is far below the domestic demand.

Key constraints in oilseeds (sunflower and sesame).

Edible oilseeds value chain analyses² have revealed systemic challenges that constrain the production as well as the market performance of edible oil seeds. These were analysed and as categorised as *institutional* and *functional* issues.

Institutional issues

Domestic policies result in market distorting price setting and taxation that make local edible oil less competitive in comparison to imported palm oil. In addition, local governments set low prices for domestic oilseeds, while external market signals (prices) are not accessible for domestic farmers. This in-turn is discouraging oilseed production, let alone uptake of and investment in innovation such as improved seeds.

At the same time, there is uncoordinated, limited industry voice to influence both the domestic policy and the market situation.

There is weak organisation among edible oil enterprises which affects their influence e.g. on policy and other aspects of enabling business environment.

Agriculture Marketing Cooperatives (AMCOs) which are meant to represent the interests of farmers, are co-opted by government (regional business councils) while producers and processors are poorly organised, which limits their access to (market and policy) information, access to inputs, and bargaining power.

Functional issues

Production and productivity levels are low. Agro-dealers' and extension services are not adequately addressing sunflower and sesame production (low quality seeds), nor market needs – consequently, farmers focus on seed *colour* and not on seed oil content, which limits farmers' capacity to negotiate for better price. Producers and processors lack the business skills, knowledge and access to alternative financing facilities to grow their businesses to scale.

The above mentioned key issues are the main obstacles to unleash the identified potential of the edible oil seeds subsector. It was concluded that SNV's core business on capacity development and experiences in value chain development support could play an instrumental role in addressing most of the key constraints. SNV has longstanding experiences with and is respected by government of Tanzania as well as private sector actors and civil society organisations and is thus well positioned to facilitate processes to bring key stakeholders in the sector together to jointly analyse and address identified constraints.

In addition, as edible oil seeds had been selected as a subsector in most East and Southern Africa countries, SNV could also connect Tanzanian actors in the sector to experiences and actors in other parts of the region.

² MMA (2005), ESRF (2007 and 2008), Ugulumu, 2007, SNV (2009), LIMAS (2009) and Bennet (2010)

1.2 Actor Constellation

1.2.1 Actor constellation: clients

In the early sub-sector analysis, three main categories of actors in the edible oilseeds were distinguished: government, producers and processors. As mentioned before, the key areas for sesame and sunflower production are Central zone and Southern Coast regions. In terms of (local) government playing a role in these oilseeds the following key actors are identified:

- Regional Agriculture officers, providing advisory services to the districts;
- District Agricultural and Livestock Development Departments in the Local government authorities (district councils), coordinating support services and inputs to farmers. Within these departments, district extension officers, responsible for the provision of extension services to farmers;
- District Planning officer responsible for coordinating district development plans, budget allocation as well as coordinating revenue from agriculture and other economic sectors;
- Councillors, who have overseeing responsibility regarding agriculture development plans and represent the interests of citizens in resource allocation to support the subsector.

At the producer level, farmers were loosely organised. In the Southern Coast region, agricultural marketing cooperatives (AMCOs) existed for sesame producers. Sunflower producers do not have such organisational basis, and are basically operating at an individual level. At regional level, AMCOs organized in cooperative unions.

There are numerous small and medium processing units for sunflower. These used to be highly uncoordinated. The sesame processors are very few in numbers, medium size, and operate in uncoordinated way making them difficult to collectively tackle matters affecting their business. All processors buy the raw produce from farmers through hawkers, local middlemen who roam around the area during harvest time. Processors sell oil - mostly unrefined - locally.

What follows is a description of what SNV has done with clients. Following the 2005 multistakeholder consultation, actors in oilseeds production and processing in the Central Corridor (Dodoma and Singida regions) asked SNV to facilitate the establishment of an edible oilseeds forum. Late 2006 the Oilseeds Multistakeholder Forum (OMSF) was established, based in Dodoma. The forum had eleven members i.e. farmers, processors, NGOs and public sector - mainly regional agriculture officers, representing over one million producers and 200 small and medium processors. The aim of this forum was to identify constraints and opportunities for improvement of the sub sector (Kilima et al, 2009). In addition, the forum enabled producers and processors to influence policy for the benefit of the industry. The OMSF was subsequently supported by the Rural Livelihoods Development Company (RLDC) and Concern Worldwide in a strategic reflection dialogue. As a result of the dialogue OMSF selected sunflower as a priority crop in the Central Corridor. SNV continued its support to OMSF throughout 2007, thereby using this platform to concretise key actors to actively engage with.

In the OMSF reflection dialogue, the need was emphasized for processors to join efforts in improving their position. This resulted in the creation of the Central Zone Sunflower Processing Association (CEZOSOPA), as an off-shoot of OMSF.

CEZOSOPA was registered as an association of twelve sunflower processors, formed for the purpose of increasing coordination in addressing unsound edible oilseeds regulatory policies. The CEZOSOPA now comprises of fifteen processors buying sunflower seeds from 15,000 sunflower producers in the corridor (client selection document, 2008).

The OMSF members also proposed for expanding the forum drawing members from other parts of the country. As a result SNV has facilitated four multi-stakeholders processes that led to the establishment of Tanzania Edible Oilseeds Association (TEOSA) as an intermediary organization. TEOSA has forty active founding members from public, private sector and CSOs, representing almost 80,000 households actively involved in sunflower and sesame value chain development. The forum provides a foundation for increasing industry voice to persuade domestic policy for its members to proactively address the market situation in the country. TEOSA was actually the formalisation of OMSF (which was a platform in the Central Corridor). The overall objective of TEOSA was to increase the competitiveness of local oilseeds/oil on the domestic and regional (East African) markets.

Following the example of the Central corridor developments, producers and processors established their respective associations in Manyara region. Farmers formalised their association as the Manyara Agricultural Initiative (MAI). Processors came together in *Umoja wa Wasindikaji Wa Mbegu za Mafuta Manyara* (Association of Edible Oil Processors in Manyara – UMAMBE). Linkages were facilitated between processors associations such as UMAMBE, Mount Meru Millers and 20,000 sunflower producers. These multi-actor initiatives have resulted into the establishment of the Tanzania Edible Oilseeds Association benefiting over 80,000 households.

In 2009, the Fair Trade Labeling Organization (FLO) and SNV joined efforts to foster organically grown sesame. At that time, SNV was planning to replicate the sunflower experience in Central Zone into the sesame value-chain in the Southeastern regions (Lindi, Mtwara). This resulted in the engagement with Masasi and Mtwara Cooperative Union (MAMCU), Ilulu Cooperative Union, and eleven AMCOs in the two regions (currently SNV is engaged with seventeen AMCOs).

During the same period, SNV was invited by Singida Municipal Council to support the region in the strategic development of the sunflower value chain (Kitimbo, 2009) – thereby engaging with CEZOSOPA, through one of their members, Songela Investment Company. Songela Investment took up the role of an LCB, and has developed into a fully-fledged service provider in sunflower contract farming, connecting 2,500 farmers to seven processors (Songela, 2010).

In 2010, VECO-Tanzania (Belgian NGO) and SNV started to collaborate in sunflower value chain development in Chunya district (Mbeya Region). This collaborative venture focused on developing and strengthening the capacity of Commercial Farmer Groups; eventually, 55 groups were established representing 2,500 farmers. A local capacity builder, PHEDEA, is collaborating with SNV to support the production and market linkages of these farmers groups. In 2010, SNV's outreach in sunflower value-chain development expanded geographically with the collaboration with the IFAD funded MUVI programme in Iringa region. The SNV-MUVI partnership contributed to the currently on-going establishment of the Iringa TEOSA regional chapter.

1.2.2 Partners

Given the level of constraints and issues identified, SNV actively engaged with partners and Local Capacity Builders. An overview of the main partners and their role in oilseed value chain development is given table 1 below.

Table 1: Overview of collaborating partners and their role in the Edible Oilseeds Programme

Name of Partner	Strategic relevance	Relationship with SNV	Influence	Interest
Round Table Africa	Research and information dissemination on sunflower and sesame issues.	RTA and SNV collaboratively funded the publication of the sunflower and sesame good agronomic practices.	High	High
FAO	Collaborating in the design of up-scaling sunflower value chain development in the SACGOT regions in line with the Southern Highlands Food System Project.	FAO has agreed to provide funding to SNV to expand the Central Corridor experiences and knowledge to the SACGOT regions.	High	High
NARI-Naliendele	Conduct research on quality sesame seeds and agronomic practices.	Brought in technical knowledge on white sesame seeds rich in oil content and high yielding.	low	High
BEST-AC	Funding to civil society organisation engaged in business policy dialogue.	BEST-AC has provided funding to TEOSA through RTA for researching sunflower as part of evidence based advocacy.	High	High
VECO-Tanzania	Collaborating in developing sunflower Commercial Farmer Groups in Chunya District	Joint facilitation of Multi-stakeholder meetings in 2010. Bilateral strategy reflections.	Low	High
ANSAF	Forum where members share experiences and information on matters related to agriculture development.	SNV is an active member. Reflection on Value Chain Development in Sunflower in 2010.	High	High
MUVI Programme	Implementing sunflower value chain development in Iringa and Njombe.	Joint sunflower value-chain development in Iringa; regional TEOSA branch (alliance of actors); establish alliance of enterprises (CEZOSOPA model).	High	High
FLO	Developing knowledge on fair trade arrangements	Jointly facilitating sesame producers in Lindi and Mtwara to produce organically certified sesame.	High	High
STOAS/RLDC/LVI A	Collaborative sharing of information and experiences to enrich one another on issues of edible oilseeds	Jointly developing Knowledge and institutional framework for contract farming.	Low	High
Act	Collaborate in developing capacity of advisors on how to apply Outcome Mapping as a tool for tracking progress in systems approach.	ACT has also agreed to provide funding to support what we do in sesame value chain development in the southern regions.	High	High
IFAD	Knowledge development in multi-stakeholder facilitation	Funding initiatives related to Strengthening Capacity for Enhanced Market Access and Knowledge Management (SCAPEMA)	High	High

1.3.3. Local Capacity Builders (LCBs)

In 2009, we started working with local capacity builders in line with the corporate SNV localization policy. The table below provides an overview of LCBs and key assignments they have been engaged in. For increase our outreach we were able to increase our presence and carried more

capacity strengthening activities, such as engaging more actors than we would have been able to do on our own. Using industry player, a processor such Songela Investment, we were able to reach more producers through contract farming arrangement, thus increased our effectiveness. In fact, working with LCBs is likely to sustain the capacity strengthening process, especially when SNV programmes come to an end.

Table 2: Local Capacity Builders and Assignments overview

	LCB Name	Assignment
1	Promotor of health and education association (PHEDEA)	Capacity strengthening of sunflower Commercial Farmers Groups (CFGs) and facilitate MSPs for establishing the alliances of Sunflower actors and enterprises in Chunya districts, Mbeya Region, 2011
2	Songela Investment Co. Ltd	Facilitating knowledge development and institutional framework for contract farming between 2,500 sunflower producers and processors in Singida Region, 2011 and 2012
3	Rural Oriented Sustainable Development Organisation – ROSDO	Capacity strengthening of sesame Agricultural Marketing Cooperatives (AMCO) and facilitate MSPs for influencing policies and regulations on marketing of sesame in Lindi and Mtwara Regions, 2010-2011. -Mapping of Sesame Actors, 2012
4	Mafiga Women & Youth Development Organisation – MWAYODEO	To facilitate sunflower chain mapping in Morogoro Region focusing on Morogoro, Mvomero, Ulanga and Kilosa Districts, 2011. Sunflower Video documentation on prospects and implications of sunflower for poverty reduction, 2011. Sesame Video documentary Film –Lindi and Mtwara
5	Economic and Rural Development Community Initiative	Mapping of Alternative Financial Service
6	Institute of Rural Development Planning – IRDP	Evaluation of capacity strengthening of CEZOSOPA, 2011. Mapping of sunflower actors in Ruvuma and Rukwa Regions
7	FAIDA Mali	Capacity Strengthening of Manyara Agriculture Initiatives and UMAMBE, 2010.
8	Group Consulting Company	Capacity strengthening of CEZOSOPA members in business planning and conducting quick scan for up scaling sunflower value chain in Iringa, 2010.
9	Computer Promotions	Capacity Strengthening of CEZOSOPA in record keeping, 2009.
10	Economic and Social Research Foundation	Sesame Policy Benchmarking in Lindi and Mtwara, 2012
11	Tanzania Grassroot Oriented Development (TAGRODE)	Facilitate Establishment of TEOSA-Chapter and CEZOSOPA Model in Iringa.

1.3 Theory of Change / Intervention logic

Tanzania has a history of the state controlling business, and the notion of individual entrepreneurship is just unfolding. The enabling business environment in terms of providing and enforcing conducive regulatory framework is still rudimental. Thus, edible oilseeds value chain development requires both functional as well as institutional approaches. To that effect, SNV aimed at facilitating the establishment and development of alliances of edible oilseeds actors and enterprises for advocating reforms, tackling policy and market constraints in order to trigger positive changes; more specifically:

Generating specific information on legal and regulatory issues and key value chain actors, through policy benchmarking and actor mapping, in order to broaden sesame actors' understanding of the policy environment and value chain dynamics.

Develop the alliance of sesame actors (farmers, processors, civil society organizations, traders) at regional and national level to strengthen industry voice to advocate for an enabling domestic policy environment at national, regional and district level. Advocacy focus is likely to include: multiple taxation and levies, AMCO autonomy and voice.

Engage with political actors, especially councillors, to support a more effective, efficient and better resourced agricultural extension service. Seek complementarity with other organisations supporting edible oil VCD at local and national level.

In 2007, the context analysis and baselines of edible oilseeds were updated, which resulted in SNV's Edible Oilseeds Country Strategy 2008-2010. A Results' Chain was developed (figure 1). The strategy highlighted interventions that aimed at contributing to increased income for at least 80,000 small holder households to derive income of more than US\$2 a day from oilseeds production or related activities by 2010. To that effect, a result chain (Figure 1) was developed to capture an overview of how outcomes will be achieved in a systemic way during implementation. The key interventions included: Producer Group Strengthening, (Market Intelligence and Facilitating Value Chain Financing.

(i) Producer Group Strengthening to improve the revenues and employment opportunities of farmers. Most of the 80,000 targeted oilseed farmers are unorganised. Farmers need to be organized if they are to be competitive in an ever-more-demanding marketplace. SNV aimed at establishing and strengthening producer groups. These are expected to achieve economies of scale through collective action on accessing inputs, increasing production, marketing and access to services. Strengthening producer groups focuses on leadership, membership contributions, record keeping, and constitution.

SNV's contribution. SNV in collaboration with local capacity builders such as ROSDO, SEIDA and in collaboration with partners will undertake capacity needs assessments of existing producer groups (in Central Corridor and Lindi and Mtwara regions) with a view to design organizational capacity building initiatives.

(ii) Market Intelligence to improve the knowledge, skills and abilities of the value chain actors for business growth and equity

The aim of this intervention is improved performance of oilseeds producers and processors to acquire and analyse market information for business growth. Promoting access to market information is key to improving the quality of produce according to market demand, establishing B2B relations between producers and processors, as such enhancing the marketing of oilseeds. Furthermore, access to market information is expected to contribute to improving the processing sector to adequately serve domestic markets and effectively compete with imported cheap palm oil.

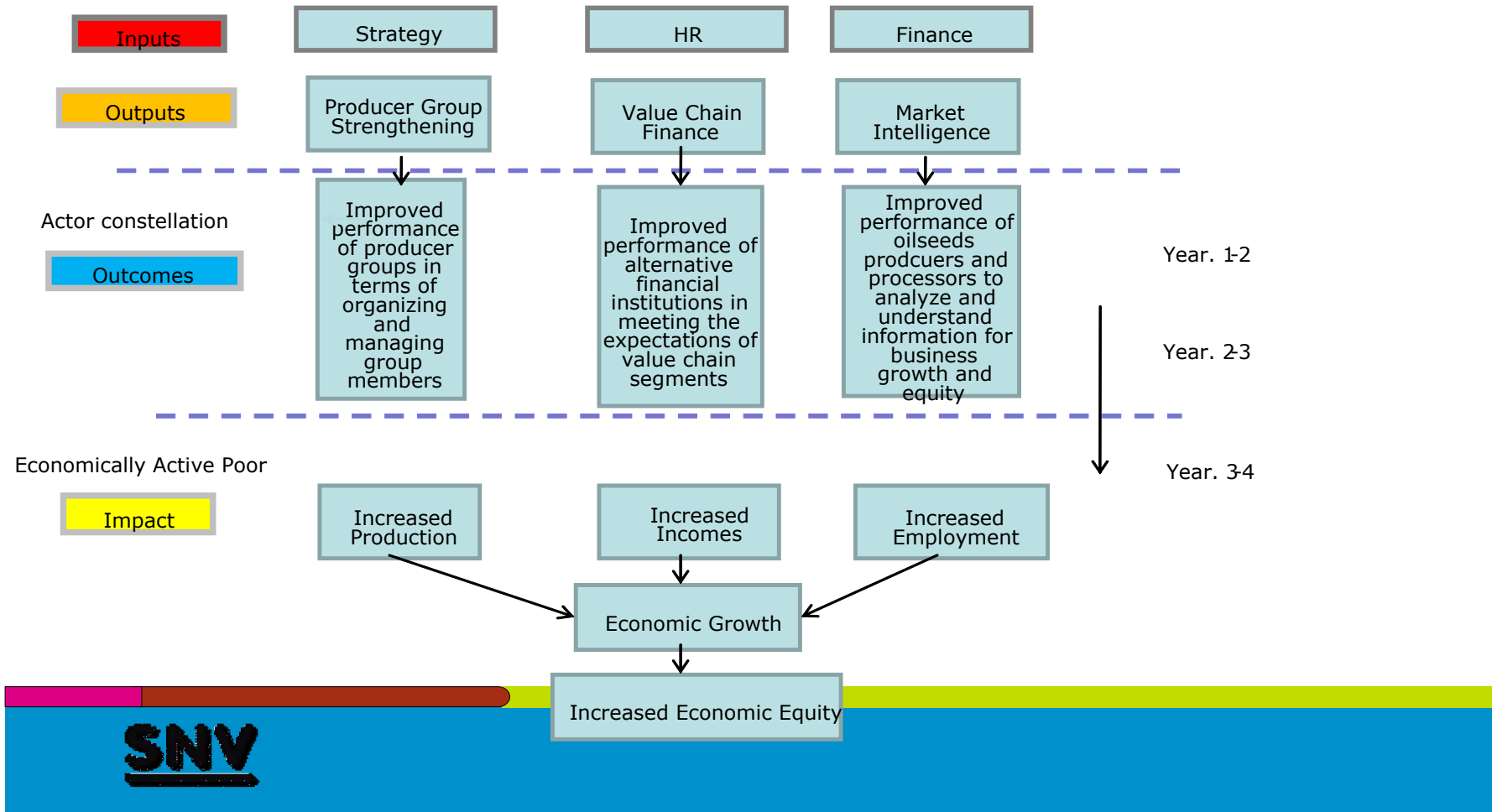
SNV contribution. To achieve this outcome SNV will facilitate processors in accessing market information, strengthening of business management skills and the development of sound business plans among processors. A key approach in this respect was the strengthening of the CEZOSOPA alliance of enterprises.

(iii) Value Chain financing to increase access and utilization of financial services

The lending rate and payback period required by conventional financial institutions do not favour the uptake of such (credit) facilities by oilseeds' producers and processors. Existing loans and credit schemes currently offered by financial institutions are not tailored to support the production, processing and marketing of oilseeds. The aim of this intervention is to improve performance of edible oil actors in order to make them eligible for financial services, including micro-credit and investment.

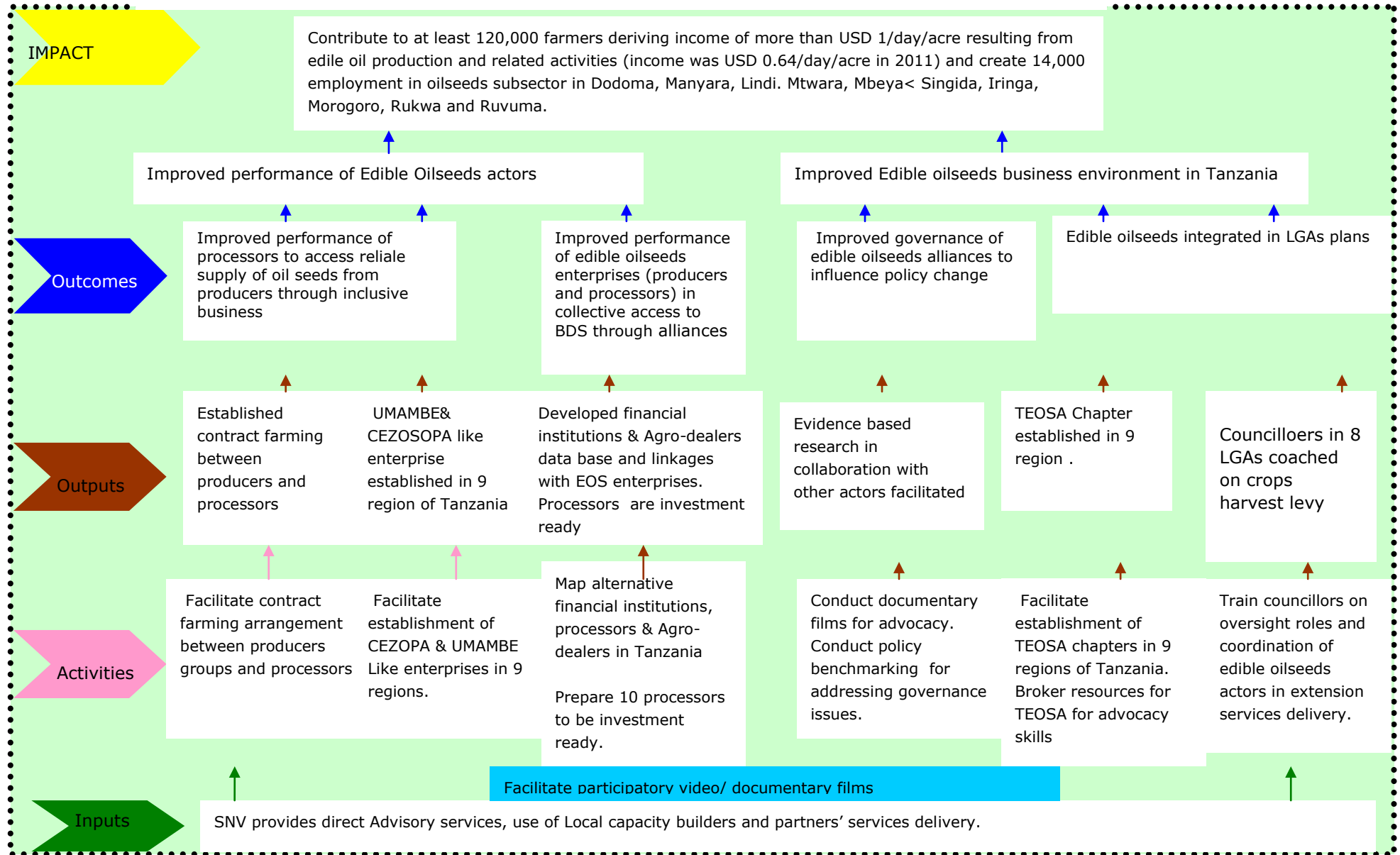
SNV contribution. SNV, in collaboration with partners, will facilitate mapping of alternative finance institutions, and connecting them with oilseeds producers and processors. This tool is expected to enable producers and processors to access information on accessible financing products and services. In addition, SNV and its LCBs aim at supporting finance institutions in adjusting their services and products to the context of the oilseeds value-chain, thereby tailoring services to what producers and processors expect.

Figure 1: SNV Tanzania Edible Oilseeds VCD Result Chain Logic 2008



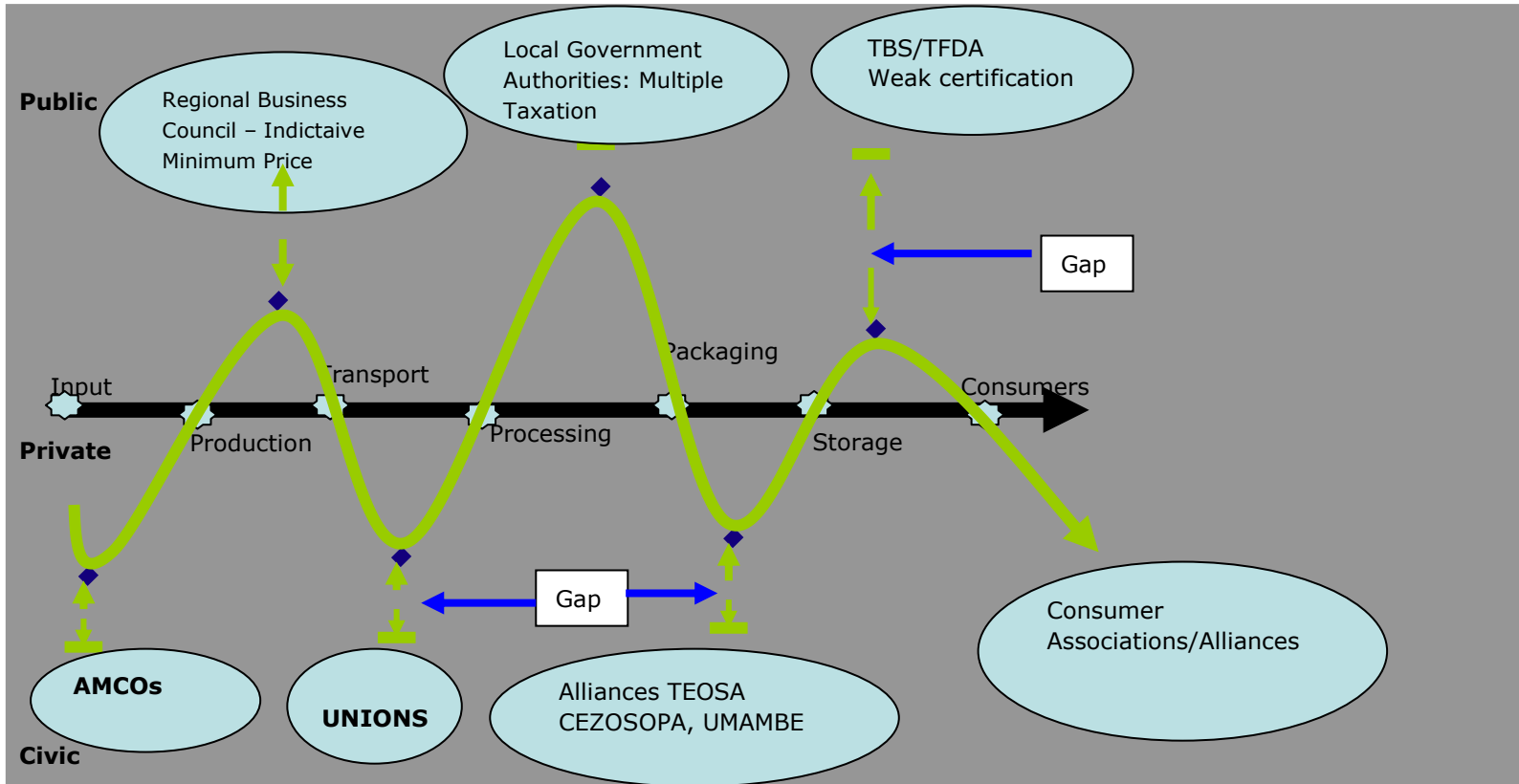
During the implementation of the Edible Oilseeds strategy 2008-2010, a critical reflection on sub-sector intervention, including impacts, outcomes, was conducted. The result chain intervention logic was adjusted, including a reflection of accountability issues affecting performance of the sub-sector.

Figure 2: Edible Oilseeds Intervention Logic 2012



In line with the theory of change, an institutional perspective model to VCD (Figure 3) was developed and has been key in enabling actors reflect on how to address envisaged changes through Multi-stakeholders process (MSPs), Producer and processor group strengthening (PGS), facilitating Market Intelligence, Value Chain Financing and Enhancing Public Policy Management (EPPM) in the edible oil value chains will happen.

Figure 3: Value Chain Development Institutional Perspective Model



The model has been used as key instrument for transforming the relationship among actors within the chain. The model is an “instrument for creating and facilitating spaces for multi-stakeholders encounters, space for dialogue, initiatives to coordinate agendas among multiple actors, from public, private and civic institutions (Eguren, 2011). The institutions, such as alliances of actors and edible oilseeds enterprises are expected to rely on mechanisms that fulfil and require realization of a series of norms put in place to ensure the establishment and maintenance of common good.

Two pillars of outcomes are observed and include those for improving performance of clients/actors and those destined for creating enabling business environment.

Outcomes for improving performance of clients/actors include:

Improved performance of edible oilseeds enterprises in collective access to BDS through alliances

Improved knowledge and framework for contract farming among producer groups and producers/buyers

Outcomes for improving enabling business environment

Improved governance of edible oilseeds alliances to influence policy change and engage with market dynamics

Improved oversight functions within Local government Authorities for developing edible oilseeds value chain.

The following key interventions aim at achieving the outcomes stated above.

a. Establishing and developing alliances of actors

SNV will facilitate multi-stakeholders processes that lead to the establishment of alliances of edible oilseeds' actors. Such alliances are expected to provide a foundation for increasing industry voice to address both domestic policy as well as the market situation.

b. Alliance of enterprises

SNV will facilitate the establishment of alliances of edible oilseeds enterprises (commodity associations) in the Central Corridor and SACGOT regions. Such alliances are expected to improve the performance of oilseed processors in achieving economies of scale through collective action in accessing inputs, marketing and access to financial services. Improved performance of enterprises will enhance the market opportunities for smallholder farmers.

c. Developing knowledge, legal and institutional framework for contract farming

In order to promote pro-poor market arrangements, SNV engages Sunflower farmer organisations in contract farming e.g. facilitating business relations with processors. This is expected to generate improved income at the farmer level. It will also provide an attractive arrangement in terms of reducing transaction cost to processors who are the main sunflower buyers.

Assumptions

Alliances provide space for actors to talk to one another, coordinate and increase the understanding of complex issues and factors constraining the performance of the industry. As a result, they will be able to effectively and efficiently engage with government as a means to solve constraining factors such as fragmented agriculture policies.

Alliances of enterprises enhance members' negotiation capacity.

Alliances will optimize the capacity to make use of opportunities for wealth creation by means of improving productivity and marketing.

Risks and mitigation

Given the political context in Tanzania, alliance may turn into political entities either as a result of internal dynamics – local client’s networks – or by being co-opted by local politicians. The registering of associations will be closely followed up ensuring that this process is properly managed under the Ministry of Trade Industries and Marketing.

SNV, as an external facilitator of the establishment of alliances, must mitigate the risk of these alliances becoming dependent on its services and support. Engaging local capacity builders and preparing them to take over the role of SNV is the key mitigation measure in this respect.

2. Timeline

Since 2005 to date, the SNV intervention in edible oilseeds has gone through three phases: Phase I (2005-2007), Market Access for the Poor; Phase 2 (2007-2009) Impact Orientation; Phase 3 (2010 to date) Business links, Impact Investment and Accountability.

Phase I (2005-2007): Market Access for the poor

In 2005, SNV conducted a secondary data analysis in line with the poverty situation in Tanzania, and shortlisted seven value-chains (sugarcane, chicken, fruits and vegetables, cattle and oilseeds, maize and beans). SNV engaged Match Makers Associates (MMA) to facilitate a multi-stakeholder process to identify SNV's niche and added value. Over one hundred stakeholders were consulted and participated actively in the selection process. Cattle, Edible Oilseeds, and Fruits and Vegetables qualified for a match with SNV's offering. Key criteria for the selection of the value chains were the number of households engaged in production, as well as potential to increased income and employment. MMA were further engaged in carrying out a sunflower and sesame sub-sector study and analysis and provided SNV with more understanding of key production and marketing constraints (MMA, 2005).

In the period 2005-2007 SNV was applying the Market Access for the Poor (MAP) approach ("practice area"). This entailed a focus on four specific aspects i.e. financial services, market links, economic research and development (R&D), and rural enterprise development. SNV's MAP working modality consisted of providing advisory services in building farmer-to-firm relationships. SNV advisors provided these services on a one-to-one client-SNV relationship. The market access for the poor approach was a more technical one i.e. addressing functional issues related to provision of inputs, production, processing and market access. Advisors were involved in conducting training to producers on agronomic practices of sunflower production and other related technology.

After the subsector studies and multistakeholder consultation, oilseeds actors in the Central Corridor (Dodoma and Singida regions) asked SNV to facilitate the establishment of an edible oilseeds forum. Series of dialogues with actors were organized and late 2006 the Oilseeds Multistakeholder Forum (OMSF) was established in Dodoma. The forum had eleven members i.e. farmers, processors, NGOs and public sector - mainly regional agriculture officers. OMSF was representing over one million producers and 200 small and medium processors. The aim of this forum was to identify constraints and opportunities for improvement of the sub sector (Kilima et al, 2009). In addition, the forum explored ways to enable producers and procesosors to influence policy.

Phase II: Impact Orientation (2007-2009)

In 2007 SNV entered into a new 2007 – 2015 agreement with DGIS. The effort in developing the capacity of OMSF, established end 2006, deserved to be further pursued. Abandoning OMSF in the new strategy would not have been justifiable. OMSF had already set the foundation for SNV to shift from one-to-one client-SNV relationships towards capacity strengthening of constellations of actors or multi-stakeholder processes, in line with the new corporate strategy. Edible oilseeds, sunflower and sesame in particular, became even more relevant in 2007, matching with the new orientation on Impact areas. Three entry points were identified: Industry voice, Processing and Production.

SNV partnered with the Rural Livelihoods Development Company (RLDC) and Concern Worldwide to support further multi-stakeholder dialogue in the OMSF. During this process, OMSF highlighted the need to increase its size and draw members from other parts of the country. The forum also decided to strengthen public-private partnerships through establishment of an association focusing on the specific interests of processors (Ndanshau, 2009).

As a result, in 2007, with advice from the Tanzania Chamber of Commerce in Dodoma Region, a processors' association was formed i.e. the Central Zone Sunflower Oil Processors Association (CEZOSOPA). CEZOSOPA started as an association of twelve sunflower processors. CEZOSOPA was formed with the purpose of increasing coordination among processors in order to address unsound policies, such as cumbersome certification procedures and taxation systems. CEZOSOPA envisaged creating long term relationships with other sunflower actors with a special focus on enabling producers to increase their production through access to quality seeds.

In 2008, SNV conducted a capacity building needs' assessment with CEZOSOPA. One of the capacity areas was how to access information on alternative value chain financing. Conventional financing institutions, such as banks, were not accessible to processors, due to the need for collateral and high interest rates. SNV commissioned a study through a Local Capacity Builder (EARDP – Community Initiatives) to carry out an institutional mapping of alternative financial organizations with prospects for the oilseeds sub-sector. The outcome of the study were circulated among CEZOSOPA members enabling them to identify which financial institutions would be instrumental for expanding their business (Banzi, 2009). In order to enhance the process, a local capacity builder, Computer Promotions Ltd. (CPL), was engaged to assess the quality and operations of financial management systems among CEZOSOPA members. Consequently, CPL provided coaching to CEZOSOPA members in improving their financial management practices, thereby making them ready to access investment.

During this period IFAD through the Strengthening Capacity for Enhanced Market Access and Knowledge Management (SCAPEMA), SNV got a considerable support in enhancing edible oilseeds actors reflect on the factors constraining the industry and do something about it (Shyers, 2009).

The OMSF and CEZOSOPA models and experiences were scaled up late 2008 into the Northern circuit by the establishment of the Manyara Agriculture Initiative (MAI) and UMAMBE, a processors' cooperative with forty active members, of which two women. MAI and UMAMBE aimed at an integrated approach to address edible oilseeds constraints in the region. Benefiting from SNV capacity strengthening, UMAMBE eventually was able to buy edible oilseed from more than 20,000 farmers in the Northern Corridor. At the same time, SNV - through FAIDAMALI, a local capacity builder - facilitated the registration of an apex of 35 Agricultural Marketing Cooperatives (Shirikisho la Wakulima wa Alizeti Babati-SHWABA). The apex currently has total of 1,400 members, of which 280 women. These are supported in good farming practices and have been able to increase their sunflower productivity from an average of 200 kgs per acre in 2007, to 700 kgs per acre in 2011.

Late 2008, SNV commissioned a quick scan to identify opportunities to replicate sunflower experiences in improving sesame production in Lindi and Mtwara (Kikoka, 2008). These regions have about 500,000 agriculture households, of which 45,000 grow sesame – with contributing to 70% of the country's total sesame export (50,000 MT in 2010). In response to the findings, in March 2009, SNV and FLO co-organized and facilitated a multi-stakeholder dialogue with sesame actors in Lindi and Mtwara. One of the key outcomes of this event was the establishment of an alliance of sesame actors.

Phase III: Impact investment and accountability issues (2010 to date)

Event, Breakthrough	Period	Adaptation in intervention
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One of the key issues identified during the baseline 2007-2008 is limited knowledge and access to alternative financing for edible oilseed producers and processors. SNV in collaboration with the Finance Alliance for Sustainable Trade (FAST) organized and co-hosted the third edition of the FAST Financial Fair (FFF), in Arusha, Tanzania, February 16-18, 2011. The FAST Financial Fair (FFF) objective was to contribute to sustainable production by bringing quality financial products. Prior to the event, SNV supported two CEZOSOPA members (Songela Investment Company and Nyemo Investment Company) to prepare and present their financial needs and sustainable business plans. Nyemo Investment was pre-selected as qualifying the criteria established by the FAST lending institutions. The company is now connected to ROOT Change, a social financial lender, with whom modalities for financing Nyemo's business are being worked out.

Phase III of SNV's positioning in edible oilseeds is informed by the Public Accountability initiative in Tanzania (PATA) programme. The Initiative aims to explore innovative new avenues to strengthen accountability relationships towards better service delivery. SNV focuses on building and transforming relations between citizens and state that limit development potential in the value chain. PATA has highlighted elements of dysfunctional local government institutions, and identified weaknesses in the relationship between service users and authorities. A concrete example is the challenge for councilors to oversee – let alone intervene in – local government budget allocations to oilseed development. Similarly, intransparency around (multiple) revenues from oilseed production, as well as low prices dictated by Regional Business Councils' result in farmers receiving marginal benefits for their produce. In partnership with VNG Netherlands, SNV has piloted a learning trajectory among local authorities and councilors in benchmarking accountability in agriculture, including the oilseeds value chain. In September 2011, DfID agreed to fund SNV in the wider application of accountability approaches in value chain development.

On the whole, the three phases were informed by a series of events and breakthrough as presented in table 3.

Selection of subsectors and subsector studies by MMA informed development of -Market Access for the Poor Strategy 2006-2008	2007	SNV specific positioning process since sunflower and sesame had already gone through multistakeholder process and confirmed that large proportion of population of smallholder farmers are directly making a living from sunflower and sesame
Corporate strategy 2007-2015 focused on pro-poor production income and employment	2007	Value chain development as a key approach in our advisory work
The Government of Tanzania National strategy for Growth and Poverty Reduction Strategy	2005-2010	Confirmed SNV focus on pro-poor, inclusive value chains with inclination to growth and income poverty and employment in our strategy
Agreement to Partner with FLO	2009	Contributed in the design of south sesame initiative focusing on certified organically produced sesame
Kilimo Kwanza and SAGCOT	2010	Encourage SNV to upscale edible oilseeds to SAGCOT regions
Partner with VECO-TANZANIA and MUVI programme	2010	Consolidated SNV plan to upscale to Iringa and Chunya district of Mbeya region
Formation of Tanzania edible oilseeds association	2010	SNV developing strategy on how to respond to demands for facilitating establishment of TEOSA regional chapters
Certification of CEZOSOPA by TBS and TFDA	2010	Upscaling CEZOSOPA Model as alliance of edible oilseeds enterprises in SAGCOT regions in partnership with MUVI
Collaboration Agreement between SNV and FAO	2011	Helped developing competences for resource mobilization and upscaling TEOSA and CEZOSOPA model in SAGCOT regions
Agreement between SNV and AcT	2011	Focus on accountability issues to support sesame value chain in Lindi and Mtwara regions pulling about 4500 farmers

Table 3: Events, Breakthroughs and SNV adaptation in the intervention

3. Results Table

Details related to client (group), a list is provided in table 4. For assignment agreements names, list is provided in Annex V. A total of Primary Process Days (PPDs) over the years sums up to 4.112,6. The donors and partners who supported this intervention include: Round Table Africa, FAO, RLDC, Concern Worldwide and VECO-Tanzania

Table 4. Overview of clients in Edible Oil Seeds and PPD investments over time

Client	2007	2008	2009	2010	2011	TOTAL
African Enterprise Challenge Fund	-	-	-	-	65,1	65,1
Agricultural non State Actors Forum	-	-	-	5,5	-	5,5
Agriculture market Dev. Sys. Prog	97,3	44,2				141,5
Central Zone Sunflower Processors	-	16,9	193,5	195,5	300,6	706,5
Fairtrade Labelling organisation			106,5	-		106,5
FAIDA-MALI	21,8	30,2	2,1	-	-	54,1
Farm Africa	18,6	4,6	-	-	-	23,3
Ilulu Cooperative Society	-	-	119,8	149,0	97,6	366,4
Lay Volunteer International Associa	-	14,3	25,2	5,0	-	44,4
Manyara Agricultural Initiative	39,5	107,3	160,7	73,7	34,3	415,5
Manyara region Civil Society	13,9	-	-	-	-	13,9
Masasi-Mtwara Cooperative Union Ltd	-	-	-	95,5	130,1	225,6
Mount Meru Millers	-	-	122,6	10,0	-	132,6
Mviwata Morogoro	20,0	-	-	-	-	20,0
Oilseeds Multi-stakeholder Forum	196,3	319,3	213,8	-	-	729,3
Oilseed-TZ Northern	-	25,5	-	-	-	25,5
Stoas-CBDIF Africa Foundation	-	-	-	24,0	2,0	26,0
Tanzania Agriculture of Partnership	-	-	19,9	-	-	19,9
Tanzania Edible Oil Seeds Associati			140,2	142,6	305,5	588,3
TCCIA	121,1	80,3	39,8	40,5	25,3	201,3
UMAMBE	-	-	47,6	101,0	52,9	201,4
	528,5	642,5	1.191,6	842,3	1.013,4	4.112,6

Details of the results are provided in the Result Table Annex 4 and overview of Value Support in PPDs is provided in Annex V.

4. Narrative of the results

SNV's main role in oilseed value chain development has been to act as a neutral broker. Bringing actors together - who were previously uncoordinated - on matters that affect them has proven to be an effective way of enabling them to address the constraints in the value chain (Mbuvi and Schulz, 2009). Moreover, by bringing actors together they have more clout to enter into negotiations with government. The establishment of TEOSA has enabled oilseed actors to effectively change government policy for the benefit of the sector (TEOSA, 2010). Other alliances, such as CEZOSOPA and UMAMBE, have successfully promoted pro-poor contracts and market arrangements (Songela Investment Ltd, 2011).

4.1 Alliance of Actors

Since the OMSF initiative, SNV has facilitated multi-stakeholders processes that have led to the establishment of the Tanzania Edible Oilseeds Association (TEOSA) as an intermediary organisation, playing a brokering and advocacy role for its members. TEOSA has forty active founding members from public, private sector and CSOs, currently representing approximately 80,000 households. It provides a foundation for enhanced industry voice to tackle domestic policy for its members. For example, as a result of a series of MSPs facilitated by SNV, the issues of taxation on packaging materials have been tabled in Parliament in 2011. From here onwards, packaging materials for locally processed products will be imported without tax (see Financial act Schedule 44 (e) of 2011). The successes of TEOSA have attracted funding from Business Environment Strengthening in Tanzania – Accountability Component (BEST-AC) for research-based advocacy. After the establishment of the nation wide organisation, the establishment and institutionalization of TEOSA Regional Chapters is facilitated in key oilseed producing regions of Manyara, Dodoma, Morogoro, Iringa, Singida, Mbeya, Lindi, Tanga and Mtwara.

4.2 Alliance of enterprises

SNV has facilitated the establishment of alliances of edible oilseeds enterprises (commodity associations) such as CEZOSOPA and UMAMBE. In Dodoma and Singida regions, thirteen CEZOSOPA members improved their performance in achieving economies of scale through collective action in accessing inputs, marketing and access to financial services. These processors have developed marketing relations with over 3,500 sunflower producers. As part of the relationship producers are able to access inputs and other embedded services; as a result, in 2010 the productivity of sunflower increased from 200 kg to 650 kg/acre, whereas sesame productivity rose from 100 kg to 300 kg/acre in Lindi and Mtwara regions (Songela Investment, 2010; ROSDO, 2011). As part of market intelligence 17% of CEZOSOPA members have been certified by the Tanzania Food and Drugs Authority (TFDA) and Tanzania Bureau of Standards and can now export their oil (Nyema Investment Company, 2010). The CEZOSOPA model is to be up-scaled in Morogoro, Iringa and Mbeya regions. UMAMBE comprises of forty processing units in Manyara region. The CEZOSOPA and UMAMBE alliances of enterprises created opportunities among processors for accessing finance from alternative financial institutions and developed closer relationships with producers under contract farming arrangements. As a result of SNV capacity building, UMAMBE has engaged with the CRDB Bank, where they accessed a loan to the tune of Tsh 970 million. The loan enabled UMAMBE to increase their purchasing capacity from producers by 200%.

In 2011, SNV entered into collaborative work with IFAD Funded MUVI programme to upscale TEOSA and CEZOSOPA Model in Iringa region. So far, one multi-stakeholder dialogue to establish TEOSA Regional Chapter has been conducted (MUVI Iringa, 2011).

4.3 Developing knowledge, legal and institutional framework for contract farming:

In Singida Region, through Local Capacity Builders and in partnership with other actors such as RLDC, SNV engaged 50 sunflower farmer producer groups and 8 processors in contract farming as an alternative pro-poor market arrangement. The initiative has generated a steady source of income for the farmers. Processors provide farmers with quality seeds of high yield and high oil content. As a result productivity in Singida has increased from 295 kg to 650 kg per acre. A kilo of sunflower seed was sold at Tsh 800 in 2011 from Tsh 500 in 2009. This has translated to increase in producer income by 150% (Songela Investment, 2010, Songela, 2011).

SNV supported smallholder farmers groups in organizational capacity strengthening and market access in Mbeya (Chunya). The outreach of this action comprised more than 50 Commercial Farmer Groups (CFGs) in Chunya comprising of 2500 farmers (PHEDEA, 2011) and 36 CFGs in Manyara comprising of 4000 farmers. Similar initiatives have been undertaken in Lindi and Mtwara regions through 17 Agriculture Marketing Cooperatives (AMCOs), representing about 2,400 households. Members of AMCOs are actively engaging in the on-going dialogue demanding for participating in price setting for sesame seeds and prohibitive policies regarding marketing arrangement which includes multiple taxation system. As part of Agriculture Investment brokering we are supporting SUBAGRO - a sesame processor in Lindi and Mtwara Regions with a capacity to process 50 metric tons per day and a potential to employ 5,000 people.

Furthermore, SNV capacity strengthening to the Manyara Agricultural Initiative resulted in the Manyara regional secretariat adopting contract farming is seriously working out with SNV on how to operationalise the model in the northern circuit.

Sources providing external evidence for SNV's contribution is presented in table 4.

Table 4. External Evidence of SNV contribution to Sunflower Value Chain Development Programme in Tanzania

No	Title	Authors	Year	Organisation	Link/source
1.	Strengthening the Oilseeds Association	Round Table Africa	2010	RTA	http://www.roundtableafrica.net/Projects/Oilseeds-Association.aspx
2.	Stable markets quest of small sunflower oil seed producers	Lyamuya Stanley	Friday, 04 March 2011 06:00	Business times	NEWS PAPER: BUSINESS TIMES http://businesstimes.co.tz/index.php?option=com_content&view=article&id=803:stable-markets-quest-of-small-sunflower-oil-seed-producers&catid=41:kilimo&Itemid=67
3.	HANDENI and KILINDI chapter on TANZANIA EDIBLE OILSEEDS ASSOCIATION (TEOSA)	Patrick mujuni	August,2011	Muvi-Tanga	Project Officer Match Maker Associates Ltd - MUVI Project P. O BOX 5086 TANGA TANZANIA MOB +255755 540 856
4.	Effective value chain in Tanzania; how to activate	ANSAF secretariat	December ,2011	ANSAF	ANSAF publication, 2011. Summary report of the learning and experience sharing forum for 2010 in

	local markets				Dar essalaam
5.	SNV-OXFAM collaboration	LugendoMsegu	01 August 2011	Intermon Oxfam	Program Manager, Livelihoods, Intermon Oxfam JumbeMtoto Street Plt. No. 276, P.O. Box 748, Morogoro Mob. +255 7 56 279 888
6.	Request for exchange visit on value chain development	Adam Siwingwa	06 June 2011	MIICO CONSORTIUM	MIICO CONSORTIUM [mailto:miico_cons@yahoo.com]
7.	Invitation for MSP-Unlocking Sesame Farmers potential for fair trade in Southern Tanzania	Damian Sanka	12 July 2011	Farm Africa	damiansanka@iwayafrica.com Ref no. FA/TZ/TSSPMP/11-300
8.	Invitation to Singida Municipal Council	R.M.Kitimbo Municipal Director	15 Jan 2009	Singida Municipal Council	REF No.HM/SI/M.40/1/Vol IV/32
9.	SNV Agriculture and SFTZ	Craig Parker	15July 2011	Savanna Forever Tanzania	packer@umn.edu
10.	Sunflower platform –MUVI Iringa	Hebron Mwakalinga	March 2011 August 2011 July 2011	MUVI-Tanzania	Report 3rdQuarter , Report 4th Quarter Request for handbook of agronomic practices of sesame and sunflower
11.	Assessment of CEZOSOPA	Batimo Sebyiga	August 2011	IRDP-Dodoma	Consultancy Report
12.	Our Sunflower	Julius Mtango	2011	MWAYODEO	Video-Compact Disc
13.	Developing Knowledge and Institutional Framework for Contract Farming	Rosemarina Jima	2011	Songela Investment	Progress Report
14.	Capacity Building of AMCOs in Sesame Marketing	John Julius	2010	ROSDO	Progress Report
15.	Capacity Building of AMCOs in Sesame Marketing	John Julius	2011	ROSDO	Progress Report

5. Overview table of uploaded documents

Overview of the uploaded documents is presented in Annex 6.

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