

United Republic of Tanzania Country Summary Report

Decentralized evaluation for evidence-based decision making



WFP Contribution to Market Development and Food systems in Southern Africa: A thematic Evaluation [2018 to 2021]

1. Introduction

1) Tanzania was one of six country case studies for a thematic evaluation of the World Food Programme (WFP) market development activities (MDAs) and related food systems support activities in Southern Africa. The evaluation was commissioned by WFP Regional Bureau for Southern Africa (RBJ) and covers the period from 2018 to 2021. The evaluation was intended to answer the question: *“What is WFP’s contribution to market development and food systems and how can such contribution be enhanced to contribute towards Zero hunger?”*. The primary user of the evaluation is WFP staff involved in designing and implementing MDAs especially Country office (CO) and Regional Bureau (RB) staff. Other users are Headquarters (HQ) staff involved in the development of guidelines, standards and procedures for designing, implementing, monitoring and evaluating MDAs. Relevant partners involved in MDAs will also find this evaluation of use to them.

2) The evaluation had two mutually reinforcing objectives of accountability and learning, with greater emphasis on learning as this is a relatively new and under-evaluated area of WFP work. Firstly, the evaluation assessed the results of interventions implemented under activity 5 and 8 of the Tanzania Country Strategic Plan (CSP 2017-2022),¹ seeking to understand the contribution of WFP to specific market development outcomes. Secondly, the evaluation sought to harvest lessons and opportunities for integration of the WFP supply chain work with smallholder farmers, nutrition and resilience building as means for improving Tanzania’s food systems in general.

2. Context

3) Despite Tanzania’s substantial economic growth between 2013 to 2019, poverty reduction was modest.² The poverty head-count ratio barely responded to growth. As the population continued to grow, the number of poor in Tanzania rose from 12.3 million in 2011 to about 14 million in 2018, while the poverty rate remained at 49 percent from 2011 to 2018.³ In 2020, the COVID-19 pandemic affected household livelihoods, particularly for those households relying on self-employment and informal or micro enterprises.

4) Tanzania has been a host for refugees fleeing political and civil unrest in neighbouring countries in the north-western part of the country for decades. For example, in 2020, under Activity 1 of the Tanzania CSP 2017-2022, WFP provided a package of food and nutrition assistance to refugees hosted in the three camps: Nduta, Nyarugusu and Mtendeli. Eliminating gender disparities in all forms of life and empowering women have been important items on the agenda of the Tanzanian Government since the early days of independence. The country’s “National Development Vision 2025” aims to attain gender equity and the empowerment of women in all socio-economic and political relations. Gender disparities are also evident in formal-sector employment, where men account for 71 percent of the formal workforce.⁴

5) The second Five Year Development Plan (FYDP II 2016/2017 - 2020/2021) implements the Tanzania Development Vision (TDV 2025) which aspires to have Tanzania transformed into a middle income and semi-industrialised nation by 2025.⁵ The UN in Tanzania is supporting these national development priorities through the United Nations Development Assistance Plan (UNDAP II 2016-2021). The envisioned transformation in the FYDP II means that

¹ WFP Tanzania. Country Strategic Plan, 2017-2021. <http://documents.wfp.org/stellent/groups/public/documents/eb/wfp291601.pdf>

² See, World Bank, 2020. Tanzania Economic Update- Addressing the impact of COVID-19. The first three quarters of 2019 GDP growth was at 6.9 percent.

³ World Bank, 2019. Tanzania Mainland Poverty Assessment: Tanzania’s Path to Poverty Reduction and Pro-Poor Growth Part 1.

⁴ [THDR2017BP-7.pdf](https://thdr2017bp-7.pdf).

⁵ <http://extwprlegs1.fao.org/docs/pdf/tan166449.pdf>.

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there will be a sizeable and sustainable impact on the reduction of poverty and improvement in quality of life, provided that smallholder farmers and micro, small and medium enterprises (MSMEs) are well linked to large-scale enterprises in manufacturing, construction, tourism, and other priority areas of FYDP II.

3. Subject of the Evaluation

6) While the subject of the thematic evaluation are the MDAs implemented as part of Cash Based Transfers (CBTs) and related agriculture market interventions and supply chain related activities, WFP Tanzania did not have CBT during the period covered by the evaluation. Instead, it implemented supply chain interventions involving system strengthening with government officials, private sector stakeholders and other actors working within the supported institutions/ sectors.

7) The supply chain systems strengthening interventions were implemented under Country Strategic Plan (2017-2022) *Activity 8 "Provide supply chain and IT capacity, expertise and services to Government and partners"*. While smallholder agriculture market support was implemented under *Activity 5 "Provide value-chain support to smallholder farmers"* through several programmes including the United Nations (UN) wide Kigoma Joint Programme (KJP)⁶ and the value chain collaboration project between Enabel⁷ and WFP.

4. Methodology

8) The evaluation used a combination of in-depth literature review of project documents and key informant interviews using a semi-structured open ended questionnaire. Literature was sourced from WFP at the CO, Regional and HQ levels, as well as from implementing partners. These included Annual Country Reports (ACRs), guidance documents on supply chain and Smallholder Agricultural Market Support Plus (SAMS+), 2019 Regional and Local Food Procurement Policy, Market Functionality Index (MFI) report, project reports and others. Remote key informant interviews and consultations of both

women and men participants were conducted with six WFP staff from supply chain, procurement, logistics and Smallholders Farmers' Unit, two government officials from Tanzania Railways Corporation (TRC), five representatives of transport companies and one key informant from Enabel (the list of stakeholders consulted is in [Annex 1](#))

9) The evaluation addressed eleven evaluation questions posed by the terms of reference (ToR) using the evaluation criteria of relevance, effectiveness, impact contribution and sustainability as the organizing framework. Gender equality issues were integrated in all stages of the evaluation ensuring participation of both men and women. Further, data was collected, analyzed, and reported on both men and women. Data collection took place from 17th May to 29th May 2021.

5. Limitations

10) The remote working necessitated by the COVID-19 pandemic made planning and carrying out data collection more time-consuming. A related limitation was the inability adequately engage with diverse private sector, government officials and farmers at country level due to a lack of field presence of the evaluation team (ET). To the extent possible, the ET addressed the challenges outlined above by devoting extra time and effort to their task.

6. Key Findings

11) The evaluation findings and the evidence to substantiate them are presented below according to the evaluation criteria.

Evaluation Criteria 1: Relevance

12) The supply chain and agriculture market interventions related to the subject of the evaluation that were implemented during the period covered by the evaluation in Tanzania are reflected in **Table 1** below.

⁶ The KJP was launched in 2017 to support local populations in refugee-hosting areas and is implemented by 16 United Nations agencies across six themes. WFP coordinates the agriculture theme and hosts six staff from other United Nations agencies in its sub-office in Kibondo.

⁷ Enabel is the Belgian development agency in Tanzania. <https://open.enabel.be/en/TZA/2157/1056/u/enabel-and-the-world-food-programme-partner-to-connect-kigoma-farmers-to-market-in-refugee-food-assistance-tanzania.html>

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Table 1: Market Development Interventions in Tanzania

Activity 5: Interventions supporting linkages of smallholder farmers to markets	
Smallholder market linkages	Integrating smallholder farmers into the WFP supply chain commodities and other markets
	Infrastructure development, provision of quality management equipment
	Capacity development of smallholder farmers
Activity 8: Supply Chain Systems Strengthening Activities	
Lake Victoria Corridor	Support re-opening of the rail-lake-rail corridor on Lake Victoria.
	Rehabilitate 40 out-of-service wagons of the Tanzania Railway Corporation (TRC).
	Support the Tanzania Railway Corporation in introducing multimodal transport and an online tracking system to provide door-to-door services to customers.
Supply Chain capacity strengthening	Time bound and tonnage contracts with commercial traders and transporters
	Training of commercial truck drivers in collaboration with the University of Dar es Salaam Business School (UDBS)

Source: Lake Victoria Corridor Theory of Change and stakeholder consultations

13) WFP support to the reopening of the rail-ferry-rail corridor to Uganda across Lake Victoria has been relevant in strengthening supply chain capacity in Tanzania and in the region. The reopening of the corridor supports the agenda which is laid out in Tanzania's second Five Year Development Plan (FYDP

II)⁸, which seeks to improve the environment for doing business and to position the country as a regional production, trade, and logistic hub.

14) By implementing the supply chain capacity strengthening activities, WFP was helping the Government of Tanzania to tackle the root causes of some of the market inefficiencies that dated back to the collapse of the East African Community (EAC) in 1977.⁹ This collapse had resulted in the dissolution of the East African Railways and Harbours Corporation and its assets divided between Kenya, Tanzania, and Uganda. In the early 1990s under the World Bank and the International Monetary Fund (IMF) structural adjustment policies, the Government initiated work on privatization of Tanzania Railway Corporation (TRC). The privatization took effect in 2007 but resulted in a general decline in the state of infrastructure, massive retrenchments, increased frequency of locomotive failures and reduced frequencies of passenger services.

15) In 2010, the Government terminated the contract with Rail India Technical and Economic Service (RITES) Limited¹⁰ and TRC took over but continued to face many supply chain challenges and failed to attract business despite government investments into the enterprise. WFP support in 2016/2017 was timely as it was able to influence and mobilize action on the corridor, including through a financial investment from WFP in wagon rehabilitation.

16) The rehabilitation of 40 out-of-service wagons was relevant in increasing the freight capacity and enhanced WFP capacity to deliver food assistance at lower costs within Tanzania and other countries across the region. In addition, after opening of the Lake Victoria Corridor by WFP, the Governments of Tanzania and Uganda decided to return to a use of the Lake¹¹ as a transport corridor between the two countries. These capacity strengthening activities were relevant in addressing supply chain inefficiencies and helped build commercial interest

⁸ National Five Years Development Plan II (FYDP II): How do we improve implementation in the Local Government Authorities, 2017.

⁹ Mshomba, R. (2017). The Rise and Fall of the Former East African Community. In *Economic Integration in Africa: The East African Community in Comparative Perspective* (pp. 49-73).

Cambridge: Cambridge University Press.
doi:10.1017/9781316888896.005

¹⁰ *ibid*

¹¹ The Victoria Lake rail ferry services had been widely suspended in 2006 / 2007, after the privatization of the Marine Services.

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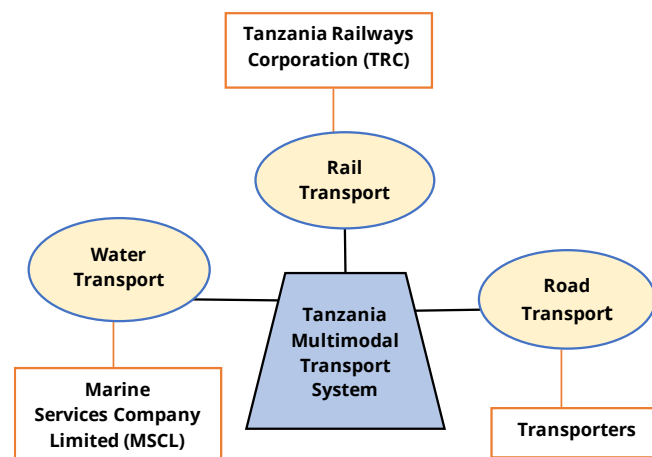


in transport by rail and lake in Tanzania and in the region.

17) WFP support to the introduction of the multimodal transport system¹² (see Figure 1) within the TRC was relevant in promoting an efficient supply chain environment by creating demand for road and water transport services. Furthermore, it was relevant as means for reducing transport costs and enhancing customer satisfaction by providing increased cargo security and predictability. Through the multimodal transport, TRC acquires complete projects i.e., from the Dar es Salaam port to the destination warehouse of the customer by subcontracting commercial trucks which will allow them to bring return cargo to the port in the same manner.¹³ TRC signs a contract for the entire journey of the shipment, covering road and rail transport. TRC is thus held liable for the movement of their freight and meeting delivery requirements. The system offers much more than just rail, marine and road transport services - it also serves as an economic corridor for Tanzania, Uganda and South Sudan.

18) WFP's use of commercial traders of various sizes to transport food suppliers within Tanzania and across the border is relevant and appropriate to increasing market competition and contributing to economic growth. While no systematic assessment has been made of the overall impact on price stability, several transporters cited that the increase in the number of transporters had increased price stability in transportation costs.

Figure 1: Schematic representation of the Tanzania Multimodal Transport System



Source: Reconstructed by the ET

19) The capacity building of truck drivers by WFP was highly rated by all stakeholders interviewed. WFP's work on building capacity of truck drivers was implemented to address challenges generally faced by truck drivers that include poor nutrition due to bad eating habits, exposure to HIV/AIDS and Ebola, knowledge gaps on port, road and safety regulations and cross border trade etiquettes amongst others.¹⁴ Other issues such as gender and personal financial management were expected to improve drivers' personal relations at the family level and increase household stability and prosperity.

20) WFP work under activity 5 is aligned with the WFP Strategic Plan (2017–2021),¹⁵ the Smallholder Agricultural Market Support Plus (SAMS+)¹⁶ and WFP 2019 Local and Regional Food Procurement Policy which seeks to leverage WFP's core supply chain capacities in ways that support national efforts to achieve Sustainable Development Goal 2: "End

¹² Multimodal is defined as the movement of cargo from origin to destination by several modes of transport where each of these modes have a different transport carrier responsible under a single contract or bill of lading (<https://www.itf-oecd.org/sites/default/files/docs/efficiency-sustainability-multimodal-supply-chains.pdf>)

¹³ WFP Tanzania. Multimodal Transport Capacity Development. Tanzania Railways Corporation (TRC) Concept Note January 2, 2019.

¹⁴ The WFP in collaboration with the University of Dar es Salaam Business School (UDBS)- Capacity building through training for

truck Drivers and Administrative staff in transport and logistics Sector in Tanzania. End of Project Report, October 2019.

¹⁵ WFP. 2017. *WFP Strategic Plan (2017-2021)*, https://docs.wfp.org/api/documents/WFP-0000019573/download/?_ga=2.229521055.2052882666.1594623354-1294151148.1541749204.

¹⁶ Smallholder Agricultural Market Support Plus (SAMS+)- A demand-driven value chain development model that promotes sustainable local food systems, May 2021.

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hunger, achieve food security and improved nutrition and promote sustainable agriculture.”

21) Through the Kigoma Joint Programme (KJP), the Farm to Market Alliance (FtMA) and climate smart agriculture project, WFP has supported smallholder farmers in addressing challenges of low production, post-harvest losses and lack of access to credit and fair markets. WFP has done this through organising smallholder farmers into Agriculture Markets Cooperatives (AMCOS) and training them in marketing skills, post-harvest handling and storage techniques; linking farmers to suppliers of post-harvest hermetic equipment, facilitating farmer access to credit from banks amongst others.

22) The linking of smallholder farmers to markets is at the centre of the Tanzania Vision 2025, the National Strategy for Growth and Reduction of Poverty (NSGRP) or MKUKUTA in Kiswahili, amongst others. Integrating smallholder farmers into the WFP commodities supply chain and other markets is relevant to addressing their access to markets and boosting their incomes.

23) Since 2019, WFP has been an off-taker of beans produced by cooperatives working with Enabel under the “WFP-Enabel smallholder market linkage pilot collaboration (2019-2020)”. The objectives of this collaboration were in line with addressing the needs of smallholder farmers in Kigoma. According to informants, by working in a very remote region in Kigoma, WFP managed to change the negative perception of the private sector, government and people in general about working in remote areas. WFP managed to send a market signal that with a guaranteed demand, Kigoma region had production potential to serve WFP and other markets. Further, WFP went on to demonstrate that farmers could produce quality products that meet the stringent WFP market requirements and thus opening the market for other players.

Evaluation Criteria 2: Effectiveness

24) This section presents the findings relating to the extent to which objectives, outputs and outcomes were achieved for each activity as

informed by literature review and stakeholder perceptions.

25) Lake Victoria Corridor. The supply chain and logistics activities related to the opening of the Lake Victoria Corridor have no output and outcome indicators. In 2019, and with support from RBJ, the CO developed a draft theory of change (ToC) for the Lake Victoria Corridor and is yet to be finalised. Due to this limitation, the ET was unable to use the ToC in assessing the extent to which results had been achieved. Instead, the ET relied on the analysis of the CO’s annual country reporting and perceptions of stakeholders consulted.

26) There is broad consensus amongst informants that WFP was instrumental in mobilising the reopening of the Lake Victoria corridor. Many informants, including those consulted in a previous mission in 2019¹⁷, identified WFP as having played a catalytic role in the reopening of the Lake Victoria corridor. WFP was consistently identified as having been instrumental in convening and negotiating agreements between different national authorities required for successful operation of the corridor, and in supporting establishment of a coordinating platform for quarterly monitoring of operations.¹⁸

27) WFP’s reputation as the expert arm of the UN in logistics and supply chain, its own use of the corridor, as well as promotional support, were critical in restoring private sector confidence in the railway as an efficient means of transport and in attracting businesses to use the corridor. As a result, several big private companies were reported to have returned to the use of the rail services. For example, the AZAM-Bakhresa Group, one of the leading logistics companies in Tanzania with operations in Uganda, Kenya, Rwanda, Burundi, Malawi, Mozambique, and South Africa, was back to the TRC client list.

28) WFP annual country reports show that the reopening of the corridor achieved some cost savings and reduced transit time. WFP invested US\$ 600,000 of internal funding in the rehabilitation of 40 rail wagons to help build commercial interest in transport by rail and lower the cost of moving food

¹⁷ RBJ Joint Mission Debrief: Assessing Strengthened Tanzanian Supply Chain Capacities, 2019

¹⁸ Tanzania CSP Mid-Term Review, December 2020.

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in the region. Then, WFP started to demonstrate how supply chain efficiencies could be achieved, by developing Government's inland capacity, marketing and promoting the use of rail. The route reduced transit time by over 50 percent (*from 40 days to 7 days*) and costs by 40 percent.¹⁹ Across WFP operations in East Africa, this initial investment has to date reduced costs by US\$ 2 million.²⁰ Seeing this reduction in time and costs, there was an influx of commercial transporters who started taking up the wagons until WFP exited the market due to shortages in the wagons.

29) Ultimately, while the reopening of the corridor generated high interest and demand initially, the supply is largely constrained by rail capacity including the number of wagons mentioned above, that has been insufficient to meet this demand and important clients have since been lost.²¹ For example, key informants mentioned that TRC currently has 559 wagons but current demand stands at 800 wagons, representing a shortfall of 241 wagons.

30) From 2018-2020, WFP locally purchased 262 000 metric tons of food commodities using the Tanzania corridor, thus injecting over US\$ 60 million into the local economy.²² In 2019, almost 200,000 metric tons of food were transported during the year for WFP food assistance programmes in Tanzania and neighbouring countries, resulting in an injection of over US\$ 43 million into the national economy.²³

31) For TRC and Marine Services, this has translated to an improved business performance in the form of increased profits, enhanced capacity to meet operational costs and provided opportunity for reinvesting in the rehabilitation and building of new vessels.²⁴

Multimodal transport capacity development

32) The introduction of a multimodal transport system is another supply chain intervention that is deemed critical in contributing to an efficient supply chain in Tanzania. Under this mechanism, TRC offers

door-to-door services to its customers by partnering with road transport companies. This allows clients to work with a single company, which sub-contracts trucks and wagons as needed, increasing efficiency for all clients, including WFP and TRC. According to key informants, this further reduces the cost of the overall corridor, making it more competitive to others in the region.

Supply chain capacity strengthening - Time bound and tonnage contracts with commercial traders and transporters

33) Through the multimodal system, commercial traders have been brought into the TRC business. WFP is also contracting these commercial traders to move humanitarian supplies to refugee camps within Tanzania and WFP warehouses in Dodoma and Isaka and further transportation across the borders.²⁵ The transporters are engaged using two contractual arrangements: the time bound which is renewable every four months and the tonnage bound which is seasonal.

34) At the time of data collection, a total of 14 transporters were contracted by WFP. There are high gender disparities in ownership and management in the transport sector and private sector in general. Only 7 of the 27 shareholders in these respective companies contracted by WFP were women. Further, of the 34 Directors/managers in the same companies, 9 were women.

35) As a result of contracts with WFP, transporters interviewed reported to have diversified and broadened their business operations to include both local and cross-border transport; ventured outside transport business into import and export clearance; and in other instances, some companies were now off-takers of food commodities on behalf of WFP. In addition, their association with WFP had enhanced their supply chain capacity and improved their business performance brought in part by the adherence to WFP quality standards which they

¹⁹ <https://medium.com/world-food-programme-insight/blazing-new-trails-to-reach-those-furthest-behind-7201c047ce60>

²⁰ *ibid*

²¹ RBJ Joint Mission Debrief: Assessing Strengthened Tanzanian Supply Chain Capacities, 2019

²² 2020 Tanzania Annual Country Report

²³ 2018 Tanzania Annual Country Reports

²⁴ Notes from key informant interviews

²⁵ Burundi, Rwanda, South Sudan, Uganda and Kenya, Malawi and Zambia, DRC and Zimbabwe.

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consider to be robust in meeting international standards.

36) A major constraint to reaching the full business potential cited by transporters was the length of WFP contracts. The short-term contracts of four months affect their planning, continuity and long-term sustainability of the gains accrued from their partnership with WFP. In addition, there is a perception that the contracts favour well established transporters who have capacity while little support is being provided to the small businesses.

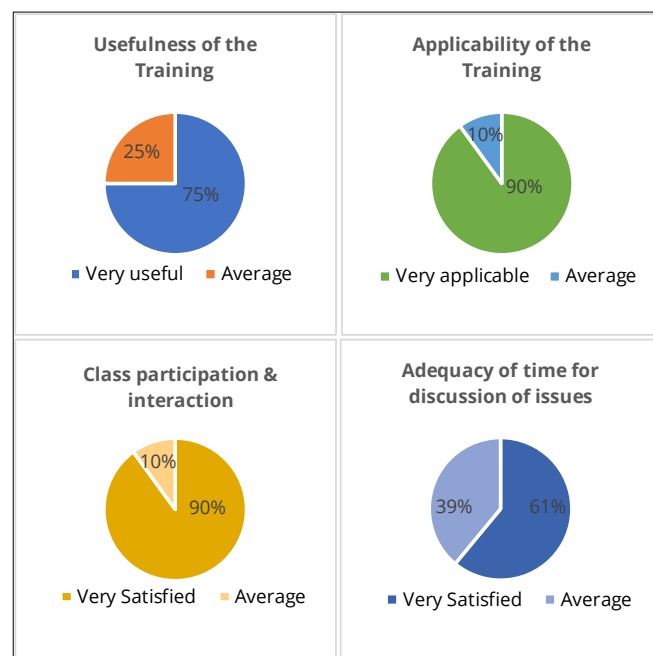
Supply Chain capacity strengthening - training of commercial truck drivers

37) WFP partnered with the University of Dar es Salaam Business School (UDBS) to deliver a series of trainings to drivers of transport and logistics companies operating in Tanzania. The main objective of the training was to build the capacity of long-distance drivers so that they acquire necessary skills that will enable them to live a healthy life and reduce risks of poor health, loss of life and injuries from unsafe driving, and work and family-related stress.²⁶ Of the 1,482 drivers trained (only 8 were women), 529 of them were from companies contracted by WFP. Training sessions were over 11 months and were done in Kiswahili, the local language.

38) The training modules covered topics on: Port etiquette and cross border trade; HIV/AIDS education and prevention; Ebola prevention and education; food and nutrition; financial management for truck drivers, defensive driving and management of fatigue and gender issues included gender based violence (GBV). To complete all the modules, drivers were required to attend two days of full sessions.

39) The output of the training of the drivers was measured in terms of immediate change of attitudes after the two days' training is shown in Figure 2 below.

Figure 2: Evaluation of participants' perception of the training



Adapted from the evaluation of participants' perception of the training.

Source: WFP and UDBS collaboration End of Project Report, 2019

40) All participants expressed an opinion that the training was useful. In this regard, about two-thirds of the participants indicated that the training was very useful while a third of the participants regarded the usefulness of the training as average.

41) Overall, the training achieved its objectives in terms of its usefulness and its applicability to drivers' challenges. In the absence of a follow up monitoring process in place, the ET was unable to establish whether the training had led to any behavioural changes.

42) Key informants consulted indicated that the training of commercial truck drivers had led to enhanced skills to manage transport businesses and efficiencies in the supply chain. Several trucking companies confirmed that their drivers' productivity increased as a result of the training.

Smallholder market linkages

²⁶ The WFP in collaboration with the University of Dar es Salaam Business School (UDBS)- Capacity building through training for

truck Drivers and Administrative staff in transport and logistics Sector in Tanzania. End of Project Report, October 2019.

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43) The smallholder market interventions have output and outcome indicators but as the following analysis will show, these have not been consistently tracked during the period under review.

44) The extent to which value-chain support to smallholder farmers, was provided was measured by the output indicator “the number of farmers trained in marketing skills and post-harvest handling”. Table 2 shows similar levels of achievement for 2018 and 2019 in terms of number of farmers trained in marketing skills and post-harvest handling and a 14 percent increase from these levels in 2020 (from 57 percent in 2018 and 2019 to 71 percent in 2020).

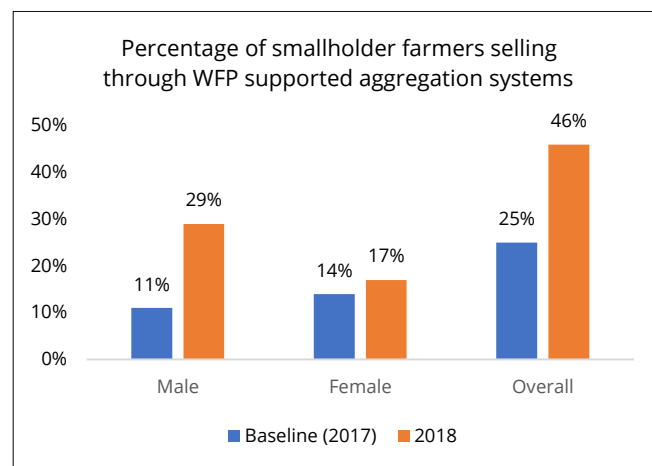
Table 2: Number of farmers trained in marketing skills and post-harvest handling

Achievements	2018	2019	2020
Planned	57 000	44 359	53 705
Actual	32 751	25 287	38 206
% Achieved	57%	57%	71%

Source: Tanzania WFP 2018, 2019 and 2020 ACRs

45) In terms of outcomes, the percentage of smallholder farmers selling through WFP-supported aggregation systems increased in 2018 when compared to the baseline (Figure 3). The percentage of men selling through WFP supported aggregation systems was higher than that for women in 2018, indicating a need for targeting specific marketing support to women farmers. This indicator was however not tracked in 2019 and 2020. The ET could not establish whether this was because of the training in marketing skills and post-harvest losses.

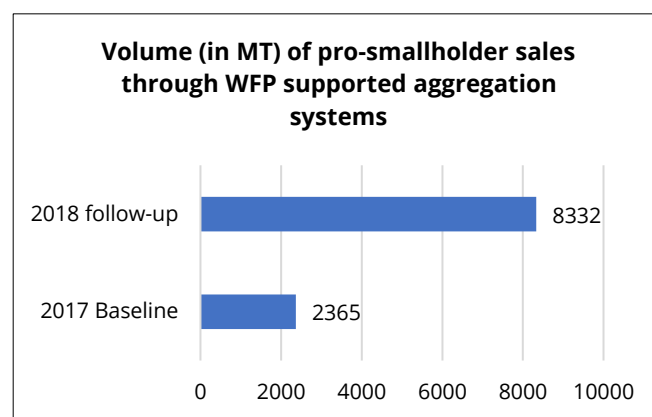
Figure 3: Percentage of smallholder farmers selling through WFP supported aggregation systems



Source: Tanzania WFP 2018 ACR

46) Another outcome indicator tracked under Activity 5 is the value and volume of sales through WFP supported aggregation systems. In 2018, the volume of sales²⁷ increased over threefold compared to the baseline (Figure 4). According to WFP key informants, the indicator was not tracked in 2019 because the FtMA programme had ended. The major weakness is in the reporting of this indicator. Although, it is stated as “value and volume of sales”, only volume in metric tons and not the value in US\$ value terms is reported. The CO was however able to confirm that the value of sales during 2018 was US\$ 863,900 which is equivalent to 1,999,680,000 TZS.

Figure 4: Volume (in MT) of pro-smallholder sales through WFP supported aggregation



²⁷ This indicator refers to the aggregate volume and value of collective sales being conducted by aggregation systems that

WFP is supporting in a given country, to WFP, Government or the Private Sector.

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Source: Tanzania WFP 2018 ACR

47) The collaboration of WFP Tanzania and the Belgian Development Agency on a value chain development initiative during 2019/2020 agricultural season provides important lessons for integrating smallholder farmers into the WFP supply chain commodities and other markets. In this collaboration, WFP assumed the role of a market off-taker and Enabel mobilized, trained and coached smallholder farmers to produce, sort, aggregate and market beans for use as rations in Kigoma-based refugee camps. Of the 985 farmers who participated, 45 percent were women.

48) The percentage of targeted smallholders selling through WFP-supported farmer aggregation systems is another outcome indicator collected and reported under the Enabel and WFP collaboration project. At the end of the project in 2020, the results showed that of the 985 farmers targeted, 93 percent were able to sell the beans to WFP, which indicates a significant success and potential.²⁸

49) However, there are still challenges facing the farmers. Although WFP had committed to purchase 500 metric tons of quality beans, the smallholder farmers were only able to deliver 365.4 metric tons. The 27 percent gap was due to low yields linked to erratic weather conditions, on-field and post-harvest losses estimated to have been 30 percent for most farmers and the absence of ready aggregation financing arrangements that led to significant side-selling in the range of 25 percent of the total structured production.²⁹ These production bottlenecks call for greater investment in supporting the supply side of smallholder farmers activities.

Evaluation Criteria 3: Impact/contribution

50) Impact concerns the extent to which WFP supply chain and related agriculture market interventions are contributing to reducing market inefficiencies in Tanzania. The qualitative data collected among stakeholders strongly suggest that the supply chain and agriculture market interventions are likely to contribute to progress

towards achieving higher level impacts, although it is difficult to claim direct and substantial contributions to the economy in Tanzania and in the region due to other significant sectors such as mining.

Supply Chain capacity strengthening - Time bound and tonnage contracts with commercial traders and transporters

51) Qualitative data collected from stakeholders showed that supply chain interventions have improved the business operations of involved transporters, the Marine Services and TRC over time. The demand created by WFP was catalytic in increasing the number of suppliers on the market which in turn has created competition. For example, TRC has taken a big share of clients from big transport companies such as Galco, fuelling another level of competition. This competition is noticeable in the low market rates for transportation costs.

52) Due to their association with WFP, transport companies have gained credibility with the banks, allowing them to access finance for capital investment and growing their businesses. One company had increased their fleet from 200 trucks in 2015 to 650+ trucks in 2021. In addition, the same company now has more than 1,000 employees from less than 300 employees in 2015, thus demonstrating a clear contribution to job creation.

53) Contracts with WFP make it easier to access bank credit. These WFP contracts have also been a springboard to accessing business with other clients. For example, one transport company indicated that they were now working with WFP Kenya and Malawi because of their track record in Tanzania.

54) WFP's capacity building and transfer of skills to the supply chain actors, has created opportunities for a seamless transport connectivity and contributed to improving quality across the three modes of transportation. WFP's use of the port has generated income for the Tanzanian economy and created jobs.

Smallholder market linkages

²⁸ Review of WFP-Enabel smallholder market linkage pilot collaboration – 2019-2020

²⁹ ibid

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55) The WFP-Enabel smallholder market collaboration had the following contributions to market development:³⁰

- a. **Income injection:** into the local economy through total sales value of 749,016,700 TZS (US\$ 324,019).
- b. **Local economic development contribution:** the local district councils earned 7,307,480 TZS (US\$ 3,161.16) as revenue from crop sales by farmers' payment of levies.
- c. **Income accruing to households:** each farmer earned an average of 500,000 TZS (US\$ 217), which is equivalent to 33 percent of total income for an average household in Kigoma region.
- d. **Linkage of KJP farmers to local traders:** The farmers were linked to local traders and suppliers of post-harvest equipment. The ET could not speak to the traders to establish the results of these linkages.

Evaluation Criteria 4: Sustainability

56) Sustainability speaks to the extent to which the net benefits of the WFP Supply Chain and agriculture market related interventions will continue or are likely to continue beyond WFP support.

Supply chain capacity strengthening

57) The WFP's investment in supply chain capacity strengthening activities in the Lake Victoria Corridor including the introduction of the multimodal transport system created enough demand that continued even after WFP exited the market. Private companies have crowded in and have started to recognise TRC as a reputable transporter, so there is a likelihood that the capacity already built will be sustained. A major limitation towards further sustainability prospects is the unmet increased demand created for wagons that will need to be addressed.

Capacity strengthening of truck drivers

58) Going forward, partners agreed that UDDBS will lobby through the appropriate channels proposing the training to be mandatory for all truck drivers.

Efforts are underway to ensure that the contents/modules are made mandatory for every truck driver before receiving their certificates. UDDBS will collaborate with relevant government organs such as the National Institute of Transport to ensure that the course is mainstreamed in the regular programmers for truck drivers. This demonstrates WFP's actions as a catalyst of systemic change that could have significant impact on the transport sector if these proposals are adopted.

Smallholder market linkages

59) WFP's support to Kigoma smallholder farmers has exposed them to other commodity buyers who, previously, did not consider Kigoma as a sourcing area. This development bodes well for the sustainability of market linkages for smallholder farmers post-WFP involvement in the local sourcing initiative.

60) The government is trying their level best to support smallholder farmers but there are still challenges around institutional capacities, poor infrastructure (e.g., roads), unfavourable agriculture financing mechanisms, climate change and informality of the agriculture business environment (which encourages side-selling in the case of the smallholder farmers).

7. Conclusions

61) **Conclusion 1:** The support of WFP to the reopening of the Lake Victoria corridor, the rehabilitation of out-of-service wagons was relevant in strengthening supply chain capacity and enhanced WFP capacity to deliver food assistance at lower costs within Tanzania and other countries across the region. The introduction of the multimodal transport system was relevant in creating demand for road and water transport services. The use of WFP of commercial traders to transport food suppliers was relevant and appropriate to increasing market competition and contributing to economic growth. The work of WFP on building capacity of truck drivers was relevant in addressing their various food security, health, and personal challenges including

³⁰ Review of WFP-Enabel smallholder market linkage pilot collaboration: 2019-2020.

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gender-based violence to ensure an efficient supply chain in Tanzania and beyond.

62) **Conclusion 2:** The supply chain and logistics activities related to the opening of the Lake Victoria Corridor in Tanzania have no output and outcome indicators. The draft theory of change (ToC) for the Lake Victoria Corridor is yet to be finalized and due to this limitation, the evaluation team was unable to use the theory of change in assessing the extent to which results had been achieved.

63) **Conclusion 3:** The reopening of the corridor as well as the introduction of a multimodal transport system had reduced transit time and the overall costs. At the Tanzania Railway Corporation and Marine Services levels, key informants revealed that this had translated to improved business performance in the form of increased profits, enhanced capacity to meet operational costs, and investment opportunities. The trainings of drivers of transport and logistics companies was useful and addressed the challenges of drivers. In the absence of a follow-up monitoring process in place, the evaluation team was unable to establish the outcomes of the training in terms of improved behavioural changes.

64) **Conclusion 4:** Evidence suggests that supply chain capacity strengthening activities of the Tanzania Railway Corporation, Marine Services, and transporters will likely help to reduce market inefficiencies in Tanzania.

65) **Conclusion 5:** The support to smallholder farmers was relevant in addressing challenges of low production, post-harvest losses, lack of access to credit, and fair markets.

66) **Conclusion 6:** Incorporation of gender dimensions in supply chain capacity strengthening activities and market support to smallholder farmers has generally not been considered during the design of market development interventions.

67) **Conclusion 7:** In several instances there is evidence to show that Tanzania's supply chain capacity strengthening activities in Lake Victoria corridor and the capacity training of truck drivers is likely going to be sustainable.

8. Lessons

68) **Lesson 1:** Because monitoring and reporting in WFP is by and large guided by corporate results framework (CRF) and logical frameworks of the CSPs, lack of any MDA indicators in the CRF and corresponding CSP frameworks means that Tanzania's implementation of supply chain market development and related interventions and results have not been sufficiently tracked.

69) **Lesson 2:** The lack of a sustainability plan for the WFP's supply chain capacity strengthening activities such as reopening the corridor means that the high interest and demand generated at the beginning has not been met by corresponding supply (largely constrained by rail capacity, including the number of wagons) to meet this increased demand and important clients have since been lost.

70) **Lesson 3:** Because the market actors covered by this evaluation are predominantly men, WFP risks propagating gender inequalities if efforts are not made to intentionally target and/or encourage women market actors.

9. Recommendations

8.1 Strategic Recommendations

71) **Recommendation 1:** Clearly articulate a supply chain engagement strategy with other WFP programme areas, the government (e.g., Tanzania Railway Corporation, Marine Services etc) and private sector entities.

- Building on the successful supply chain capacity strengthening activities so far, it is recommended that the CO develops a detailed supply chain (SC) engagement strategy through:
- Building on the achievements of the reopening of the Lake Corridor as well as the introduction of multimodal transport system as well as the capacity gaps already identified within TRC, WFP can conduct a supply chain capacity assessment in government, private sector entities as the first to improving market efficiencies and consolidating the gains already achieved.
- The strategy should define sustainability pathway for each capacity strengthening activity identified.

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- The strategy should articulate WFP's relationship with suppliers of different sizes and ascertain the related capacity strengthening objectives.
- There is a need to critically look at the contractual arrangements of different transporters, depending on their size and capacity for sustainability purposes.
- Assess WFP policies, guidelines in terms of how these impact on businesses of different sizes and capacities and the likelihood impact on the business operations in general.

72) **Recommendation 2:** Continue to strengthen the gender approach of the CSP and in particular regarding supply chain and smallholder agriculture market interventions.

- Carry out assessments of the participation of women in the transport sector and in agriculture value chains and work with relevant institutions in addressing the capacity gaps in order to contribute market development in Tanzania.
- Strengthen linkages of women smallholder farmers to markets by improving their participation in WFP supported aggregation systems.

8.2 Operational Recommendations

73) **Recommendation 3:** Develop a clear theory of change for Market Development Activities.

- For each area of engagement described in Recommendation 1, describe related key indicators that measure results of supply chain market development activities.
- The ET developed a causal pathway for the supply chain and agriculture market development activities based on literature review and stakeholder consultations (see Figure 5). Based on the learning from these findings, it seems the easiest SC outcomes to track are those with proximate impacts on the local economies³¹ rather than national outcomes.
- There are some dimensions of business activities along the supply chain, that seem to

have contributed to reducing market efficiencies that the WFP could track, such as:

- The number of businesses opened or expanded.
- Assess job growth by tracking the number of jobs created.
- Assess contribution to the local economy through the number of business permits issued.

74) **Recommendation 4:** Taking a food systems approach, consider strengthening WFP engagement in the demand-side through:

- Strengthening market linkages of smallholder farmers outside of WFP with National Foods Reserve Agency, schools, and health facilities and transporters that are currently off takers on behalf of WFP local and regional food procurement operations.
- As guided by the Smallholder Agriculture Market Support Plus (SAMS+) framework, this entails capacity strengthening of buyers (either public or private) that are interested in procuring from smallholder farmers, to generate a stable demand for quality products.

75) **Recommendation 5:** Taking a food systems approach, consider strengthening WFP engagement in the supply-side through.

Continue working to strengthen the supply side to increase smallholder production, marketable surplus and competitiveness of smallholder farmers through:

- Enhancing productivity and quality of produce through training on post-harvest losses and marketing skills
- Promoting pro-smallholder contract modalities (direct and indirect)
- Capacity strengthening in these areas should rely on integrated approaches within the CO and on external partners.

³¹ The World Bank defines Local Economic Development (LED) as “a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and

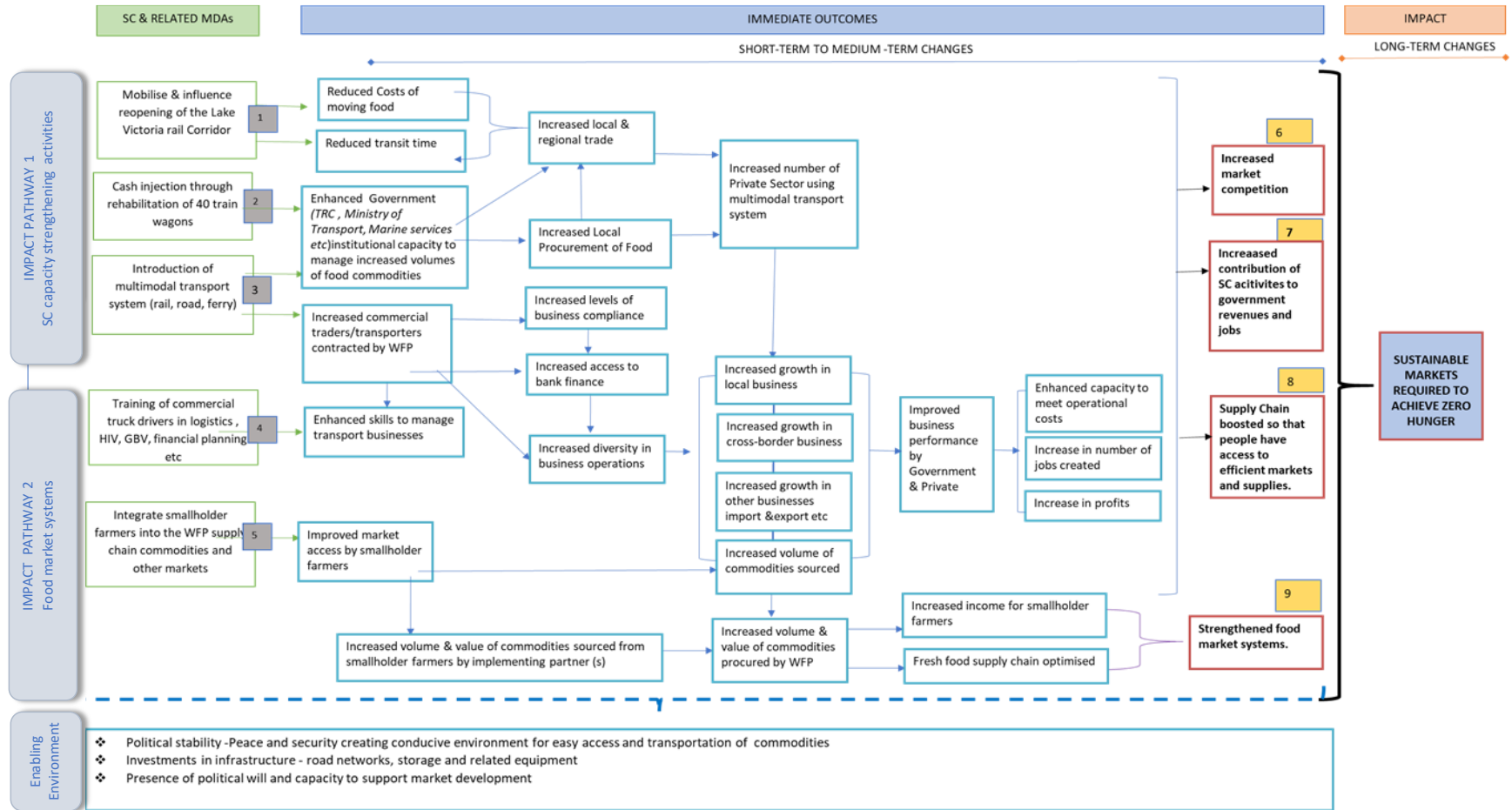
employment generation”, with the aim of “building economic capacity of a local area to improve its economic future and the quality of life for all”.

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Figure 5: Tanzania Supply Chain and Agriculture Market Interventions Causal pathways



Source: Constructed by the Evaluation Team

Annex 1. List of stakeholders consulted

	Gender	Designation	Organization	Location
1.	F	Supply Chain, Fund Management	WFP	Dar es Salaam
2.	F	Logistics Officer	WFP	Dar es Salaam
3.	M	Procurement Unit (Head)- Food Procurement	WFP	Dar es Salaam
4.	F	Logistics Officer- Head	WFP	Dar es Salaam
5.	M	Director	Convoy Haulage Limited	Dar es Salaam
6.	M	General Manager	Galco Subsidiary Group (GSM) of companies	Dar, Isaka, Shinyanga
7.	M	Operational Manager	Ali Juma Transport	Dodoma, Isaka, Shinyanga
8.	M	Sustainable Agriculture Kigoma Regional Project	Enabel	Kigoma Region
9.	M	Director General	TRC	Dar es Salaam

Annex 2. List of Acronyms

ACR	Annual Country Report
AMCOS	Agriculture Markets Cooperatives
CO	Country Office
COVID-19	Corona Virus Disease 2019
CRF	Corporate Results Framework
CSP	Country Strategic Plan
EAC	East African Community
ET	Evaluation Team
FtMA	Farm to Market Alliance
FYDP II	National Five Years Development Plan II
GBV	Gender Based Violence
HQ	Headquarters
IMF	International Monetary Fund
KJP	Kigoma Joint Programme
MDAs	Market Development Activities
MFI	Market Functionality Index
MSME	Micro, small and medium enterprises
MT	Metric Tons
NSGRP	National Strategy for Growth and Reduction of Poverty
RB	Regional Bureau
RBj	Regional Bureau for Southern Africa
RITES	Rail India Technical and Economic Service Ltd
SAMS+	Smallholder Agricultural Market Support Plus
SC	Supply Chain
TRC	Tanzania Railway Corporation
TDV	Tanzania Development Vision
TZS	Tanzanian Shilling
UDBS	University of Dar es Salaam Business School
UN	United Nations
UNDAP	United Nations Development Assistance Plan
WFP	World Food Programme

Reference:

Full and summary reports of the evaluation and the Management Response are available at <http://www1.wfp.org/independent-evaluation>

For more information please contact the Office of Evaluation wfp.decentralizedevaluation@wfp.org