



Country Update

How to Boost Agro-processing while Facing Climate Change: Views on the NDC and the Way Forward

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Overview of Tanzania's NDC

Agriculture in Tanzania contributes to 25 percent of the GDP, 24 percent of exports and employs nearly 75 – 80 percent of Tanzanians (ESRF, 2016). However, Tanzania like other countries in the EAC region is facing climate change and its associated effects on the country's agro-industry. Tanzania has already experienced negative impacts of climate change and the extreme weather conditions, which resulted in major economic losses in the agriculture sector. Several literatures show that by 2030 the net economic cost for addressing climate change effects could be 1 to 2 percent of the GDP per year.

Taking the measures to address effects of climatic change, the country has adopted several policies, legislations, strategies, plans and programs which include the National Communications (2003 and 2015), the National

Adaptation Program of Action (2007), Natural Gas Policy (2013); the Zanzibar Environmental Policy (2014), the Renewable Energy Strategy (2014), the Natural Gas Act (2015), the National Forestry Policy 2 (1998), the National Transport Master Plan (2013), the National Environmental Policy (1997), the Zanzibar Environmental Policy (2013), the National Environmental Action Plan (2012 – 2017), the National REDD+ Strategy and Action Plan (2013) and the National Environment Management Act (2004).

Tanzania's Intended Nationally Determined Contributions (INDCs) are built under the following principles and assumptions : (1) to contribute in building adaptive capacity and enhancing long-term resilience to the adverse impacts change; (2) to contribute in greenhouse gas (GHG) emission reduction efforts to meet the ultimate objective of the Paris Agreement under UNFCCC, while achieving sustainable development consistent with national development agenda and priorities; (3) to be implemented in a participatory and voluntary manner; and (4) to

be implemented as Tanzania's incremental contributions beyond our current efforts and upon availability of adequate and predictable financial and technology support from the international community.

The INDCs further elucidates that for the agriculture sector to adapt to climate change, improving productivity and sustainability serves as best means. Therefore, the INDCs' contribution to the agro-processing industry include efforts such as up-scaling the level of improvement of agricultural land and water management, increasing yields through *inter alia* Climate-smart agriculture (CSA), protecting smallholder farmers against climate related shocks, including through crop insurance strengthening the capacity of agricultural research institutions to conduct basic and applied research; and finally to strengthening knowledge, extension services and agricultural infrastructures to target climate actions.

Tanzania has developed a Climate Smart Agriculture (CSA) to ensure that the country is food secure and for food producers to improve their livelihoods. The CSA approach in Tanzania would ensure sustainable increase in agricultural productivity; build resilience in food systems and adapt to climate change; reduce food losses and waste; and contribute to the reduction and removal of greenhouse gas emissions, where possible. This will result to the development of the agro-processing industry in the country.

Stakeholders' Perspectives on Tanzania's NDC

The agro-processing industry in Tanzania is crucial in integrating the agricultural marketplace and value chain for all participants. This includes the smallholder farmers, cooperatives, buyers, sellers and the regular players in the market place.

"To ensure the real effect of NDC on agri-business industry it should be reviewed in a participatory manner that is it should inclusive by involving different key stakeholders." – **An Interviewee**

i. Impact of the INDCs on the Agro-Processing Industry

The INDCs identify agriculture and food security as top priorities. The agro-processing industry development dependent on the performance of the agriculture sector, this means that effective implementation of the NDC will impact further developments of agro-processing industry. Climate-aware agricultural practices will be an important means of building resilience against climate change effects and improving carbon and nitrogen management in smallholder production systems in Tanzania. However, the rates of adoption of these practices among farmers are fairly low.

There was a general agreement that the country's INDC has a positive impact on the agriculture sector particularly due to the reason that the country's adaptation program recognises agriculture and food security as most vulnerable sectors.

"The Country NDC has a positive impact to the agriculture sector and eventual agro-processing because it addresses the need for adaptation in agriculture. It should also be noted that, Tanzania has seriously embarked on the industrialization and thus this forms a significant contributions towards agro-industrial development." - **Mr. Joseph Kihale, Principal Environmental Officer, Vice President's Office- Environment**

Discussing with some of agriculture policy researchers, there was general satisfaction over the fact that the NDC indicated strengthening the capacities of agricultural research institutions to conduct basic and applied research. However, this comes with precautions on whether the country will leave up to its commitment. It was also highlighted that well-designed, targeted adaptation initiatives can generate high returns to

smallholder farmers under the projected effects of climate change. This comes with an important challenge, which is the ability of smallholder farmers to adopt climate-smart practices and technologies. To accomplish this goal, additional financial investments are needed.

“By strengthening the capacity of Agricultural research institutions to conduct basic and applied research; and protecting smallholder farmers against climate related shocks, it will surely lead to the growth of agri-businesses in Tanzania.” - Mr. Festo Maro, Researcher, COSTECH

ii. Agro-Processing Trade

The agro-processing industry is the major source of employment and generating income. However, climate change may affect the agro-processing trade in both positive and negative ways. According to EACSOF Rwanda Chapter (n.d), the fluctuations in the agro-processing trade depends on several factors including:

- a. Agro processing capacity which avails what to trade;
- b. Yields of agricultural products which serve as inputs in the agro processing industry;
- c. Climatic conditions which determine the yields of agricultural products;
- d. Infrastructure and transport systems which determine the distribution; and
- e. Relevant policies, strategies and appropriate measures, which are responsible to play the facilitating role.

“Agro-processing trade largely depends on the agro processing industry in terms of how much has been produced and is available to the available market. The agro-processing industry also depends on agriculture in terms of inputs for processing. Further, the other considerations of logistics, financing and transportation are crucial in facilitating the entire supply chain and completing

the picture. So, if one level is affected, the entire supply chain is affected including agro-processing”- An Interviewee

Tanzania’s NDC, which is in line with the Tanzania Development Vision (2025), Zanzibar Vision (2020), and Tanzania Five Year Development Plan (FYDP II) (2011/12-2015/16); and anchored in the National Climate Change Strategy (2012) and the Zanzibar Climate Change Strategy (2014), provides a platform of linking agro-processing with trade. Dr. Mmasi from the Ministry of Industry, Trade and Investment, emphasized that the NDC’s ultimate goal is to contribute towards the overarching national development plans, and thus at the moment, the FYDP2 seeks to advance the country’s industrial base but also enhance the country’s competitiveness especially in trade. Thus, with no doubt the NDC will not deviate from these goals.

“We believe the Tanzania’s INDC will deliver positive impact to the country’s agro-industry as it has intended to up-scaling the level of improvement of agricultural land and water management. It also insists on the practice of climate smart agriculture and protecting smallholder farmers against climate-related shocks including through crop-insurance.”
– *An agro-business dealer*

As noted earlier, the implementation of NDCs is based on the country’s various policies, development vision programmes, strategies and action plans, which are set to be reviewed regularly. However, it is worth noting that if this document is to be reviewed, it should be done in a multi-stakeholder approach to reflect on the emerging needs, changes and decisions, in some cases based on different international agreements and decisions that may affect the NDC.

Furthermore, and most importantly, the NDC doesn’t need to be reviewed at the moment as its benefits are still yet to be fully realized. The only most important aspect is for all players, both the government and the international

community, to fulfill their commitments in order for the NDC to yield its desired goals.

“For these NDCs to have greater impact and meaning to agriculture and agro-industrial development, the government and development partners should fulfill their commitments in setting aside enough financial resources to implement the NDC. If this is not done, even reviewing the NDC will not have any importance.” - Mr. Prosper Makundi, Principal Agriculture Officer, Ministry of Agriculture Livestock and Fisheries (Environmental Unit)

Recommendations to Policymakers & Climate Negotiators

The stakeholders' consultations to this study revealed that there is a general willingness among key actors to adopt new ways of agriculture production and processing that are more climate-aware. However, to move towards this direction, the following recommendations for policymakers and climate negotiators were identified:

- a. **Setting right priorities:** prioritization in the agriculture sector is very important for its growth, which will eventually boost agro-processing industry. This involves the use of technologies, irrigation systems etc.
- b. **Providing sustainable financing:** as has been stated in the NDC plan, farmers and agro-processors should be supported financially to reduce risks of post-harvest losses. Finance also should be provided to private investors who are willing and interested to invest in agro-processing industry.
- c. **Implementation of support measures:** There is a need to identify potential sources of rapid and sustainable growth within the agricultural sector. This should be done by identifying and fully implementation of key policies and institutional reforms and supporting investments needed to unlock the growth of the sector;
- d. **Strengthening of institutional and regional coordination and cooperation at the EAC level:** Establishing a network of analysts and policymakers from different institutions and government ministries and agencies to discuss on pertinent and emerging climate related issues that have adverse impact on the prospects of agro-industrial development. This team will help in the enhancement of agro-processing growth and development in the country and the region as a whole. It is important that all the EAC Partner States work together to adopt and implement appropriate policies and strategies to enhance agro-processing in the region.'s



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The PACT EAC2 project builds capacities of East African stakeholders for climate-aware, trade-driven and food security-enhancing agro-processing in their region. Web: www.cuts-geneva.org/pacteac2



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