



*for a living planet*<sup>®</sup>

**ASSESSMENT OF OPERATIONALIZATION OF IHEMI AND MBARALI CLUSTER  
DEVELOPMENT FRAMEWORKS: LESSON LEARNT**

**PROJECT NAME/NUMBER: CARE WWF ALLIANCE/ 40000026- 402606-CO258**

**Submitted to:**

**WWF – Tanzania Office**

**Dar es Salaam, Tanzania**



**FORCONSULT**

**College of Forestry, Wildlife and Tourism**

**Sokoine University of Agriculture**

**PO Box 3009 Chuo Kikuu**

**Morogoro, Tanzania**

**CONSULTANCY REPORT**

**JUNE 2021**

## **FORCONSULT TEAM**

- |                               |   |
|-------------------------------|---|
| 1. Prof. Jummane M. Abdallah  | Team Leader, Forest Economist                     |
| 2. Prof. Japhet J. Kashaigili | Water, Environment, Remote Sensing and GIS Expert |
| 3. Prof. Reuben M.J. Kadigi   | Economist   |
| 4. Dr. Greyson Z. Nyamoga     | Socio-economic Expert                             |
| 5. Eng. Dr. Festo R. Silungwe | Agricultural Engineer                             |

### **Suggested Citation:**

*WWF-TCO, Assessment of Operationalization of Ihemi and Mbarali Cluster Development Frameworks: Lesson Learn. Compiled by Abdallah, J.M., Kashaigili, J.J., Kadigi, R.M.J., Nyamoga, G.Z. and Silungwe, F.R. February 2021.*

## **ACKNOWLEDGEMENTS**

The work reported herein was funded through Contract Agreement No. CARE WWF ALLIANCE/40000026-402606-CO258 between the WWF-TCO, Dar es Salaam and FORCONSULT of Sokoine University of Agriculture. FORCONSULT wishes to thank WWF-TPO for entrusting us to undertake the important work useful in formulation and implementation of Kilombero Cluster Development. We are beholden to Dr. Abubakary Kijoji, WWF-CARE Alliance Manager at WWF Tanzania Office for his guidance, cooperation, and logistical support. Furthermore, we extend our thanks to the SAGCOT HQ and Cluster officials for their support, and the various stakeholders consulted for their inputs and advice during fieldwork.

## EXECUTIVE SUMMARY

The WWF-CARE Alliance commissioned a consultancy assignment to FORCONSULT of Sokoine University of Agriculture to conduct an Assessment of Operationalization of Ihemi and Mbarali Cluster Development Frameworks: Lesson Learned. The scope of work covered assessment of planning, process and products through operationalization of the Ihemi and Mbarali Cluster Development Frameworks (CDF) to inform development of the Kilombero Cluster Development Framework through in-depth analysis of the two CDFs process and their implementation.

“A CDF is a strategic guiding document that defines the roadmap to operationalize and implement support activities to catalyse the development of the cluster and the growth of agribusiness and strategic value chain partnerships in the respective clusters. The document identifies strategic areas, opportunities and constraints where interventions are required to facilitate agricultural transformation. The CDF is also a partnership document that assists SAGCOT Centre Limited (SCL) to bring together investors and agribusinesses to invest in the cluster and create new partnerships to stimulate growth for commodity value chains and agribusiness”.

CDF was “developed to provide focus and guide SCL’s work in facilitating growth within the Cluster particularly with a focus on smallholder development and market linkage”. This initiative aims to improve communication through a network of contacts, information sharing and formal and informal coordination. The intention is to help others perform more efficiently and effectively. Therefore, the main audience for the CDF is the SAGCOT Centre who use the CDF document to design and implement field based operations. The document proposes an approach and priorities, defines an initial strategy, identifies the key actors and indicates a set of concrete activities that the SCL should focus upon. Eventually, SCL uses this for detailed activity planning and budgeting. Thus, CDF is a basis to attract participation of new partners. The CDF is neither a detailed implementation plan nor an investment proposal as those need to be developed by SCL after further field-based consultation.

Thus, SCL designed CDF for Ihemi and Mbarali as approaches towards promoting and strengthening inclusive green growth and agricultural transformation in the clusters. The CDF analysed the situation, prioritised strategic value chains of focus, and laid out an approach forward, defining initial key actions for SAGCOT and partners within the clusters while engaging key stakeholders. The CDFs were completed in October 2015 and April 2019 for Ihemi and Mbarali respectively. So far, the CDF have helped SCL to facilitate successful public-private partnerships with specific focus on priority value chains to unlock key bottlenecks and improve the agribusiness policy environment. The success obtained have attracted new investments and projects in Ihemi and Mbarali prompting partner’s wishes to replicate (and adapt where relevant) this approach in the initiation of activities in the Kilombero Cluster (3<sup>rd</sup> priority cluster and covers the whole Morogoro region).

The overall objective of this assignment is to provide lessons learned from the planning and implementation of the CDFs of Ihemi and Mbarali clusters, and based on the lessons learned to

provide recommendations for the development and implementation of future CDFs, in particular the Kilombero CDF. Various approaches were used to collect relevant information for the assignment including desk work reviews of relevant documents and literature, stakeholders' consultations and key informants' interviews, field visits and participants' observations. The key stakeholders visited for interviews and discussions included facilitators (i.e. WWF, SAGCOT), Local Government Authorities (LGAs), Big Investors or value chain pullers (i.e. ASAS, Rafael Group, Mtenda, etc.), NGO (i.e. Kilimo Trust, etc.). The key findings are provided below:

### ***Planning and consultations for preparation of the CDF***

The consultation with the SAGCOT Centre Limited (SCL), Iringa, Mbeya and Njombe Regional Administrative Secretariats (RAS) offices, Local Government Authorities (LGAs), private sector and small and medium enterprises (SMEs), NGOs and CSOs revealed the involvement and engagement of stakeholders at various levels of cluster developments, some of which include stakeholder identification and value chain analysis. Nevertheless, the level of CDF understanding among the stakeholders varied. The reason could be that the CDF operationalization might not been aligned with their day-to-day activities. On the other hand, the RAS offices and value chain pullers (large investors that accelerates the value chain processes from production to market i.e. Silverlands Tanzania Ltd, ASAS, Rafael Groups, Mtenda Sunset, etc.) showed the second-highest level of understanding about CDF as could explain adequately the processes and products of the CDF. The latter group had a general understanding on how things worked but they were unable to comprehend how their actions were aligned with the CDF. The consultant who was engaged to develop the CDF relied on the list of stakeholders from the Regional Administrative Secretary offices which was regarded to be insufficient and to a large extent miss out some potential partners on the ground (i.e. farmers, small and medium investors).

*During planning and formulation, there is a need to ensure that important stakeholders are included for the Kilombero CDF. Consultation processes should include a wide range of stakeholders from the lower levels in particular the districts where most of the permits are issued. The potential stakeholders can be identified adequately at district than at RAS level.*

### ***Identification of Potential Strategic Value Chains***

The identification of the potential strategic value chains went through a number of phases including: phase *one* (consultation and data collection) followed by a *second* phase (validation workshop to validate the collected information and prioritization of the value chains based on the set criteria). The validation process involved various stakeholders including the private sector, CSOs, farmers and government institution. The *third* phase was the in-depth value chain analysis of the prioritized value chains. This phase intended at identifying specific stakeholders for each value chain, the constraints of the value chain, the potential of each value chain in transforming the livelihood of people and growth of the sector. The *fourth* phase validated the identified information for each of the potential value chains. This phase revealed inconsistency in yield data from the District, the RS and the Ministry, but in the end the data from the districts (the source) were considered reliable.

*The lesson learned from this process is that all the phases (1 to 4) above must be followed during formulation of KCDF and other new CDF. In addition, identification of the potential focal/strategic value chains is important for benchmarking Kilombero CDF process.*

*Another lesson learnt is identification of pullers and sufficiently engaged or have a clear engagement strategies/plans articulated in either CDF is very crucial to enable unlocking the value chains challenges (such as lack of ready markets, technology transfer, training, quality improvement). This among things need to be adopted for the future CDF design.*

### **Cluster Development Framework implementation**

The implementation of CDF is through Strategic Partnership (SP). The SP meetings (as explained in the CDFs) convenes stakeholders, identify and describe the specific value chains, relationship with actions, annual work plans and other non-key stakeholders who were not captured in CDF. The aim of SP is to let the stakeholders along the specific value chain meet and know each other and their involvement/roles in the value chain. The SP meeting provides a platform for discussing the constraints and potentials of the values chain as well as potential solutions to bottlenecks. Thus, SP products are also regarded as CDF products as narrated below.

The *first* product is the annual work plan. The work plan is implemented through a memorandum of understanding (MoU) which is signed by all stakeholders to show their consent and commitment to agreed actions. Each year, the meeting is called for the evaluation of the MoU for each value chain, whereby it is a responsibility of SAGCOT Cluster office and the regional government to conduct the follow-ups.

The *second* is CDF Partner Outreach, whereby lead partner also known as puller of the value chain are visited to understand if they have challenges and assist in linking them with other stakeholders that can assist in addressing the challenges.

The *third* is a Compact Agreement. The Compact is the product after all actors convened and agreed on key areas of deliverables. This is a high-level meeting involving Principal Secretaries of the sector Ministries, Regional Commissioners, Regional Administrative Secretaries, District Commissioners, District Executive Directors, Private sector actors, farmers' groups, CSOs, CBOs, NGOs, and investors. In this case SAGCOT and regional government convenes actors of specific value chain and implement issues as guided in the compact. Finally, SP meeting will report back to Compact Review Meeting. Therefore, SP platform is the ground actors of facilitating particular value chain improvement. The purpose of the meeting is to provide platform where by challenges are brought to all actors and discussed with the purpose to prepare and sign a commitment on how to address the challenges along the priority value chains.

*The key lesson is that five-year period of Compact Agreement implementation was cited to be low, a long phase could be adopted in Kilombero CDF to give enough time to learn and implement what has been agreed. Adoption and mind-set changes requires long term phase. In addition, long term phases might enable the government, private sectors and other*

*stakeholders to learn from each other and develop trust as they implement what has been agreed in the compact.*

### **Green Growth strategies**

Inclusivity is paramount to CDF success. Every intervention must engage as many stakeholders as possible especially when addressing problems pertaining to them. The key issue is to improve production considering inclusive green growth (IGG) strategies. Both MCDF and ICDF emphasize the IGG. The documents provide adequate details on how to integrate economic growth, environmental sustainability and social inclusiveness in executing commercial enterprise. This implies that SAGCOT gave high priority to IGG during investment through its Green Reference Groups (GRG) and IGG guiding tool. The IGG tool provides investment guidance based on the applicable laws of the land and other international good practices. The tool was developed by SAGCOT in collaboration with an immense number of partners. The partners involved included The Nature Conservancy (TNC), World Wide Fund for Nature (WWF), International Union for Conservation of Nature (IUCN), CARE international Tanzania and Vice President's Office. Already the IGG tool has been tested on its application with large, medium and small scale investors including famers cooperatives. The operationalisation of the tool has raised awareness on important issues that could enhance sustainable production. An obvious example is the awareness of soil health in both clusters. Addressing the soil health issue has been a great success whereby double and in some cases triple production is reported by farmers. This is greatly considered a success of CDF implementation because issues of IGG are adequately echoed though all CDFs process. The issue of soil health (alkalinity and acidity) is now strongly advocated by the LGAs.

*The lesson learnt from Ihemi and Mbarali is that IGG strategies are understood when adequate advocacy is provided. For instance, it was clear from interviews conducted that good work has been done in Ihemi Cluster from the understanding of stakeholders interviewed while much more needs to be done in promoting IGG in Mbarali cluster. One of the limiting factors reported by the officer in charge at Mbeya SCL office was limitation of funds. Therefore, it is recommended that, during planning and implementation of new CDF such as KCDF, the IGG must be considered adequately in all dimensions including provision of funds for advocacy. The IGG strategies are important in enhancing production, inclusivity and environmental conservation.*

### **Boundary of the CDF**

There is no a clear-cut solution for designating a boundary for a CDF. However, the following criteria could guide on the boundary or size of the CDF: there should be at least one puller for each identified chain, high concentration of actors including farmers on the priority crop/product. Important value chains that have potential to bring agricultural transformation, cut across bigger area and have bigger impacts on community poverty reduction should be articulated in the boundary and size of the future CDFs. Geographical or administrative boundary could be utilized to enable seizing geographical advantages or easy participation of LGAs and central government in the implementation of the CDF.

**Monitoring of CDF implementation**

Monitoring of the CDF implementation is done by SAGCOT through the Strategic Partnership meetings and the Partner Outreach in line with the agreed work plan. At these meetings the performance as per the work plans and the encountered challenges that require different levels of addressing are tabled and discussed. The SAGCOT Result Framework (RF) is informed by TRACKER at cluster level. The TRACKER explains activities and responsible personnel and the implementation. Therefore, from TRACKER, important results feed into RF of SAGCOT at national level.

*The protocol (TRACKER System) for monitoring was cited to be working well. In addition, learning performance of the TRACKER system as being implemented in other CDF is crucial for improvement.*

# Table of Contents

<b>ACKNOWLEDGEMENTS</b>	<b>iii</b>
<b>EXECUTIVE SUMMARY</b>	<b>iv</b>
<b>Table of Contents</b>	<b>viii</b>
<b>1. 1</b>	
1.1 Background	1
1.2 Justification of the assignment	2
1.3 Scope of the Work	3
1.4 Overall and Specific Objectives	3
1.4.1 Overall Objective	3
1.4.2 Specific Objectives of the Assignment	3
<b>2. 5</b>	
<b>3. 6</b>	
<b>4. 19</b>	
4.1 Planning and consultations for preparation of the CDF	13
4.2 Identification of Potential Value Chains	14
4.3 Cluster Development Framework implementation	14
4.4 Green Growth strategies	16
4.5 Puller of the value chain	16
4.6 Boundary of the CDF	16
4.7 The CDF Usage	16
4.8 Monitoring of CDF implementation	17
<b>5. 21</b>	
<b>APPENDICES</b>	<b>19</b>

## 1. INTRODUCTION

### 1.1 Background

CARE, a global women’s empowerment and poverty alleviation leader, and the World Wildlife Fund (WWF), a global conservation organization, formed a global Alliance that has been in place for over ten years. This unique partnership brings together the experience of both organizations in over 90 countries around the world, integrating conservation and development with the goal of building just and sustainable food systems and resilient livelihoods. Over the last several years, the Alliance has sought to scale up its ambitions by developing high-level partnerships that leverage investments and resources into inclusive green growth programs. In the Southern Agricultural Growth Corridor of Tanzania (SAGCOT), the CARE-WWF Alliance aims to demonstrate a model of agricultural growth that improves the livelihoods of smallholders while maintaining vital ecosystem functions and conserving globally significant biodiversity through private- public partnerships. The SAGCOT Centre Limited (SCL) has the potential to bring together government, businesses, civil society, donor partners and the farming community to pool resources towards a common goal. Many partners have already converged under SAGCOT<sup>1</sup>. With this regard, the Alliance’s goal is to build a coalition of partners to co-create and design triple bottom line interventions that will contribute to lifting 2 million people out of poverty in SAGCOT by 2030 through sustainable, equitable and profitable agricultural development that protects and benefits wildlife, natural capital, climate adaptation, and ecosystems in general. 1 <http://sagcot.co.tz/>

According to the terms of reference of this assignment “The SAGCOT initiative is implemented through a “Cluster” Approach to facilitate the development of profitable agribusiness partnerships in 'clusters' along the corridor to achieve economies of scale, synergies and increased efficiency. Clusters are geographic concentrations of interconnected farmers, companies, specialized suppliers, service providers, and associated institutions. Six Clusters were identified in 2010 as part of the design of the SAGCOT Initiative as defined in the SAGCOT Investment Blue Print. The six Clusters are Ihemi, Mbarali, Kilombero, Sumbawanga, Ludewa and Rufiji. SAGCOT Centre Ltd (SCL) started implementation of Cluster activities in late 2015 in the first priority Cluster— Ihemi—which covers the regions of Iringa and Njombe and later Mbarali Cluster which covers the region of Mbeya and Songwe”.

The Ihemi CDF was completed in October 2015 and under implementation since then, while the Mbarali CDF was completed in April 2019. Through the Ihemi and Mbarali Cluster Development Frameworks, SCL has facilitated successful public- private partnerships with specific focus on priority value chains to unlock key bottlenecks and improve the agribusiness policy environment. This was made possible through multi-stakeholder commitments (in a Compact) with a strategic focus to catalyze closer ties, open dialogue on constraints and opportunities for collaboration between Agribusinesses, Regional leadership, Development partners and Non-State actors. These interventions have attracted new investments and projects in Ihemi and Mbarali. Equipped with experience from lessons learned in Ihemi and Mbarali clusters, SCL and

---

<sup>1</sup><http://sagcot.co.tz/>

its partners wish to replicate (and adapt where relevant) the approach used in Ihemi and Mbarali to initiate activities in the Kilombero Cluster (3<sup>rd</sup> priority cluster and covers the whole Morogoro region). This cluster was launched by the Minister of Agriculture on 24<sup>th</sup> November 2019 in Morogoro.

## **1.2 Justification of the assignment**

SAGCOT clusters are geographic concentrations of interconnected companies, specialized suppliers, service providers and associated institutions. These agribusiness-focused Clusters are areas of high concentration of actors (in specific locations of the country) active in production, processing, marketing, supply of inputs and services as well as supporting institutions; connecting investments to benefit smallholders, and medium to large scale farmers. Due to economies of scale, farmers, agribusinesses and service providers are working successfully through value chains and thematic strategies to unlock the potential within these thematic strategic partnerships. According to SAGGOT, the Ihemi cluster is the first priority cluster out of the six identified in SAGCOT corridor with plenty of agribusiness opportunities and network of actors. This cluster possesses the potential to produce food crops for almost all seasons. Other Clusters are Kilombero, Mbarali, Ludewa, Sumbawanga and Rufiji. The SAGCOT Ihemi Cluster is located along the sides of the main Dar es Salaam-Mbeya road extending approximately 60 km to the North and South of the road. The cluster extends along the Southern Highlands of Tanzania into various districts including Iringa Rural, Kilolo and Mufindi. Potential SAGCOT Activities in these Districts includes Cluster Development Plan such as production of Potato, Soya and livestock. The Ihemi Cluster comprises of Iringa and Njombe regions, which was initially part of Iringa region until 2012 when the Government decided to separate the two. The total population in this cluster is about 1,643,335. The Ihemi Cluster covers a total area of about 57,090 km<sup>2</sup>. Statistics indicates that, its primary economic activity is agriculture which is the second-highest per-capita GDP in the country. Mbarali Cluster comprises of Mbeya and Songwe Regions, which are located in the South-West part of the Country. According to the 2012 national census, Mbeya region had a population of 2,707,410. The average population annual growth rate in this region was estimated to be 2.7%. Songwe Region based on the 2012 population Census had a population of about 998,862 people. Songwe region was formed from the Western part of Mbeya Region comprising of Ileje, Mbozi and Momba Districts. Mbarali Cluster covers an area of 62,420 km<sup>2</sup>.

SAGGOT identified six Agribusiness-focused Clusters within the corridor. These are Rufiji, Kilombero, , Ludewa and Sumbawanga. While Ihemi Cluster was the first to be established, Mbarali Cluster is the more recent one. Other Clusters are therefore being developed in a phased approach in order to obtain impact and lessons that can be rolled out to other Clusters. It is therefore crucial for undertaking an assessment study of the lesson learnt from Ihemi and Mbarali in order to plan more efficiently and effectively for implementing activities in other clusters. This assessment will also pave ways on how to facilitate a smooth implementation of the programme activities at the same time ensuring that the process is inclusive, sustainable and commercially viable agricultural value chains are in place in each of the cluster. SAGGOT

therefore work closely with various stakeholders in Public-Private Partnership style. These stakeholders include Private Companies, Government of Tanzania (LGA and Central Government), Non-State Actors, SAGCOT Centre Ltd (Brokers), Farmers Organizations and Development Partners and GoT. Documentation of the lesson learnt from Ihemi and Mbarali CDFs is important stage to support SAGCOT 2030 vision and Kilombero CDF process for enhancing commercialization of viable agriculture sector that enhances food security, improves livelihoods and ensuring environmental sustainability.

### **1.3 Scope of the Work**

The scope of work covered assessment of planning, process and products through operationalization of the Ihemi and Mbarali Cluster Development Frameworks (CDF) to inform development of the Kilombero Cluster Development Framework through in-depth analysis of the two CDFs process and their implementation.

### **1.4 Overall and Specific Objectives**

#### **1.4.1 Overall Objective**

The overall objective of this assignment was to provide lessons learned from the planning and implementation of the Cluster Development Frameworks (CDFs) of Ihemi and Mbarali clusters of SAGCOT, and to identify recommendations based on those lessons learned for the development and implementation of future CDF's, in particular the Kilombero CDF.

#### **1.4.2 Specific Objectives of the Assignment**

The specific objectives of this study are to:

1. Analyse the processes and products of the CDF's to date to improve design and utility of future CDFs, especially the upcoming Kilombero CDF
2. Understand better and improve engagement of key stakeholders, notably private sector and SME's as well as local NGOs and civil society organizations in cluster-level agricultural transformation to improve roll-out of Inclusive green growth activities
3. Better understand how Cluster Development Frameworks and associated planning/preparation can more effectively drive inclusive green agricultural transformation at a cluster level
4. Identify success factors and positive experiences that have worked well in the planning and implementation of the two previous CDFs, honing in on what led to accomplishment of goals or objectives (In this objective the aim is to find out what worked? and what were the best practices associated with planning and implementation of the CDFs?)
5. Identify weaknesses or areas of improvement, including actions or guidance that led to undesirable or less desirable outcomes (To check on what could have been improved

and how? and what were the greatest challenges faced and how could these have been averted or dealt with better, particularly through the CDF)

6. Assess the effectiveness of the CDF approach to date and identify ways to improve it for immediate application in the Kilombero cluster
7. Use the results above to document the “modus operandi” for cluster development: an attempt at the step-by-step guide for practitioners

Appendix 7 provide detailed information, Tasks and deliverables as appeared in the ToR.

## **2. METHODOLOGY**

This report has benefited from the information gathered using desk work reviews of relevant documents and literature, as well as the stakeholder consultations and Key Informant Interviews (KIIs) conducted from 06th January 2021 to mid-February 2021 with the Client (WWF) and The Nature Conservancy (TNC) in Dar es Salaam and with other stakeholders in Ihemi and Mbarali clusters. The consulted and interviewed stakeholders and actors in the two clusters included the officials of SCL at the cluster level, Local Government Authorities, TAHA, leaders of AMCOs, and value chain pullers, such as the key traders and processors of priority agricultural products in the two clusters and other NGOs (the list of interviewed individuals is shown in Appendix 1. The priority value chains in Ihemi cluster were soya, Irish potato, milk (dairy cattle), tomato and tea. For Mbarali cluster the priority products were poultry, dairy, sunflower, avocado, rice and potato.

The Consultant used both physical (face-to-face) and virtual consultations and KIIs guided with a specific interview tool containing a list of key issues and questions (Appendix 1) which were designed to enable the assessment of the process followed in the formulation and operationalization of the Ihemi and Mbarali Cluster Development Frameworks (CDF). The information generated from the field work exercise was intended to inform the development of Kilombero CDF. The interview guide included questions which were fairly framed to elicit the views of different stakeholders and actors regarding the lessons learned from the planning and implementation of the erstwhile CDFs of Ihemi and Mbarali. The lessons learnt were identified, compiled, analyzed and then used to document recommendations for development and implementation of future CDFs, especially the Kilombero CDF.

### **3. KEY FINDINGS**

#### **3.1 MBARALI AND IHEMI CLUSTER DEVELOPMENT FRAMEWORK**

##### **3.1.1 Background**

“A Cluster Development Framework (CDF) is a strategic guiding document that clearly defines the roadmap to operationalize and implement support activities to catalyse the development of the cluster and the growth of agribusiness and strategic value chain partnerships in the respective clusters”. It identifies strategic areas, opportunities and constraints where interventions are required to facilitate agricultural transformation. The CDF is also a partnership document that assists SAGCOT Centre Limited (SCL) to crowd in investors and agribusinesses to invest in the cluster and create new partnerships to stimulate growth for commodity value chains and agribusiness”, the definition provided in Mbarali cluster development framework document.

In addition, the Ihemi CDF provides similar explanations that its CDF was “developed to provide Focus and guide SCL’s work in facilitating growth within the Cluster particularly with a focus on smallholder development and market linkage”. This initiative was undertaken using improved communication through a network of contacts, information sharing and formal and informal coordination. The intention is to help stakeholders to perform more efficiently and effectively. Therefore, the main audience for the CDF’s is the SAGCOT Centres who use the CDF documents to design and implement field-based operations. The CDF documents propose approaches, priorities, defines an initial strategy, identifies the key actors and indicates a set of concrete activities that the SCL should focus upon. Eventually, SCL uses the CDF documents for detailed activity planning and budgeting. Thus, CDF documents are basis for attracting participation of new partners. However, the CDF documents are neither detailed implementation plans nor investment proposals as those were supposed to be developed by SCL after further field-based consultations.

Further, the SCL designed CDF for Ihemi and Mbarali as their first approach towards promoting and strengthening inclusive green growth and agricultural transformation within clusters. The CDF analyzed the situation, prioritized strategic value chains of focus, and laid out an approach forward, defining initial key actions for SAGCOT and partners within the clusters while engaging key stakeholders. Nevertheless, the implementation of MCDF had a weakness of alienating other stakeholders in the process and thus make the whole CDF as for the SCL. This is evident in the MCDF document which pointed out only SCL’s Headquarters and the Mbarali staffs as main stakeholders.

These CDF were completed in October 2015 and April 2019 for Ihemi and Mbarali respectively. So far, the CDF have helped SCL to facilitate successful public private partnerships with specific focus on priority value chains to unlock key bottlenecks and improve the agribusiness policy environment. The success obtained have attracted new investments and projects in Ihemi and Mbarali prompting partner’s wishes to replicate (and adapt where relevant) this approach in the initiation of activities in the Kilombero Cluster (3<sup>rd</sup> priority cluster and covers the whole Morogoro region).

Therefore, the overall objective of this assignment is to provide lessons learned from the planning and implementation of the CDFs of Ithemi and Mbarali clusters of SAGCOT, and to identify recommendations based on those lessons learned for the development and implementation of future CDFs, in particular the Kilombero CDF. Various approaches were used to gather relevant information for the assignment including desk work reviews of relevant documents and literature, stakeholders' consultations and key informants' interviews, field visits and participants observations. The key stakeholders visited for interviews and discussions included groups of facilitators (i.e. WWF, SAGCOT), Local Government Authorities (LGAs), Big Investors or value chain pullers (i.e. Rafael Group, Mtenda, etc.), NGO (i.e Kilimo Trust, etc)

The key findings from the assessment of operationalization of CDF which could be useful in informing the development and implementation of future CDFs, in particular the Kilombero CDF are outlined. The identified lessons as key findings are presented as shown below with details provided in Appendices 2-6 and recommendations for each lesson learned are also provided.

### **3.1.2 The CDF processes**

Main processes for the CDF were (1) Planning including preparation of CDF (2) implementation of CDF and (3) monitoring and evaluation.

### **3.1.3 The planning and preparation of CDF**

#### **a. CDF Initiation and Stakeholders Identification**

Interviews revealed that, the formulation of CDF started with identification of a consultant team which was engaged to prepare the CDF. The consultancy team comprised the value chain expert, green growth expert and management including Monitoring and evaluation. The consultant prepared tools for data collection in order to develop CDF, the data collection tools used were FGD, KII and direct interview with different stakeholders using enumerators to cover all districts in the clusters. The aim was to conduct mapping of stakeholders, conduct the analysis of potential stakeholders and to identify potential value chains. The process of identification, engagement, and participation of key stakeholders and specifically SAGCOT partners such as private sector, SMEs as well as NGOs and CSOs in cluster-level developments was captured to large extent (Appendix 1-5). The initial identification of stakeholders was done through consultation with Regional Secretariats (RS), where the list of all possible stakeholders was provided to the consultancy team. Randomly, the team picked the stakeholders to visit and conduct the FGD, KII and direct interview.

During FGD and KII it came clear that initial stakeholders were provided by RAS office, however, in the MCDF it is stated that a stakeholder analysis and mapping was conducted by a consultant but in consultation with SCL Mbarali Cluster staff. This was done to identify a number of stakeholders that have a stake in agricultural transformation in the Mbarali Cluster. The document clearly states that "It was important that they were properly identified, particularly those that can influence and support the assignment and those that could derail the process. It

was crucial that there were consulted from the start of the assignment and incorporate their expert views on opportunities and challenges in the mapping exercise, identification of priority commodity value chains". It is due to such an important understanding that this report recommends the process of identification of stakeholders to start in the district councils

In partial agreement to the FGD and KII response for the Mbarali Cluster that its CDF development was comprehensively participatory, the review of the Mbarali CDF (MCDF) document also revealed that the MCDF was developed through an inclusive and participatory approach. However, it was clearly mentioned in the document that the main actors in the process were the SCL's Headquarters and the Mbarali staffs. For the Mbarali staff the document states clearly that "the Mbarali staffs are involved and participate through the process, methodology and phases contained in the terms of reference and the inception report". Thus, both the SCL's Headquarters and Mbarali staff participations all important levels such as "through the direction and leadership of the Head of Cluster and Partnerships and through the technical oversight of the Planning, Monitoring and Evaluation Specialist", review of inception report and provision of inputs, and the mapping exercise for the opportunities and challenges of smallholder farmers in the Cluster. During this process also the mapping of crops and commodity value chains and supportive infrastructure and data collection pertaining to agricultural parameters in the cluster was done to ensure inclusiveness and participatory and engendering ownership of the process and the final document. The purpose was to capacitate the SCL Mbarali Cluster office staff who will drive the implementation of the CDF and its related action plans.

In particular, from the consultation with the SAGCOT Centre Limited (SCL), Mbeya and Njombe Regional Administrative Secretariats (RAS) offices and their respective districts (Local Government Authorities - LGAs) the Cluster Offices and the SAGCOT partners including the Private sector and SMEs as well as NGOs and CSOs revealed the involvement and engagement of stakeholders at various levels of cluster developments, some of which include stakeholder identification and value chain analysis. Nevertheless, the level of CDF understanding among the stakeholders varied and some claimed to have no understanding of what CDF is, especially for Mbarali District council since their understanding of its operationalization could not be aligned with their day-to-day activities. On the other hand, the RAS offices and value chain pullers (Processors or big investors that accelerates the value chain or provide ready market e.g. ASAS on milk processing in Iringa, Silverlands on potatoes seeds in Njombe, Rafael Groups, Mtenda Sunset in Mbeya etc.) understood CDF as both groups could explain adequately the processes and products of the CDF. The latter group had a general understanding on how things worked but they were unable to comprehend how their actions were aligned with the CDF. It was clear from the analysis that the consultant who was engaged to develop the CDF relied on the list of stakeholders from the RAS offices which was regarded to be insufficient and to a large extent skipped some potential stakeholders on the ground (i.e. farmers, small and medium investors).

*In the process of identification of the stakeholders the following are key messages that may inspire formulation of the new CDF (KCDF):*

- *Some stakeholders included during planning process of CDF documents did not feature out at the cluster level. For instance, Mtanga Farm in Ithemi cluster were reported to be not operating in the field;*
- *Research and development (R&D) stakeholders were not considered during the stakeholder's identification;*
- *The process identified a huge number of stakeholders which creates challenges of coordinating interventions and avoiding overlapping. CDF is a strategic document therefore the prioritization of partners could bring more positive outcomes;*
- *During planning, all the CDF documents were prepared by SAGCOT staffs, this reduced the ownership by other stakeholders; and*
- *A mechanism to ensure a follow up of what was agreed during the process was inadequate.*

*Therefore, for Kilombero CDF planning and formulation, there shall be a need for the real engagement of all stakeholders without exclusions and to achieve this the process have to start from the District Councils. Dependence on the list from the Region Administrative Secretary office might not be sufficient and tends to skip some potential partners. Therefore, it is important that the consultation processes should include a wide range of stakeholders from the lower levels. In particular, the District are recommended because it is where most of the permits are issued. Thus, at district level the potential stakeholders can also be identified adequately.*

#### **b. Selection and analysis of priority value chains**

The identification of the potential strategic value chains went through a number of phases including: phase one: consultation and data collection followed by phase two: validation workshop on collected data and prioritization of the value chains based on the set criteria. Phase three involved private sector, CSOs, farmers and government institutions to perform in-depth value chain analysis of the prioritized value chains in each cluster. This phase intended at identifying specific stakeholders for each value chain, constraints of the value chain, potentials of each chain in transforming the livelihood of people and sector growth. Fourth phase validated the identified information for each of the potential value chains. This phase revealed inconsistency in yield data from the districts, the RAS and the Ministry, but in the end the data from the districts (the source) were considered reliable. According to KII and FGDs, stakeholders' meetings narrowed down the priority value chains to 15 and later 5. These five were then identified and agreed as SAGCOT potential strategic value chains. For instance, in Mbarali cluster these were poultry, diary, sunflower, avocado, rice and potato while in Ithemi Cluster were dairy cattle, avocado, potatoes, soya beans and maize. The criteria used for selecting the priority value chains were access to market, geographical suitability of the value chain, infrastructure and storage and processing facilities. The in-depth value chain analysis for the final prioritized value chains was conducted to identify specific main stakeholders and actors for each value chain, the constraints of the value chains, and the potential of each value

chain in transforming the livelihood of people. In each value chain in Ihemi Cluster, leading pullers were identified. These pullers were responsible for ensuring that small-scale producers in a respective value chain are kept together and given all the required/necessary information and skills for the business.

The lesson learned from the process of selection and analysis of the priority value chains was the key among success factors for the CDF operationalization. As narrated, the process had four phases which would require minimum improvements during formulation and operationalization of KCDF and other new CDF. The phase of the identification of the potential focal/strategic value chains provides good benchmark, however, the process was sparingly detailed due to inadequate stakeholders' identification process which started at RAS offices. It was found plausible and adequate if this process of selection of stakeholders who later decides the value chain could have started at the district level. It is proposed that a purposive selection technique should be used during identification of members from the population to participate in the study for developing a CDF and selecting the value chains. The required criteria for selecting each stakeholder have to be discussed with the district officers or experts who are knowledgeable on value chains and type stakeholders in those value chains. The judgement of who are the key stakeholders should be done at this level. Each of the value chain must include the pullers. In this case, a puller could be a processing industry, producers of improved seeds, or a facilitator. Importantly is that, pullers should be able to assure market availability, have investment that will enable to unlock the value chain challenges, be able to assist on quality improvement not to refuse farmer's products, able to train farmers to attain the required standards, must have a will to learn and implement the IGG strategies and be able to provide prices that enable farmers to recoup their investment costs. Therefore, it is recommended that at early stages of formulation of CDF, the pullers should be identified so as to accelerate the business in the cluster.

The processes of value chain selection and analysis involved multitude of stakeholders. The list of these stakeholders was obtained from RAS offices. During round table discussions, it was observed that clusters were designated by the founders of SAGCOT initiative, then CDF was developed as development framework to realize potential of Agriculture transformation. This indicate that the process of forming clusters and therefore procedures for value chains identification were not informed by CDF but rather the CDF improved the operation of clusters activities after it was introduced. However, the impact of CDF in the operations of SAGCOT activities is pronounced at all levels and by all actors.

*One of the lesson learned from this process is that there might be possibilities of carrying over effects on mistakes or good practice of the CDF subsequent process. For instance, adequate process of identifying stakeholders and processors/pullers of value chain guarantees the adequacy of the process of comprehensive selection and analysis of strategic value chains considering the interest of diverse key stakeholders. In Ihemi Cluster, the puller approach was very successful in the milk and potatoes value chains. However, in case of lack or limited pullers in some value chains, a hub and spoke approach or SMEs integration strategy is suggested by SAGACOT and RAS offices as evidenced in Mbarali Cluster. This was the case with sunflower value chain in Mbarali cluster as there were limited number of pullers along the value chain.*

SAGCOT addressed this challenge by linking SMEs with Business Provider Support (BPS) who provided entrepreneurship services to SMEs. The approach changed by merging the SMEs to form an association which generated the ability to pull the value chain. Examples of the product of SMEs integration strategy is the formulation of Mbesopo in Mbarali Cluster and LUSITU & ISOWELU in Ihemi Cluster, which is the integration of the SMEs for sunflower value chain. The strategy might not work for all value chains, but rather it is encouraged that the change in strategy have to be consciously dynamic to fit the context of each value chain. Therefore, the main purpose of forming SMEs strategy was to address the challenge of lack of processors or service providers (pullers of value chain), the strategy lays down the procedures of SMEs involvement during the merging process and how stakeholders are engaged. Examples of product for the SMEs strategy is the linkage with BSPs on how to prepare financial statements, compliance with TBS and OSHA which in the end has raised awareness and reduced such compliance challenges. Therefore, scrutiny at each CDF process is required to capture all or majority of the key requirements.

Another lesson learned from both Clusters is that, the process of identifying pullers of the value chains must be informed by the actors of the priority value chains. This must be at the initial process of formulation of CDF. At this level the potential pullers as “hub” can integrate the potential farmers (spokes) to form a *hub-spoke* approach. This makes easy on going forward (complete tyre) especially if the contributing actors at all levels such as Local Government Authorities (LGAs) and RAS offices are transparently and fully involved. The LGAs are value chain supporters and facilitators thus they should be part of the process in setting criteria. The challenge remains on the level of commitment to consistently play part and keep record and sharing information with the entire LGA officers.

It was also observed that, individuals from the government who are involved in the CDF process happened to be the only ones who are knowledgeable about CDF. This indicates that, the process is not well mainstreamed in the Government system. It is therefore challenging in the implementation process of the value chains. A follow-up approach is therefore required as a monitoring and evaluation mechanism. For instance, frequent interviews with key stakeholders from LGAs may be necessary to monitor and evaluate the level of information sharing. To enhance information sharing habit, some incentives may be provided to LGAs officers with the best performance in the evaluation. This is anticipating to motivate other Officers to share information accordingly.

### **c. Field work for data gathering for the CDF**

The process of data gathering from the field was found adequate. According to KII and FGD, different stakeholders consulted during data collection including Private Sector, CSO, farmers, Government Institution (Regional and Local Government Secretariats), investors (processors and input suppliers), financial institutions, researchers and NGO in both regions were invited. The purpose of the stakeholders meeting prepared was to validate value chains (VCs). During this process approximately 50 value chains (crop, livestock and fisheries) were identified and suggested by stakeholders. The level of adequacy of the information collected can be reflected in the method explained by the SCL specialists (Appendix 2 and 3). The process of data collection allowed to collect the necessary information and make associated decisions about

actions to be taken in the cluster. After consultation and data collection. Field work was guided by local authorities who had a great understanding of the local context pertaining the priority value chains. These explanations are in line with the process explained in the MCDF, however, such process is not well detailed in ICDF.

#### **d. Awareness and Feedback Meetings**

Based on the KII and FGDs, the level of awareness of the SAGCOT activities to stakeholders were high. This high level of awareness is an evidence that awareness meetings were conducted successfully. However, the feedback to the actors at lowest level and LGAs was a missing gap as evidenced by limited understanding of the CDF. Majority of the stakeholders at the lower level especially in Ihemi Cluster had little understanding of the CDF. It was observed during discussions with some small-scale farmers participating in the strategic value chains that, they had no clue on what is in the CDF documents. This is an indication that there were limited feedback to the farmers after the initial data collection for formulating the CDF. In the future, more feedback meetings could be necessary to increase the understanding of the process laid by the CDF to stakeholders.

#### **e. Sharing of Final Results**

Sharing of data in form of final product (the CDF documents) was not adequately done. These CDF documents are not even accessible by stakeholders on-line. Workshops were conducted in order to validate the information identified for specific value chains. Some challenges were discovered during data sharing in terms of inconsistency. For instance the yield data for District differed with RAS Offices and the Ministry of Agriculture Offices. However, at the end the data choice relied on the information from the district level.

*During formulation of CDF a number of groups of stakeholders and actors identified. However, different levels of understanding of the CDF was observed among different stakeholders. The fact that identification of stakeholders might have left out some stakeholders may be the reason for diverse understanding of the CDF. At SCL, it was clear that they are the main actors for CDF (“as honest brokers”), and their level of understanding of CDF was convincingly impressive. On the other hand, the RAS offices and value chain pullers (large enterprise investors) also showed high level of understanding for the CDF and its processes. Contrary, it was clear that CDF was an unknown document to districts and NGOs such as Kilimo TRUST since their understanding of its operationalization could not be aligned with their day-to-day activities. In reality, the NGOs and CSOs group had a general understanding on how things are supposed to work, however, they were unable to understand that their actions were included into the actor’s activities of the CDF. Similar conclusion can be drawn that a detailed initial involvement and in subsequent steps is a key to overall understanding of the CDF and hence its adequate formulation and involvement.*

#### **3.1.4 CDF implementation**

After having the CDF document, SAGCOT prepared the Strategic Partnership (SP). The SP are meetings that convene stakeholders in the specific value chains as identified in CDF and others which were potential (non-key actors) but not captured in CDF. The aim of SP was to provide a platform for stakeholders to get to know each other and their involvement or roles in the value

chain. During these SP meetings, the constraints in each value chain were raised. The potentials of each value chain were also narrated and the solutions for identified bottlenecks were laid down. The SP meetings were convened for each specific value chain. At the end of the process, the implementation of CDF produced various products as narrated below.

The *first* product is the annual work plan. The work plan is implemented through a memorandum of understanding (MoU) which is signed by all stakeholders to show their consent and commitment to agreed actions. Each year, the meeting is called for the evaluation of the MoU for each value chain, whereby it is a responsibility of SAGCOT Cluster office and the regional government to conduct the follow-ups.

The *second* is CDF is Partner Outreach, whereby lead partner also known as puller of the value chain are visited to understand if they have challenges and assist in linking them with other stakeholders that can assist in addressing the challenges.

The *third* is a Compact Agreement. The Compact is the product after all actors convened and agreed on key areas of deliverables. This is a high-level meeting involving Principal Secretaries of the sector Ministries, Regional Commissioners, Regional Administrative Secretaries, District Commissioners, District Executive Directors, Private sector actors, farmers' groups, CSOs, CBOs, NGOs, and investors. In this case SAGCOT and regional government convenes actors of specific value chain and implement issues as guided in the compact. Finally, SP meeting would report back to Compact Review Meeting. Therefore, SP platform is the ground actors of facilitating particular value chain improvement. The purpose of the meeting is to provide platform where by challenges are brought to all actors and discussed with the purpose to prepare and sign a commitment on how to address the challenges along the priority value chains.

*The key lesson is that five-year period of Compact Agreement implementation was cited to be low, a longer phase could be adopted in Kilombero CDF to give enough time to learn and implement what has been agreed. Adoption and mind-set changes requires long phase. In addition, long term phases might enable the government, private sectors and other stakeholders to learn from each other and develop trust as they implement what agreed in the compact.*

#### **a. Infrastructure**

Infrastructure such as warehouse, roads, water, electricity and telecommunications are mentioned in the CDF as important for the priority value chains' development. Priority infrastructures are roads and irrigation network. The infrastructure issues were raised by all stakeholders as important elements for value chain development. However, the challenge is that infrastructure development is expensive undertaking and is under various ministries and actors. SAGCOT analysed the infrastructure demands as investment opportunities but the decision to invest depends on government and other actors' decisions. In the CDFs the integrated long term planning and the requirements of infrastructure investment for private sector and agribusiness growth. It further stresses the importance to undertake mapping of potential utilities,

transportation, storage and warehousing infrastructures with their estimated start-up capital and tax regimes to be added as incentives and motivation to agribusiness investors. However, the CDF clearly states that this information can be documented through respective LGAs implying that the overall issue of infrastructure is under Government through LGAs. The role of SAGCOT remains to raise infrastructure issues, lobbying with government including LGAs and development partners assist through advocacy, awareness and investment promotion. Investment of infrastructures receives low priority from investors because most the priority infrastructures such as roads and irrigation are regarded as public goods which do not have direct benefits to them. The storage infrastructures such warehouses have been successful because the investor gets direct return from the storage charges.

*Therefore, the priority infrastructures were identified in the CDFs and are found to be in line with farmers' requirements for value chain development. However, the choice on which infrastructures to be invested/implemented depended on the choice of investors. This trade-off posed a challenge of under implementation of the priority infrastructures as most of farmers' choices which included irrigation structures and roads were regarded by investors as public goods, thus, unprofitable to them. Continuous lobbying for the government and development partners to assist to improve priority infrastructure is crucial. This goes in hand with awareness creation and openness in sharing important working documents.*

## **b. Green Growth strategies**

Inclusive green growth (IGG) is the document or tool that provide adequate details on how to integrate economic growth, environmental sustainability and social inclusiveness in executing commercial enterprise. Inclusivity is paramount to CDF success since every intervention in each cluster must engage as many stakeholders as possible when addressing their problems. Although the key issue is to improve production but the improvement must consider inclusive green growth (IGG) strategies. It was observed that both MCDF and ICDF emphasize on the compliance to IGG guidelines. This implies that SAGCOT gave high priority to IGG during planning and implementation of CDF through its Green Reference Groups (GRG) and IGG guiding tool. The IGG tool provides guidance to investors based on the applicable laws of the land and other international good practices. In both Clusters, it was evident that the awareness on soil health issues was very high and majority of the stakeholders considered it very important for improving the production. This can be regarded as among the success stories from CDF because even LGAs are advocating diagnosis of soil fertility, alkalinity and acidity before investing in such a land. Currently, the activities of soil testing have gained significant attention and have also improved the level of production. It was evident in Ihemi Cluster that most of the investors are complying to the IGG guidelines before they invest in the cluster. Compliance to IGG guidelines and other laws and regulations may be the reason for the reduced frequent penalties from regulatory authorities. The initiatives by SAGCOT including the introduction and use of grievance management through SAGCOT Grievance Redress Mechanism (GRM) are the main factors that have accelerated the compliance to IGG guidelines.

*However, in Mbarali Cluster it was learned that, many strategies laid in IGG are not adequately implemented due to the need for wider stakeholders' consultation and budget limitations as a result of COVID 19 in 2020. Further, it was evident that the compliance to IGG was only for large-scale investors who comprise a small percent of the stakeholders. Compliance to environmental and ecological issues by the small-scale investors is inadequate. This may require a different awareness approach and strategies to ensure that the IGG strategies are complied. One of the approach could be the use of local leaders in enforcing the existing laws and regulations supporting the IGG strategies. Through enforcement of the laws and regulation natural resources such as rivers, forests, and other ecosystems services will be protected or conserved for sustainable utilization.*

### **c. The CDF Usage**

The CDF is targeted to all actors identified in the value chain. However, the awareness of the document is found to be adequate at SCL and not to other stakeholders. While SAGCOT understands the importance of stakeholders to own the document, sharing to other stakeholders is inadequate. Based on the FGD and KII, the target audiences had limited awareness of its existence. Since the CDF came later after cluster formation it was clear that the CDF was useful in laying the foundation for subsequent identification of actions in the Mbarali cluster. However, it was not present to lay the foundation of initial SAGCOT actions in formation and initial actions of the Ihemi cluster.

*As the mode of actions in clusters changed due to operationalization of the CDF, it is evident that in the formation of other clusters such as Kilombero, the CDF should inform the process of cluster formation and guide the subsequent actions. Document sharing is very important to increase awareness, ownership and attract investment in the CDF.*

### **d. CDF products**

Products mean the reports, technical appendices, databases, maps, etc. This are used in terms of assessing achievement and what worked and what didn't. Several products are identified in the clusters as a result of CDF. These includes Strategic Partnership (SP), work plans, partner outreach, compact agreements, Strategies and thematic groups like Cluster Green Reference Group (GRG) and Soil Health and linkage with Business Service providers (BSPs).

The first product was the Strategic Partnership (SP) through which the CDF is implemented. The SP are meetings that convenes stakeholders on the specific value chain as identified in the CDF and other potential key stakeholders. The aim of SP is to let the stakeholders along the specific value chain meet and know each other and their involvement/roles in the value chain. The SP meetings provide a platform for discussing the constraints and potentials of the values chain as well as potential solutions to the identified bottlenecks. Thus, SP products are also regarded as CDF products.

The second product is the work plan which are evaluated on annual basis to check on the progress of CDF implementation. The work plan also produced Terms of References in form of

Memorandum of Understanding (MoU) which were signed by all stakeholders showing their consent in addressing the constraints. Each year the meeting is called for evaluation of the MoU for each value chain, whereby, it is a responsibility of SAGCOT to conduct follow-up.

The third product of CDF is Partner Outreach, whereby lead partner also known as pullers of the value chain were visited to understand if they had challenges. The pullers were also assisted in linking them with other potential stakeholders to collaborate in unlocking the value chain challenges such as market and availability of quality seeds. Among others, examples of these pullers visited were: ASAS who is a puller of Dairy value chain, AK Glitters and Silverland who are pullers for poultry, Raphael Group of Company Ltd and Mtenda Kyela for rice, Silverland and Tanzanice who are pullers for Potato while Rungwe AVOCADO, Kuza Africa, Tanzanice and Lima kwanza are pullers for Avocado. It was observed that pullers for sunflower were still in a challenge as stakeholders involved such as Mbesopo are still at smaller-scale production. Partners outreach as a product of CDF is providing the platform for enhancing information sharing and also providing platform to address various challenges. For instance, it was reported that in sunflower value chains seeds availability is a challenge and the price for quality seed was extremely high (i.e. local variety seed 1kg for Tshs 6,000, while hybrid 1kg costs Tshs 35,000). Therefore, actors have to come together and find solutions for such a challenge. It was reported that all value chains are affected by crop CESS, which has a challenge of a repetitive charges. Such challenges were agreed to be presented to higher level of CDF “compact meeting agreement” during the partner’s outreach.

The fourth product is a **Compact Agreement**: Compact meetings are the high-level meetings in which the members are Ministers, PS, RCs, RAS, DC, DED, Private sector actors, farmers, CSOs, CBO, NGO, and Investors. The purpose of the meeting is to provide platform where by challenges are brought to all actors and discussed with the purpose of preparing and signing a commitment on how to address the challenges along the selected priority value chains.

The fifth product is the Cluster Green Reference Groups (GRG). The Cluster level Green Reference Group (GRG) are groups providing green growth platform where the private sector, the government and civil society organization works as a team to promote the green growth agenda. Therefore, all commercial investments under the SAGCOT Partnership are guided to comply with SAGCOT green growth principles. Using GRG, stakeholders activities are aligned hence reduction of duplication of efforts. It was evidenced that Green growth actors from Mbarali Cluster had opportunity to learn from Ihemi Cluster on the establishment of Mbarali cluster level GRG. The cluster level GRG is an engine to drive green growth agenda not only in the priority value chains but also the entire environment in the cluster for sustainable agribusiness growth.

Emerging product for the SMEs strategy is the linkage with BSPs on how to prepare financial statements, compliance with TBS, OSHA which in the end has raised awareness and reduced such compliance challenges.

*Therefore, the processes of planning and implementation of the CDF has led to appropriate inclusivity and participation at all stages. Moreover, the process had clear linkage to groups such as Ihemi GRG, value chain partnerships, and multi- stakeholder processes such as the Cluster Review Meetings.*

### **3.1.5 Monitoring and evaluation**

Based on the CDF documents, the CDF itself is a monitoring and evaluation tool used for tracking progress in the implementation, reporting on progress towards results, the management of results and observed best practices in the cluster. The commitments made by each partner including the LGAs and the RAS were also used as milestones for monitoring and evaluation (M&E). It is therefore evident that there were clear linkages between M&E framework and the CDF. Various tools for planning and implementation were developed for monitoring and evaluating the CDF processes and activities. These tools include the strategic plan matrix and the implementation matrix containing the strategic objectives, strategies, key actions/activities, targets and the responsible person or agency for the implementation and reporting of the particular strategy or activity. Staff under the three Departments of SCL are responsible for tracking, collecting data, information and reporting progress of implementation on their activities as per their responsibilities and annual work plan against established baselines and targets. However, joint monitoring with other partners and sharing of information and reports is encouraged.

Monitoring and evaluation of CDF:

- For each strategic partnership meetings, the work plan was set out and that is what SAGCOT uses to make follow up to see the implementation.
- SAGCOT conducted the outreach services to also monitor the performance of the work plan and to receive challenges that require different levels of addressing.
- SAGCOT has Report framework (RF) which is informed by TRACKER at cluster level.
- The TRACKER explains activities and responsible personnel and the implementation.
- Therefore, from TRACKER important results were drawn to feed into RF of SAGCOT at national level.

*The lesson learned in the processes of monitoring and evaluation of the CDF is that, it was adequate and comprehensive. Therefore, it can be used during planning, establishment and implementation of other CDF in the future.*

### **3.1.6 Key Lessons learned**

Several lessons can be drawn from this assessment and used to inform implementation of Kilombero CDF. The lessons are highlighted below:

- For success of CDF, identification of stakeholders must be participatory. Potential pullers of each of the value chain need to be identified before prioritizing the value chains. The process of identifying these pullers must be informed by the participating actors of the priority value chains. Compliance to these process will ensure ownership of the process and guarantee the success of the implementation of the CDF.

- Priority infrastructures must be identified by all stakeholders in the respective clusters during its formulation and be documented in the CDF. Investments and development of some infrastructure such as roads, irrigation schemes and electricity are left to the government while the private sector focused on processing plants and warehouses.
- There is inadequate implementation of the IGG strategies due to budget constraints and the outbreak of COVID-19 pandemic in 2020.
- There is high compliance to IGG for large-scale investors but less compliance by small-scale investors.
- Soil testing in Mbarali and Ihemi CDFs was found to be one of the major achievement of CDF operationalization that led to the improved crop production.
- The operationalization of the CDF helped to improve the performance of both Ihemi and Mbarali clusters.
- The processes of planning and implementation of the CDF led to appropriate inclusivity and participation at all stages.

### **3.1.7 Key challenges of cluster development**

There are challenges reported by stakeholders that require attention while formulating new clusters. Addressing such challenges would pave the way for successful operationalization of the CDF. These challenges are reported below:

- Delays in implementations of activities due to low level of commitment and lack of funds. Most activities depended on donor funds of which some pulled out after end of five years' plan (USAID and WB) while other reasons could be attributed to pandemics such as COVID-19 challenges.
- Inadequate alignment of the region's agricultural investment priorities with the strategies laid in the CDF.
- Still there are low level of engagement of partner.
- There are many stakeholders working in the CDFs however, the institutional arrangement to coordinate them is lacking causing the stakeholders to work in *silos* and increase risk of duplication of efforts.
- The incentives for private sector to invest on forest resource conservation, restoration and water management was low. Therefore, fewer private sector involvement in these key activities.
- Human capacity to guide value chain is inadequate
- Coordination mechanism in some areas is lacking. For example, there are water users downstream, water associations and the basin, and TANESCO however, the coordination is disconnected especially on water allocation.

## **4. RECOMMENDATIONS FOR PLANNING AND IMPLEMENTATION OF KILOMBERO CDF**

### **4.1 Planning and consultations for preparation of the CDF**

The involvement and engagement of stakeholders at various levels of cluster developments is very important. The level of CDF understanding among the stakeholders should somewhat be similar to enable alignment of the CDF with their day-to-day activities

The formulation of CDF can start with identification of consultant who could prepare the CDF. The consultant should comprise the experts on value chain expert, GRG, management including monitoring and evaluation. Terms of References on what to be included in the assessment is important such as develop priority value chains with stakeholders, actors' identification (including pullers and R&D), engagement plans, size of the cluster and boundaries.

### **4.2 Identification of Potential Value Chains**

The identification of the potential value chains should be participatory and in phases including consultation and data collection, validation and prioritization of the value chains based on the set criteria, in-depth value chain analysis and prioritization of the value chains, and validated the identified information for each of the potential value chains.

### **4.3 Cluster Development Framework implementation**

Strategic Partnership (SP) is a good approach during implementation of the CDF. The SP should aim to let the stakeholders along the specific value chain meet and know each other and their involvement/roles in the value chain and be a platform to discuss constraints and potentials of the values chain as well as potential solutions to the challenges.

Partner Outreach that will involve visiting the partners to understand their challenges and assist in linking them with stakeholders for problem solving is important. The CDF document should be used as a guiding tool, therefore should be understood by all partners and stakeholders in the CDF.

A long term Compact Agreement should be developed and used as one of the M&E tool. The Compact should involve high level decision makers such as Principal Secretaries of the sector Ministries, Regional Commissioners, Regional Administrative Secretaries, District Commissioners, District Executive Directors, Private sector actors, farmers' groups, CSOs, CBOs, NGOs, and investors. Compact review meeting should be done regularly to provide platform where by challenges are presented and discussed. Action plans to address the challenges to increase commitment can be developed during the meetings.

### **4.4 Green Growth strategies**

Green Growth strategies are very important in the CDF implementation to ensure sustainability and increase cooperate social responsibility of the actors along value chains. Green Growth strategies should be inclusive and engage smallholder farmers especially when addressing problems pertaining environmental pollution caused by their activities in the CDF. Soil health measurement before land investment has positive impact on crop production. Therefore,

should strongly be advocated by the all partners including LGAs. That means participants should jointly identify key challenges (e.g. soil productivity) during the CDF planning process and pull together to identify solutions.

#### **4.5 Puller of the value chain**

In order to address various challenges along the priority value chains, pullers identification and engagement is vital. The characteristics of pullers should be: able to assure market availability, should have investment that will enable to unlock the value chain challenges, should be able to increase quality of the farmer's produces not to trash, able to train farmers to attain the required standards and provide prices that farmers can recoup their investment costs.

#### **4.6 Boundary of the CDF**

It is recommended that there should be criteria to guide the boundary or size of the CDF. The following are examples: There should be at least one puller, high concentration of actors including farmers on the priority crop/produce. If it is a crop/animal/product then should have potential to bring agricultural transformation, cut across bigger area and have bigger impacts including community poverty reduction. Geographical or administrative boundary could be utilized to enable seizing geographical advantages or easy participation of LGAs and central government in the implementation of the CDF.

#### **4.7 The CDF Usage**

It is important to increase awareness of the CDF document to partners within the clusters especially the government officials to enable partners' alignment with the CDF and self-evaluation. CDF should be used to lay the foundation for subsequent identification of actions in the cluster.

#### **4.8 Monitoring of CDF implementation**

SAGCOT and partners' activities in the cluster, Strategic Partnership meetings and the Partner Outreach should be in line with the agreed work plan and be informed by TRACKER System at cluster level. The TRACKER system should be able to show activities and responsible personnel and the implementation.

## 5. CITED LITERATURE

Inclusive green growth guiding tool for small scale producers (SAGCOT,2019)

Compact statement 2015

Compact statement 2017

Developing sustainable food value chains Guiding principles. Food and Agriculture Organization of the United Nations, Rome (2014) <http://www.fao.org/3/a-i3953e.pdf>

Kwayu and Odon (2018) Assessing Local Content and Inclusivity Measures among SAGCOT Partners, Report, Prepared by Aikande Kwayu and Akanimo P. Odon, Bumaco Ltd. [www.bumacoltd.com](http://www.bumacoltd.com)

Milder, J. C., Buck, L. E., Hart, A. K., Scherr, S. J., and Shames, S. A. 2013. A framework for Agriculture Green Growth: Greenprint for the Southern Agricultural Growth Corridor of Tanzania (SAGCOT). Dar es Salaam:

Southern Agricultural Growth Corridor of Tanzania. Investment Blueprint, January 2011. ([file:///C:/Users/grny/Downloads/Invest-Blueprint-SAGCOT\\_High.pdf](file:///C:/Users/grny/Downloads/Invest-Blueprint-SAGCOT_High.pdf))

Southern Agricultural Growth Corridor of Tanzania. SAGCOT Centre Ltd – Head Office, 5th Floor, Masaki Ikon Building, Plot No. 153, Bains Avenue, Masaki, P.O. Box 80945, Dar es Salaam, Tanzania. <http://sagcot.co.tz/>

SAGCOT Centre. SAGCOT (2018) Mbarali Cluster Development Framework, Final Report

SAGCOT (2015) Ihemi Cluster Development Framework, Final Report, Produced by Prorustica Ltd.

SAGCOT (2015) Ihemi Cluster Development Framework, Technical Report, Produced by Prorustica Ltd.

SAGCOT (2019) Project Completion Review

Tanzania Agriculture and Food Security Investment Plan (TAFSIP) 2011-12 to 2020-21. Main Document, 18<sup>th</sup> October (2011). (<https://www.grain.org/media/W1siZiIsIjIwMTMvMDIvMjgvMTRfNDJfMTFfODBfVGFuemFuaWFfQ0FBFRFBfUG9zdF9Db21wYWNOX0ludmVzdG1lbnRfUGxhbi5wZGYiXV0>)

<https://www.mcci.org/media/154358/investment-guide-to-tanzania-2014-15-edition-00000003.pdf>

## APPENDICES

### Appendix 1: List of people consulted

SN.	Name & Title	Organization/Institution	Contacts
<b>Mbarali Cluster</b>			
1.	Mr. Geoffrey Kirenga	SAGCOT Centre Limited	0756480069; <a href="mailto:Geoffrey.Kirenga@sagcot.co.tz">Geoffrey.Kirenga@sagcot.co.tz</a>
2.	Mr. John Banga Nakei	SAGCOT Centre Limited	0743795777; <a href="mailto:J.Nakei@sagcot.co.tz">J.Nakei@sagcot.co.tz</a>
3.	Ms. Mary Ijumba	SAGCOT Centre Limited	0754396161; <a href="mailto:M.Ijumba@sagcot.co.tz">M.Ijumba@sagcot.co.tz</a>
4.	Mr. Clarence Chitemi (Cluster and Partnership Specialist – Mbarali)	SAGCOT	0754632745; <a href="mailto:C.Chitemi@sagcot.co.tz">C.Chitemi@sagcot.co.tz</a>
5	Dr. Amani Ngusaru (Country Director)	WWF-TCO	0782002933; angusaru@wwf.panda.org
6	Mr. Lucason Maiga	WWF-TCO	0787819946; <a href="mailto:Imaiga@wwftz.org">Imaiga@wwftz.org</a>
7.	Dr. Abubakary Kijoji (WWF-CARE Alliance Manager)	WWF-TCO	0764170142; <a href="mailto:akijoji@wwftz.org">akijoji@wwftz.org</a>
9.	Mr. Lazaro Mwakipesile (General Manager)	Raphael Group Company Ltd	0764465125; <a href="mailto:mwakipesile@gmail.com">mwakipesile@gmail.com</a>
10.	Mr. Robert Mwaluseke (Incharge of Office)	Kilimo Trust	0785585540; 0753128240 <a href="mailto:robert.mwaluseke@kilimotrust.org">robert.mwaluseke@kilimotrust.org</a>
11.	Mr. Daniel S. Kamwela DAICO	Mbarali DC	0769116753; <a href="mailto:dakamwela@yahoo.com">dakamwela@yahoo.com</a>
12.	Mr. Yobu Mlomo (District Agricultural Extension Officer)	Mbarali DC	0755350237; <a href="mailto:yobumlomo@gmail.com">yobumlomo@gmail.com</a>
13.	Mr. Jamson Mwilana (Crop Officer)	Mbarali DC	0754429692; <a href="mailto:mwilanaj@gmail.com">mwilanaj@gmail.com</a>
14.	Mr. Peter Mtenda	Mtenda Kyela Rice	0758977858
15.	Mr. Vanscar Kulanga Assistant Administrative Secretary –Economic and Productive Sector section	RAS Songwe	0767883389; 0655883489 <a href="mailto:Vanscar.kulanga@songwe.go.tz">Vanscar.kulanga@songwe.go.tz</a> , <a href="mailto:bigarts@yahoo.com">bigarts@yahoo.com</a>

16..	Mr. Mpoki Alinanuswe Livestock Officer	RAS Songwe	0759333386; 0717333386 <a href="mailto:mpokiam@gmail.com">mpokiam@gmail.com</a>
17.	Mr. Omary A. Kapeyu	RAS Songwe	0762949078; 0629849078 <a href="mailto:omykapeyu@gmail.com">omykapeyu@gmail.com</a>
18.	Mr. Renatus Magesa	TNC	<a href="mailto:renatus.magesa@tnc.org">renatus.magesa@tnc.org</a>
19.	Mr. Kayombo	RAS Mbeya	0758146263
<b>Ihemi Cluster</b>			
20.	Ms. Happiness Minja	WWF- Dar es Salaam	+255222700077
21.	Dr. Simon Lugandu	WWF- Dar es Salaam	<a href="mailto:slugandu@wwftz.org">slugandu@wwftz.org</a>
22.	Mr. Khalid Mgaramo	SAGCOT Ihemi Cluster, Iringa	+255713459694 <a href="mailto:K.Mgaramo@sagcot.co.tz">K.Mgaramo@sagcot.co.tz</a>
23.	Mr. Gerald Sakaya	SAGCOT Iringa Ihemi Cluster	+255745444665 +255789181818 <a href="mailto:G.Sakaya@sagcot.co.tz">G.Sakaya@sagcot.co.tz</a>
24.	Mrs. Grace Macha	Agricultural Officer (RAS Office), Iringa Region	+255713831250 +255754312042
25.	Mr. Beno Mgya	Chairperson LUSITU Agribusiness Group	+255763592365
26.	Mr. Joel Wilson	Agricultural Officer, Njombe Regional Office	+255759976724
27.	Mr. Augustino Miranda	TAHA HQ Office, Arusha	+255685630631 +255272544568 <a href="mailto:info@tahafresh.co.tz">info@tahafresh.co.tz</a>
28	Mr. Chesco Ng'eve	Chairperson ISOWELU Group	+255755646871
29	Mr. Fuad J. Abri	Director, ASAS Group of Companies, Iringa	+255754695540 +255756446033 +255262725011 <a href="mailto:fuad@asasgrouptz.com">fuad@asasgrouptz.com</a>
30	Mr. Ferdinand Mgya	Former Employee at Ihemi and Mbarali Clusters	+255764933665 <a href="mailto:fmgaya@fintrac.com">fmgaya@fintrac.com</a>
31	Pandit Bhadresh	DARSH Industries Ltd	+255787330565
32	Abdallah Hamadi	UNILEVER	+255764296736 <a href="mailto:abdallah.hamadi@unilever.com">abdallah.hamadi@unilever.com</a>

## Appendix 2: Detailed Assessment information

### Summary of key findings from the stakeholders meeting on the operationalization of CDF at Mbarali Cluster

Issue/Activity	Stakeholder	Means of consultation	Opinion on the process	Key-Possible improvement/solution
The Planning and preparation of CDF Process	SGCOT Centre-Mbeya	Round table discussion	Stakeholders identification started at regional level from RAS office	Identify pullers of value chain before the small actors/farmers starting at district level
		Round table discussion	The process was participatory with all potential stakeholders on board	Identify pullers of value chain before the small actors/farmers
			The number of employees and responsibilities at cluster was not realistic	The CDF should inform the number of employees and responsibilities at cluster level
	RAS-Mbeya	Round table discussion	All CDF process were inclusive	Spoke-hub approach, it should start at district level
	LGA-Mbarali DC	Round table discussion	Not aware of CDF, but, SGCOT have been approaching to inform on the actions at their local farmers	Priority structures identified and mentioned by farmers should be first priority for success of CDF
	Raphael Group-Mbeya	Round table discussion	Involvement in the CDF process was inclusive	The compact agreement must bring together higher level of decision makers to shorten the persistent of the challenges such as CESS
	Mtenda Kyela Rice - Mbeya	Round table discussion	Involvement in the CDF process was comprehensive	SAGCOT fees structure must be accommodative especially for small investors
	Kilimo trust - Mbeya			

Data gathering and field work for the CDF process	SGCOT Centre-Mbeya	Round table discussion	Data gathering was participatory during the process	Adequate
	RAS-Mbeya	Round table discussion	Comprehensively inclusive data gathering for CDF planning and implementation	Adequate
	LGA-Mbarali DC	Round table discussion	Inconsistent during the process	All key actors at DC should be involved, or communicated on decisions made for implementation
	Raphael Group-Mbeya	Round table discussion	Adequate involvement but don't have the CDF document	Minimize delays in response to issues raised during compact agreement meeting
	Mtenda Kyela Rice - Mbeya	Round table discussion	Adequate involvement	
	Kilimo trust - Mbeya	Round table discussion	Adequate involvement in the process of formulation of CDF	Limited feedback, sharing of the product (CDF)
Selection and analysis of priority value chains in the CDF	SGCOT Centre-Mbeya	Round table discussion	Comprehensive and high level of involvement during the process at all levels	Future must accommodate emerging value chains
	RAS-Mbeya	Round table discussion	Comprehensive and high level of involvement during the process at all levels	Pullers must drive the selection of value chains for smooth operation and quick success
	LGA-Mbarali DC	Round table discussion	Comprehensive and high level of involvement during the process at all levels	More openness on document sharing and consistency representation would make the information flow adequate
	Raphael Group-	Round table discussion	Comprehensive and high level of	Shorten the process of addressing challenges

	Mbeya		involvement during the process at all levels	along value chains such as CESS and multiple authorities' centralization (OSHA, TFDA, TRA)
	Mtenda Kyela Rice - Mbeya	Round table discussion	Comprehensive and high level of involvement during the process at all levels	Fees for being SGCOT member are not attractive to emerging stakeholders. They have to be revised to attract more members in SGCOT value chains operationalization
	Kilimo trust - Mbeya	Round table discussion	Yes. High level of involvement during the process	Sharing of final products must be improved
The priority infrastructures	SGCOT Centre-Mbeya	Round table discussion	All stakeholders were involved to identify the priority infrastructures	No funds from SACOT, therefore, its, still a challenge. Government must invest according to farmers and stakeholder's priority especially for structures considered as public goods
	RAS-Mbeya	Round table discussion	All stakeholders involved	The Government is investing on different scales of priorities. Currently, aligning of SAGCOT activities and region priority is regarded as a solution to the challenge. Mbeya region has prepared investment guide (2020) which has incorporated CDF activities. Also, the work plan is prepared for guiding the actions to be taken as Mbeya region
	LGA-Mbarali DC	Round table discussion	Farmers and LGAs were involved in	Openness in the implementation process

			identification but there are inadequate responses in investing for priority	and improved communication for stakeholders in the cluster
	Raphael Group-Mbeya	Round table discussion	Involved in identifying where warehouses are needed	
	Mtenda Kyela Rice - Mbeya	Round table discussion	Involved in identifying where the warehouses are needed, but not clearly explained	Constructed one warehouse, but for efficient utilization machines have to be installed
	Kilimo trust - Mbeya	Round table discussion	Provision of support services has been improved	Harmonization of activities conducted by different actors of value chains is important
Green Growth strategies	SGCOT Centre-Mbeya	Round table discussion	Involved, expert Mr. Banga was responsible in advocating the Inclusive Green Growth Strategies	The need to train the trainer in Mbarali SGCOT who will oversee all IGG strategies implementations
			The strategies of IGG are like new, therefore not fully advocated	Increased advocacy to create awareness of IGG
	RAS-Mbeya	Round table discussion	This is not clear	More advocacy required
	LGA-Mbarali DC	Round table discussion	Not clear	More advocacy to create awareness required
	Raphael Group-Mbeya	Round table discussion	Trained on IGG and understand its benefit. It reduces the head confrontations with authorities such as OSHA, NEMC etc	The fees required by different authorities should be centralized and the task of investor should be to adhere to IGG guidelines

	Mtenda Kyela Rice - Mbeya	Round table discussion	Trained on IGG and understand its benefit.	
	Kilimo trust - Mbeya		No idea of IGG, but comprehensively advocate on producing with conservation to environments. Idea of soil health was initiated by Kilimo trust and now it is spread throughout the Mbarali cluster	Increased sharing of feedback documents and guidelines for stakeholders to align themselves
The CDF Usage	SGCOT Centre-Mbeya	Round table discussion	Main user of CDF	CDF should start before cluster for it to inform all processes and actions during cluster development
	RAS-Mbeya	Round table discussion	Not using but an important actor of SAGCOT activities	
	LGA-Mbarali DC	Round table discussion	Not aware of implementing the CDF	Increased communication is insisted
	Raphael Group-Mbeya	Round table discussion	Actors of CDF but don't have the document	Good if shared however as investors they follow directives but also look at their target
	Mtenda Kyela Rice - Mbeya	Round table discussion	Actors of CDF	Sharing and training on CDF required
	Kilimo trust - Mbeya		Not clear	Sharing and training on CDF required
The products of CDF	SGCOT Centre-Mbeya	Round table discussion	Workplan for implementing CDF activities, Strategic partnership meeting, Partner Outreach	

			programme, Compact Agreement	
	RAS-Mbeya	Round table discussion	Compact Agreement	
	LGA- Mbarali DC	Round table discussion	Compact Agreement	
	Raphael Group- Mbeya	Round table discussion	Compact Agreement	
	Mtenda Kyela Rice - Mbeya	Round table discussion	Compact Agreement	
	Kilimo trust - Mbeya	Round table discussion	No sure	
Monitoring and Adaptive management	SGCOT Centre- Mbeya	Round table discussion	For each strategic partnership meetings, we set out the work plan and that is what SAGCOT makes follow up to see the implementation. SGCOT conducts the outreach services to also monitor the performance of the workplan and to receive challenges that require different levels of addressing. SGCOT has RF framework which is informed by tracker at cluster level. The tracker explains activities and responsible	Adequate

			personnel and the implementation. Therefore, from trucker we draw important results to feed into RF of SGCOT at national level.	
	RAS-Mbeya	Round table discussion	Through LGAs reports	Adequate
	LGA-Mbarali DC	Round table discussion	Field visits and prepare annual reports	Adequate
	Raphael Group-Mbeya	Round table discussion	Own company style	Harmonization is needed
	Mtenda Kyela Rice - Mbeya	Round table discussion	Own company style	Harmonization is needed
	Kilimo trust - Mbeya		Own company style	Harmonization is needed

### Appendix 3: Lesson Learned from Discussion with SAGCOT Headquarters (DSM) on CDF

Alignments of CDF with partners plan	There is a need for promotion of the process of convergence. This convergence can take place once or after a long time or it may not successfully happen. The lack of convergence meeting limits awareness of stakeholders, conversely, success of convergency improves awareness of stakeholder's positions and limitations. Alignments of plans can be done during the meetings. Comparison must be made with already done things.
How was CDF supposed to work?	When there is a complex system, it has to be broken down into subcomponents for easy implementation. CDF identifies pre-existing, existing and potential opportunities in order to avail them to stakeholders. In end agreement have to be reached on the best way of implementing to achieve goals indicating what has to be done by who. This integrates all multi dimension stakeholders in order to have inclusivity and sustainable agricultural development and benefits.
Value chain identification	This is laid down in CDF, that experts must assist in explaining why certain value chain must be picked. The criteria rely on the ability of the value chain to transform people's lives, potential for sustainability and inclusivity. Room for including emerging value chains important for

	harnessing the emerging economic opportunity. Promotion of value chain must consider its potential in terms of weather condition, availability of land and acceptability to community. In addition, potential market of the products of value chain and their usage must be part of consideration in priority value chain identification.
Green Growth	In the first SGACOT – KILIMO KWANZA executive committee meeting chaired by the Minister of Agriculture, the Green Growth emerged as important strategy for sustainability of the programmes. Green Growth is part of millennium development goals, where by the emphasize is highly advocated. To large extent green growth is now known to partners. One of the recruitment factors of the partners is the ability and willingness to accept green growth strategies. Frequent monitoring and evaluation for the alignment to green growth, providing awareness to partners and reminding them on green growth strategies remains to be a work in progress.
Challenges of CDF formulation and implementation	Challenges of having value chain which are not tradition value chains. Also, integrating diary value into organized groups. Convincing the farmers on importance of maintain quality of products along all value chain process. It is important to enhance exposure to stakeholders, and increase their awareness on importance of quality products along the value chain processes through engagement. Engaging champions or lead stakeholders to increase awareness of others is effective approach
Emerging value chains	Changes in priority of nation policy and environment results into changes of priority value chains.
Lessons from Ihemi and Mbarali products	Different in formation of clusters is due to actors but the procedure is the same. Mbarali just like other clusters has small, medium to large enterprises but most enterprises are small. Although the approach for formulation remains the same, the structure of implementing CDF depends on actors

Based on the interviews with various stakeholders, despite some reported challenges SAGCOT has been successful in many aspects. The table below provides some of successes in the planning stage, implementation and the outcomes obtained. In the last column, remarks are given for scaling up similar projects in the future. In case of something which was peculiar to a specific cluster, it is mention that in the remarks column.

**Appendix 4: Key Successes during planning, implementation and the outcomes for Ihemi CDF**

Process	Products/Outcomes	Remarks

Planning	Implementation		
<p>1. Involvement and collaboration with various stakeholders from the Public and Private Sector</p> <p>2. Considerations of different value chains in different clusters. In this case each Cluster came up with different value chains depending on the geographical locations and suitability of the areas to those selected value chains.</p> <p>3. Somehow, engagement of Local communities in the planning process</p> <p>4. Formulation of the Green Reference Groups comprising of stakeholders with various capacities</p> <p>5. Formation of diversified</p>	<p>1. Joint implementation under PPP (Public, Private partnerships) of various activities in all levels. For example the conservation activities, agricultural related activities and the management of Village forests in some of the selected villages.</p> <p>2. Efficient alliance and collaboration between SAGCOT, WWF, the Government, Private Sector, the Public and other stakeholders. This alliance and collaboration is essential for complementing each other</p> <p>3. An effective distribution of roles among stakeholders. WWF and SAGCOT are working as facilitators and implementers respectively</p> <p>4. Establishment of partnerships which tend to identify different stakeholders along the value chain.</p> <p>5. Frequent or annual meetings of the partners to discuss and agree on how to address various identified challenges in the entire value chain</p> <p>6. Collaboration between Cluster Managements working closely with various partners on daily basis. The Cluster Management Team do check on the recruitment issues and processes, partner's relations (outreach), policy issues which are then taken to higher levels of authorities for managerial discussions</p> <p>7. Consideration of the Cluster</p>	<p>1. Establishment of Land and Water Management systems</p> <p>2. Development of Village Land use Plans Mapping of key resources Development of Education and awareness creation on sustainable land use practices</p> <p>3. Mapping of the existing Water streams in the area where about 110 water streams are mapped</p> <p>4. Development of the various Value Chains SMART Agriculture practices and systems The value chain focused on beans and Irish potatoes This was implemented in Sadan Ward (Kibada and Utosi Villages) and Igombavanu Ward (Igombavnu, Lugoda Lutali, Uhambila and Mapogolo villages)</p>	

<p>Feeder groups in each Cluster</p> <p>6. The Concept of Green Growth which aims at minimizing the environmental impacts in each of the Cluster</p>	<p>differences during project implementations. While the Ihemi Clusters is dealing with large Investors like ASAS, the Mbarali Cluster deals with Small and Medium Size Enterprises (SMEs). Due to these different natures of the Clusters so they different value chains</p> <p>8. Frequent review processes for improving the implementation of various activities. During these reviews remarks are provided on how to improve or change the areas of concentration. One of the advice had been for SAGCOT to focus on the three already established CDFs than starting new ones.</p> <p>9. A closely nurturing of the three clusters to ensure that the activities being implemented are well attended</p> <p>10. Establishment of pilot studies on Landscape Management in six villages for managing water flow in the ecosystems to avoid compromising the environmental quality.</p> <p>11. Collaboration with various Investors including SEKO, TANGRODMANET with about 71 members</p> <p>12. Existence of one Puller to lead each of the specific value chain in a cluster. The puller plays significant roles in mobilizing small scale producers and other stakeholders along the value chains</p> <p>13. Linkage roles for promoting</p>	<p>Phase II of the project is intended to include 14 villages</p> <p>5. Establishment of inclusive Green Growth, Green Reference Groups and Environmental Feeder Groups</p> <p>This was initiated by SAGCOT but is being facilitated by WWF</p> <p>This initiative aims at ensuring that all the investments are taking into account economic, social and environmental issues</p> <p>6. Infrastructure development, lobbying and advocacy</p> <p>7. Establishment and implementation of Seeds production systems and policies, regulations and guidelines</p> <p>8. Undertaking studies/research along the selected value chains</p> <p>9. IGG and GRG tools and guidelines for</p>	
--	--	--	--

	<p>various sectoral issues such as soil testing and soil health to most farmers</p> <ol style="list-style-type: none"> <li>14. High compliance to IGG and GRG tools and guideline</li> <li>15. Good relationships between the Government Officials and people from the private sector</li> <li>16. Reduction of malnutrition in the households in areas where there high production of soya beans in Kilolo District</li> <li>17. Sustainability of most of the activities which are mainstreamed into the government systems</li> <li>18. Establishment of LUSITU Agribusiness Group with 126 members (7 subgroups) in Luponde Ward</li> <li>19. Construction of Potato packaging center for LUSITU Group with the total cost of about 195 Million Tanzania Shillings</li> <li>20. Formation of groups of producers such as ISOWELU and LUSITU which have trained about 3000 farmers in different Wards in Njombe</li> <li>21. Establishment of the Tea value Chain which is becoming very strong after Unilever Factory setting aside 70% of the tea to be from the Farmers and only 30% from their own farms. The Factory also have certified their products and farmers are getting higher prices compared to other small scale farmers in other areas</li> </ol>	<p>assisting investors in the Cluster</p> <ol style="list-style-type: none"> <li>10. Existence of various investment principals and Guidelines</li> <li>11. Provision of Trainings to Training of Trainers, Government Officials, producers and agro dealers (pesticide sellers) to ensure good of services and quality of the inputs respectively</li> <li>12. Establishment of the Regional Agricultural Platforms and other sub-platforms</li> <li>13. Linking of Producers and the Market (Vibindo Society) in Dar and Zanzibar</li> <li>14. Agreement between Lusitu Group and ACRAHAMN Company from Dar es Salaam</li> <li>15. Reduction of production and managerial costs of the selected value chains by about 50% due to working in groups</li> <li>16. Establishment of the Extension Service Guidelines</li> </ol>	
--	---	--	--

		<p>(Mwongozo wa Ugani) to avoid duplication of efforts between the Government and other stakeholders</p> <p>17. Inclusion of TAHA which is linking AVOCADO stakeholders in the entire value chain</p> <p>18. Establishment of the reliable potato seeds production in Njombe and Iringa</p> <p>19. Creation of employment where the ISOWELU group have hired an Accountant, Manager and Extension Officer</p>	
--	--	---	--

**Key Shortcomings/Challenges and Solutions for Ithem**

Despite the reported success stories, some challenges were observed. Interviewees mentioned key issues which if addressed can improve the outcomes in other subsequent cluster establishments. However, it should be clearly noted here that, all the clusters have different characteristics with different value chains. So, some conditions which works in one cluster will not necessarily work in the other ones.

### Appendix 5: Key Shortcomings/Challenges and their Solutions

Process		Products/Outcomes	Solution (S)
Planning	Implementation		
<ol style="list-style-type: none"> <li>1. Lack of awareness to most of the actors</li> <li>2. Inadequate promotion of the CDF documents</li> <li>3. Lack of Institutional Commitments</li> <li>4. Lack of participation of most of the stakeholders in the initial stages</li> <li>5. Minimal involvement of WWF in formulating the CDFs documents</li> <li>6. Inadequate participation of stakeholders in the planning process leading to lack of ownership of the entire process and the product itself</li> <li>7. Coordination of partners is still challenging</li> <li>8. Notorious stakeholders with very low willingness to collaborate</li> </ol>	<ol style="list-style-type: none"> <li>1. Lack of a clear definition of the term Cluster</li> <li>2. Lack of clear differentiation between cluster differences</li> <li>3. Lack of clear Geographical boundaries in each Cluster</li> <li>4. Political interference in cluster mapping and setting of boundaries</li> <li>5. Lack of transparency of some of the issues</li> <li>6. Lack of frequent evaluations – only one evaluation have been conducted so far since 2010 when SAGCOT was established</li> </ol>	<ol style="list-style-type: none"> <li>1. Marketing issues for the established value chains</li> <li>2. No Study on the prior and after project differences</li> <li>3. Inadequate transparency in the value chain selections</li> <li>4. Unclear relationships between SAGCOT and the Government</li> <li>5. Lack of trust among stakeholders</li> <li>6. Lack of Potato process machines in the processing Center</li> <li>7. The pricing of potato has been challenging in some seasons</li> </ol>	

	<p>7. Poor accessibility to various Group members and new villages</p> <p>8. Lack of fund for various activities</p> <p>9. Poor Infrastructures or Difficulties in transport</p> <p>10. Lack of extension service and skilled extension Officers in the villages</p> <p>11. Bureaucratic procedures for formulating groups and registration processes</p> <p>12. Lack of Sustainability for most of the activities</p> <p>13. Lack of clear synergies of the objectives or goals of the funders and recipients</p> <p>14. Infrastructure challenges especially for the Tea Value Chain</p> <p>15. Inadequate Financial support to ensure that trainings and other activities are continuously undertaken</p> <p>16. Continuous support for Policy reviews. This is</p>	<p>because of the overlapping of production seasons from Iringa, Arusha, Mbeya and Lushoto</p> <p>8. SAGCOT and the Government in collaboration with TIC should promote investment in processing machineries for various fruits in order to add value to those fruits which will benefits not only the government but also the farmers and Group members</p> <p>9. Other value chains are also emerging including the Macademmia trees. These other value chains should also be promoted</p> <p>10. Lack of commitment among the partners or stakeholders</p> <p>11. Problems in reporting systems and styles</p> <p>12. Selfishness of some partners or stakeholders</p>	
--	--	---	--

	<p>among the challenging activity because things keeps changing every now and then</p> <p>17. More trainings and orientations on the best practices that are in place</p> <p>18. Lack of Support for more resources</p> <p>19. Lack of Potato seeds in the area</p> <p>20. Lack of trust between Farmers and extension Officers</p> <p>21. Geographical Location of the farmers</p> <p>22. Inadequate number of Partners. Only SAGCOT is assisting farmers in the Corridor, farmers need more partners</p> <p>23. Lack of Contractual Market to increase market reliability. SAGCOT have tried to bring farmers and buyers together but still there is no Contract between producers and</p>	<p>13. Skewness of the funding activities. Most of the funding are directed into trainings and inputs distribution leaving other important activities stranded</p> <p>14. Lack of engagement or involvement of stakeholders in the initial stages of the implementation</p> <p>15. Lack of aligned strategies and efforts</p> <p>16. Duplication of efforts because of similarities of activities undertaken by different stakeholders</p> <p>17. Lack of memorandum of Understanding between stakeholders because the compact agreement does not suffice</p> <p>18. Emerging challenges as more activities are being implemented</p> <p>19. In Tanzania, only</p>	
--	--	--	--

	<p>buyers. It is only the Contract that will ensure reliability of the market</p> <p>24. Lack of frequent trainings on various issues including Climate Change which tend to affect agricultural activities</p> <p>25. Lack of Collateral to most of the farmers. Most of the Loan or Financial Providers requires Collaterals which are not easily to get by famers</p> <p>26. High Interest rates charged by various Loans where group members get the Loans.</p> <p>27. Inadequate numbers of seed producers. Currently only one seed producers exist and he cannot fulfill the market demand</p> <p>28. Corruption at a Regional level. This is very serious problem and it tend to affect farmers. Some</p>	<p>2-3% of the Milk is being processed. The remaining 97% is in the informal sector. This seems to be a Policy Issues because people are running from the formal sector to informal</p> <p>20. Lack of Farmers Certification – This need to be promoted in order to promote quality in Cattle production</p>	
--	--	--	--

	<p>Government Officials tend to demand form Money before forwarding the Loan application Forms. This is a problem especially to the Regional Cooperative Officers or Managers who normally don't collaborate without getting something</p> <p>29. COVID 19 was a big challenges this year because it was not possible to send our produces to Mombasa and Nairobi Market which was potential initially. The Mombasa Market demanded about 60 Tons of Potato per Day Farmers did not manage to fulfil such a large demand due to COVID 19</p> <p>30. Dwindling market for Potato. There is no stable market for potato causing most of the producers to be unreliable</p>		
--	--	--	--



## Appendix 6: Lesson learned in Ihemi Cluster

Process		Products/Outcomes	Remarks
Planning	Implementation		
<ol style="list-style-type: none"> <li>1. Avoiding a copy and Paste practices</li> <li>2. Changing the mindsets and attitudes of people</li> <li>3. Avoiding over dependence to NGOs and its working style</li> <li>4. Better plans for better infrastructure</li> </ol>	<ol style="list-style-type: none"> <li>1. Working in Groups to increase efficiency</li> <li>2. SAGCOT being very efficient and effective so make it a private desk in the Government system</li> <li>3. Scale up SAGCOT activities into other areas</li> <li>4. It is important for SUA to partner with SAGCOT to conduct research on various agricultural issues</li> <li>5. Government ensure that its supporting organs like TRA work with other stakeholders as partners and not perform the auditing roles</li> <li>6. Difficulties to engage the Private Sector or individuals in the Cluster</li> <li>7. Mbarali Cluster did not have large scale producers in the selected value chain compared to Ihemi Cluster. They were very few and reluctant to be engaged in the SAGCOT project activities</li> <li>8. Lack of Socio-economic profiles. CDF should check on the existing socio-economic and its physical boundaries</li> <li>9. Political influences on setting Geographical Boundaries. In the presence of political influences some stakeholders may not exist in some Districts. For instance in Ihemi Cluster, the Makete District in within the Cluster but no stakeholders existing</li> </ol>	<ol style="list-style-type: none"> <li>1. Investment on simple innovative affordable technologies</li> <li>2. Need for training more Dairy technologists</li> <li>3. Ensure that we grow with the Communities</li> <li>4. Develop the habit of volunteering in community works</li> <li>5. In each Cluster it is important to have some local people especially during establishment of the Cluster. In Mbarali Cluster, this was among the challenging things that delayed some of the processes</li> <li>6. Motivate, promote and assist local investors in the Country</li> <li>7. SUA establish a seed production and supply center for the country</li> <li>8. CDF idea has a number of positive things and need to be replicated in other areas</li> <li>9. Having a lead firm or Company in each Cluster is good thing for nurturing the small ones</li> <li>10. The Compact agreement should comprise of the experts on various sectors in order to set</li> </ol>	

	<p>10. Failure of linking the Blue print and the CDF itself in setting the boundaries. In the Blue print only Kilolo, Mufindi and Iringa are mentioned but later on Njombe was also included (due to political influences). While Iringa many large scale producers, Njombe did not have Large scale producers but only small scale producers</p> <p>11. Lack of engagement of some stakeholders. Some of the stakeholders are not fully involved during the Cluster establishment process. This tend to create some problems during implementation process. Therefore, there should be some efforts to involve all important stakeholders in the entire process</p> <p>12. Bureaucracy in the Government System</p> <p>13. Working with Government officials need some time to start speaking the same language. Private and Public Partnership is a new concept in the Country so it has some challenges.</p> <p>14. Lack of transparency/openness. SAGOCT is very stiff in accommodating ideas from other stakeholders. They are so close minded (rigid). They should be open to receive ideas from other stakeholders</p>	<p>standards for the evaluation</p> <p>11. Compact agreement is a very good tool but should have some improvements to include commitments of each stakeholder (Responsibilities and commitments, these should be detailed and intensive and should be revised and reviewed time to time)</p> <p>12. CDF establishment has a significant influence from Politicians. There should be a balance between politics and people's life. There should be clear goals and objectives.</p>	
--	---	---	--

## Appendix 7: Other information as they appear in the ToR

Further, the consultants are expected to document the following specific information:

1. To understand and analyse the following:
  - a. Identification, engagement, and participation of key stakeholders and specifically SAGCOT partners such as Private sector and SMEs as well as NGOs and CSOs in cluster-level developments. Did the processes of planning and implementation of the CDFs lead to appropriate inclusivity and participation at all stages? i. Linkage to groups such as Ihemi GRG, value chain partnerships, and multi-stakeholder processes such as the Cluster Review Meetings
  - b. Data gathering and field work for the CDF. Were these adequate to collect the necessary information and make associated decisions about actions?
  - c. Value chains. Selection and analysis of priority value chains. Identification and prioritization of associated investment opportunities. What were the success factors and areas of improvement in both the planning and implementation of value chains (including investment opportunities) as laid out in the CDFs and subsequent adaptive management during implementation? How could the CDF better integrate those adaptations from the beginning, or conduct a more effective process of adaptive management during implementation?
  - d. Green Growth strategies. Analysis and identification of priority initial Green Growth (GG) strategies and actions within the CDF. Were these appropriate? implemented? Why or why not?
    - i. Could the GG actions/strategies have been better integrated into priority investment opportunities? Alternatively, were/are they adequately integrated?
    - ii. Could the GG actions/strategies have been better identified/featured to improve implementation? Alternatively, have they been adequately implemented thus far?
  - e. Infrastructure. Identification, prioritization, and implementation. Was priority infrastructure implemented – why or why not?
  - f. Audience/users: Target audience appropriate? Level of usage of CDF? By whom?
    - i. Initial interventions. Did the CDF lay the foundation for subsequent identification of actions? What percentage was implemented? Why/why not?
  - g. Technical appendix. Content, utility.
  - h. GIS tools used and provided.

- i. Check if AGRInsight – was this useful mapping tool? Why or why not? What would be most useful to have mapped and how would that info be used/accessed by whom?
    - i. Overall assumptions (e.g., functional cluster model). Did these hold up from the planning stage?
  - j. Monitoring and Adaptive management.
    - i. Results framework (RF) at a cluster level. What worked, what could be improved? Does this RF at the cluster level appropriately integrate sustainability and inclusive green growth? how does it feed into/link to SAGCOT-wide RF and could this linkage be improved?
    - ii. Adaptive management of all components. What happened and why? • Identify key content aspects that changed over time (e.g., priority value chains). Why? Implications for M&E system?
    - iii.iii. Ultimate use/application of CDF. How differed from original conception?
  - k. Differences between the Ihemi and Mbarali CDF processes and products and how this influenced implementation in their respective clusters. Implications.
2. Identify several key challenges of cluster development / inclusive green growth at the cluster level with key stakeholders that may not have emerged from the above analysis, and analyse how these challenges could have been or could be better addressed through the Cluster Development Framework process and document (i.e. planning, implementation, monitoring and adaptive management).
  3. To develop recommendations based on the above analyses applicable for planning and implementation of Cluster Development Frameworks (CDFs), in particular the Kilombero CDF, regarding
    - a. Planning process
    - b. Stakeholder and partner engagement and buy-in, particularly SMEs and private sector
    - c. Content of final CDF document including structure and organization of document as well as associated tools/analyses
    - d. Approach to implementation
    - e. Monitoring and Evaluation and results framework at cluster level
    - f. Knowledge management and learning
  4. Based on all of the above, to document a draft step-by-step guide for end-to-end planning and implementation of Cluster Development Frameworks for practitioners.

## Tasks

The Consultants understand that the main tasks for this assignment will involve:

- Review of previous Ihemi and Mbarali CDF TORs, final documents for each priority value chain, value chain partnership, soil health partnership, and cluster level GRG, technical appendices;
- Review key SAGCOT documentation for clear and up-to-date background information.

- Interviews with SAGCOT Centre Ltd staff (central and cluster based), key stakeholders and partners engaged in development and implementation of the CDFs, particularly those based in the clusters
- Consultations at key points with GRG Feeder Groups (i.e. Environmental Feeder Group (EFG) and SFG), Regional governments, SAGCOT Centre and others as appropriate to inform of progress and receive key guidance
- Write report and step-by-step guide

### **Key Deliverables**

It is understood by the Consultants Team based on the TOR that, at the end of the work, the Consultants are expected to come up with the following key deliverables:

**1. A report of not more than 40 pages (excluding annexes) that sets out:**

- a. CDF process and products for both Ihemi and Mbarali clusters
- b. Lessons learned in planning and implementation of the Ihemi and Mabarali CDF; including challenges of cluster development / inclusive green growth at the cluster level with key stakeholders.
- c. Recommendations for planning and implementation of Kilombero cluster based on lessons learned from the previous 2 clusters (including the list above)

**2. Step-by-step best practice CDF guide**

**3. Annexes to include**

- a. Documents referenced
- b. List of interviewees and contact information
- c. Detailed assessment information

**4. PowerPoint presentation that summarizes results**

- ☐ This will be presented to the client by the Consultants