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# AFRICAN DEVELOPMENT BANK



## PROJECT APPRAISAL REPORT ADDITIONAL FINANCING TO FOOD SYSTEMS SUPPLY SERVICES IN RURAL TANZANIA” BARIDI SOKONI” F3SRT

### UNITED REPUBLIC OF TANZANIA

USD 3,035,000

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# AFRICAN DEVELOPMENT BANK



## PROJECT APPRAISAL REPORT FOOD SYSTEMS SUPPLY SERVICES IN RURAL TANZANIA (F3SRT) "BARIDI SOKONI" (ADDITIONAL FINANCING)

**AHVP/RDGE/AHAI/COTZ**

October 2024

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**CURRENCY EQUIVALENTS**

Exchange rate effective 1/4/2024

Currency Unit	Equivalent
1 Unit of Account	1.32 USD
1 United States Dollar	2,571.88 TZS

**FISCAL YEAR**

1 January – 31 December

**WEIGHTS AND MEASURES**

1 Metric ton	2,204.62 Pounds (lbs)
1 Kilogramme (kg)	2.20462 lbs
1 Meter (m)	3.28 Feet (ft)
1 Millimetre (mm)	0.03937 Inch (“)
1 Kilometre (km)	0.62 Mile
1 Hectare (ha)	2.471 Acres

## ABBREVIATION AND ACRONYMS

ADF	African Development Fund
AF	Additional Financing
AfDB	African Development Bank
COVID-19	Corona Virus Disease – 2019
CRFA	Country Resilience and Fragility Assessment
CSP	Country Strategy Paper
CSS	Climate Safeguards System
E&S	Environmental and Social Safety
EIRR	Economic Internal Rate of Return
ESCON	Environmental and Social Compliance Note
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
F3SRT	Food Systems Supply Services in Rural Tanzania
FC	Foreign Currency
FIRR	Financial Internal Rate of Return
FM	Financial Management
GAFSP	Global Agriculture and Food Security Program
GAP	Good Agricultural Practice
GDP	Gross Domestic Product
GHG	Green House Gases
GRM	Grievance Redress Mechanism
IRM	Independent Recourse mechanism
ISTS	Integrated Safeguard Tracking System
IT	Information Technology
JfYA	Job for Youth in Africa
LC	Local Currency
MVIWATA	<i>Mtandao wa Vikundi vya Wakulima Wadogo Tanzania</i> (The Network of Smallholder Farmer Groups in Tanzania)
M&E	Monitoring and Evaluation
MDB	Multilateral Development Bank
MTR	Mid-term Review
N/A	Not Available
NDC	National Determined Contribution
NPV	Net Present Value
OCB	Open Competitive Bidding
PAR	Project Appraisal Report
PC	Project Coordinator
PCN	Project Concept Note
PCR	Project Completion Report
PDO	Project Development Objective
PIT	Project Implementation Team
PIU	Project Implementation Unit
PLW	People Living with Disabilities
PMP	Pest Management Plan
PO	Producer Organisation
PSC	Project Steering Committee
RAP	Resettlement Action Plan
SAP	Systems Application Product in Data Processing
SDG	Sustainable Development Goals
TAC	Technical Advisory Committee

SEAH      Sexual Exploitation and Harassment  
TAs      Technical Annexes  
UA      Unit of Account  
USD      United States Dollar

## PROJECT INFORMATION SHEET

### CLIENT INFORMATION

<b>Additional Financing Project Name</b>	Additional Financing to Food Systems Support Services in Rural Tanzania “Baridi Sokoni” F3SRT
<b>Original Project Name</b>	Food Systems Support Services in Rural Tanzania “Baridi Sokoni” F3SRT
<b>Sector</b>	Agriculture
<b>Grant Recipient</b>	MVIWATA
<b>Project Instrument</b>	GAFSP Grant <sup>1</sup>
<b>Executing Agency</b>	MVIWATA

### COUNTRY AND STRATEGIC CONTEXT

<b>Country Strategy Paper Period:</b>	2023 – 2025
<b>Country Strategy Paper Priorities supported by Project:</b>	Priority 2: Improved private sector business environment for job creation.
<b>Government Program (PRSP, NDP or equivalent):</b>	<ul style="list-style-type: none"> <li>• National Development Vision 2025</li> <li>• Five Year Development Plan III 2021/22-2025/26</li> </ul>
<b>Project classification:</b>	Relevant High 5 Priority Area(s) and sub-theme(s) <ul style="list-style-type: none"> <li>• Feed Africa</li> <li>• Improve the Quality of Life of the People of Africa</li> </ul>
	SDG Name(s) <ul style="list-style-type: none"> <li>• SDG 2: End hunger, achieve food security and improved nutrition</li> <li>• SDG 5: Achieve gender equality and empower all women and girls</li> <li>• SDG 13: Take urgent action to combat climate change and its impacts.</li> </ul>
<b>Country Performance and Institutional Assessment:</b>	4.2
<b>Projects at Risk in the country portfolio:</b>	24% (March 2024)

### PROJECT CATEGORISATION

<b>Environmental and Social Risk Categorization</b>	Original Project	Category 2 validated in ISTS and entered in the SAP on 26 September 2022.
	Overall Project	The same E&S risk category as the original project. Category 2 validated in ISTS and entered in the SAP on 26 September 2022.
<b>Does the project involve involuntary resettlement?</b>	Original Project	No
	Overall Project	No
<b>Climate Safeguards Categorization:</b>	Original Project	Category 2
	Overall Project	2

<sup>1</sup> The Grant is provided by the Global Agriculture and Food Security Program (GAFSP) of the World Bank, and the African Development Bank (AfDB) is the Supervising Entity (SE)

<b>Fragility Lens Assessment:</b>	Original Project	Yes
	Overall Project	Yes
<b>Gender Marker System Categorization:</b>	Original Project	Category 2
	Overall Project	Category 2

#### ADF/ADB KEY FINANCING INFORMATION

<b>Interest Rate (AF Project, Original Project):</b>	N/A
<b>Service Charge (AF Project, Original Project):</b>	(%); (%)
<b>Commitment Fee (AF Project, Original Project):</b>	N/A
<b>Tenor (AF Project, Original Project):</b>	N/A
<b>Grace Period (AF Project, Original Project):</b>	N/A

Source	Amount (millions)		Financing Instrument
	UA	USD	
GAFSP	2.147	2.850	Grant
MVIWATA Counterpart Contribution:	0.139	1.851	In-Kind
<b>Total Project Cost:</b>	2.286	3.0351	N/A
<b>Additional Bank Group Financing as percentage of Original Project total cost</b>	[N/A]		
<b>Reason(s) for additional financing (check all that apply)</b>	<input checked="" type="checkbox"/> Financing Gap; <input type="checkbox"/> Cost overrun; <input checked="" type="checkbox"/> Scaling Up a project; <input type="checkbox"/> Modifying a project; <input type="checkbox"/> Emergency or Post-Emergency Operation		

#### PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS

<b>AF Project Development Objective:</b>	Increase smallholder farmers' horticultural production and marketing in the context of negative effects of COVID-19 pandemic
<b>AF Project Components:</b>	(i) Productivity and sustainable production, USD 939,400 (UA 707,600)
	(ii) Improving market access of potatoes and ginger, USD 1,375,500 (UA 1,036,100)
	(iii) Increasing capability of the MVIWATA and its members to manage shocks USD 720,200 (UA 542,500)



## AF PROJECT PROCESSING SCHEDULE TO BOARD APPROVAL

<b>Identification:</b>	Date: N/A
<b>Preparation Mission:</b>	Date: N/A
<b>PCN Approval:</b>	Date: N/A
<b>Appraisal Mission:</b>	15-04-2024 to 24-04-2024
<b>Board Approval:</b>	17-10- 2024
<b>Effectiveness:</b>	September 2024
<b>Project Implementation Period:</b>	September 2024 – December 2027
<b>Planned Mid-term Review:</b>	Jan 2026- Feb 2026
<b>AF Project Closing Date:</b>	31-10-2027
<b>Original Project Closing Date:</b>	31-10-2027

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## 1 BACKGROUND

1. Tanzania is an East African country, with a population of about 62 million people (national census, 2022), richly endowed with natural resources including a 1,424-kilometre coastline, large arable land, world-class tourist attractions, minerals, and oil and gas. Arable land covering approximately 44 million hectares of which 29.4 million hectares are suitable for irrigation, conducive weather, and ground and surface water provide opportunities for increased agricultural production. However, the majority (65%) of Tanzanians living in rural areas endure widespread poverty. The recent multiple shocks arising from COVID-19, hiked prices of petro-fuels, disruptions in the supply of fertilizers, geo-political conflicts, market disruptions and the ongoing adverse effects of climate change have exacerbated the country's economic challenges and adversely impacted the food security situation and made smallholder farmers, including MVIWATA members<sup>2</sup>, more vulnerable to the nutritional and food insecurity.
2. To address the foregoing constraints, MVIWATA, the network of farmers organisations in Tanzania, successfully secured a competitive grant of USD 2.5 million from the Global Agriculture and Food Security Programme (GAFSP) seventh call for proposals for producer organization-led projects. The objective of the Producer Organisation (PO)-led financing track is to provide funding to entities traditionally unable to access finance for catalytic investments in agriculture and food security.
3. The Bank's Boards of Directors subsequently approved the project Improvement of Food Systems Supply Services in Rural Tanzania in Adaptation to COVID-19 – "*Baridi Sokoni*" in October y 2023. The project's development objective is to increase smallholder farmers' horticultural production and marketing in the context of the negative effects of COVID-19 pandemic. Specific objectives that will lead to the achievement of this development objective are to (i) increase adoption rates of sustainable agricultural technologies and practices, mainly through agroecological approaches; (ii) enhance value addition and marketing of horticultural crops grown by smallholder farmers, particularly women and youth; and (iii) increase access to reliable and profitable markets. The project supports farmers on nine (9) value chains, namely, i) cloves, ii) green peas, iii) tomatoes, iv) garlic, v) beans, vi) potato, vii) cinnamon, viii) ginger, and ix) black pepper.
4. Given the high potentials of horticulture in Tanzania and the need to benefit more farmers MVIWATA secured additional USD 2.85 million from the GAFSP Seventh Call for Proposals to Accelerate Food Systems Resilience. This additional funding was directed to proposals that include at least one activity that is a scale-up of an existing PO activity, and include activities aimed at strengthening the PO's ability to improve the livelihoods and resilience of its membership of smallholder farmers by improving its governance, administrative, technical, managerial, and operational capacities.

## 2 ADDITIONAL FINANCING

### A. Rationale

5. The Additional Financing aims at providing more resources to reach more farmers and to extend project activities to high value crops, namely ginger and potato value chains. Under "*Baridi Sokoni*" project, a total of 1,000 and 200 farmers were earmarked for cultivation of potatoes and

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<sup>2</sup> MVIWATA membership is comprised of smallholder farmers, and consequently, problems of smallholder farmers, in general, are the problems of MVIWATA members.

ginger, respectively. The AF will, therefore, enable the scaling up of by reaching out to an additional 7,500 smallholder farmers in Njombe region and an additional 2,500 farmers who will be involved in the ginger value chain in Kilimanjaro Region. In total, the AF will enable the project to support 10,000 additional farmers, bringing the total number of beneficiaries to 13,000 farmers.

6. It will build resilience in managing external crises and shocks facing smallholder farmers. It will also strengthen collective action through the hierarchy of the MVIWATA producer organization at all levels from the grassroots' groups/associations, regional associations/organizations up to the national umbrella organization.

7. The project meets the eligibility criteria for for Additional Financing in the annex, section 8. Designing the project as an additional financing is considered a better option than starting a new project because it will utilize the existing implementation structure of the original project to maximise efficiency while accelerating the project development outcomes. Furthermore, the overall project is technically feasible, and financially and economically viable; in addition to having a satisfactory institutional, fiduciary, environmental and social safeguards arrangements. The project will scale up and expand activities of the PO related to the 2021 GAFSP-funded project "Baridi Sokoni", the implementation of which started in February 2024.

8. The project will directly contribute to achieving two of the High 5s' agenda of the Bank's Ten Year Strategy (2024-2033), namely, Feed Africa and Improve the Quality of Life of the People of Africa. The Project will also help achieve the Bank's policy commitments under Pillars I and II of ADF-16 regarding: (i) technologies for agriculture; (ii) climate smart agriculture; (iii) capacity building; and (iv) promoting gender inclusivity. Furthermore, the Project is aligned to the Bank's Gender Strategy 2021-2025 and the Bank's Climate Change and Green Growth Action Plan (2021-2025), which aims at boosting climate resilience and adaptation to climate change. The project is also in line with the Bank's current Country Strategy Paper for Tanzania (CSP 2021-2025) and complies with value chain priorities of Tanzania's Food and Agriculture Delivery Compact that was presented at the Dakar 2 Summit in January 2023 as well as Job for Youth in Africa Strategy (JfYA) (2026-2025). Equally, the AF is in line with the Government's Agricultural Sector Development Programme II, which aims at transforming the agriculture sector towards higher productivity, commercialization and increasing smallholder farmer incomes for improved livelihood, food and nutrition security and contribution to the GDP.

## **B. Project Description**

9. The project aims to increase smallholder farmers' horticultural production and marketing in the context of negative effects of COVID-19 pandemic. The additional primary beneficiaries would be 10,000 smallholder producers from the PO and local network organizations, of which 55% will be women, and 30% will be youth. Of the target, 7,500 will be potato producers in four districts in the Njombe Region and 2,500 will be ginger producers in Same district in the Kilimanjaro Region.

10. Secondary beneficiaries would include at least 10 rural Small and Medium Enterprises (SMEs), 2 local business development service providers, and at least 100,000 urban and sub-urban consumers as tertiary beneficiaries. The project is targeted towards women (55%) with female heads of households identified through mapping and surveys. In particular, the project would support women-owned enterprises in business incubation, production and potato processing hubs, savings and credit groups, girls' clubs, and legal services for gender-based violence. Equally important, the project will address climate resilience through agro-ecological approaches including climate smart agriculture, adoption of low-water-use varieties, micro-irrigation, and agro-forestry at farm and landscape levels. Nutrition will be addressed through increased production and productivity, crop diversification and income generation activities.

11. The additional financing will focus on two commodities (potatoes and ginger) with three components: 1) Increased productivity and sustainable production of potatoes and ginger for

improving nutrition and food security; 2) Improved market access of potatoes and ginger for increasing household income and local government revenue from potato and ginger traders; and 3) Increased capability of MVIWATA (the PO) and its members to manage shocks through capacity development and increased investment in sustainable food systems. Detailed project activities in each project component are as follows:

***Component 1: Increased productivity and sustainable production of potatoes and ginger***

12. The objective of this component is to impart Good Agricultural Practices (GAPs) including climate smart technologies to farmers coupled with gender-based transformative interventions. The combination of these interventions will improve long term resilience against the adverse effects of climate change while promoting sustainable production and improving productivity. This component is divided into 3 sub-components as follows:

**Sub-component 1.1: Improvement of agricultural advisory services and training**

13. Main activities under this sub-component will be training of 10,000 smallholder farmers (at least 55% women) on general Good Agricultural Practices (GAPs) using agro-ecology practices including crop diversification e.g., integration of potatoes and beans on the one hand; and on the other hand, integration of ginger and other crops, such as maize and beans. Gender-based training will also be incorporated to empower women. Training on better crop production technologies and techniques will be complemented with provision of an efficient, timely, adequate and appropriate advisory services by linking the producers to the agricultural research centres and the national extension services. There will be on-farm training on ginger and potato husbandry, management of crop diseases and postharvest management for quality produce.

**Sub-component 1.2: Establishment of low-cost irrigation system**

14. This activity will be implemented in both Njombe and Kilimanjaro Regions. Ten (10) existing low-cost micro-irrigation schemes, at least 5 micro-irrigation schemes in each region, will be improved. This will cover the catchment of 5000 hectares and benefit 5000 farmers. Intervention on micro irrigation schemes will increase community resilience to shocks by enabling farmers to grow crops throughout the year, thereby reducing vulnerability to drought.

**Sub-component 1.3: Improvement of on-farm post-harvest management**

15. The project will provide post-harvest management technologies for harvested ginger and potatoes which are highly perishable commodities if not preserved under controlled conditions after harvesting. Ten (10) on-farm collection and quality management centres for cleaning, sorting, grading, drying (ginger), and collection will be established. These centres will be equipped with simple equipment for cleaning, drying, sorting, moisture measurements, weighing, required containers and pellets for improving quality and shelf life of the produce.

***Component 2: Improved market access for potatoes and ginger***

16. The objective of this component is to increase market opportunities for potato and ginger farmers by creating demand for their products through branding, processing and enabling business environments (particularly through favorable policy and regulatory frameworks). There will be 5 sub-components under this component, as briefly highlighted below:

***Sub-component 2.1: Potato Processing Hub in Njombe Region***

17. Using appropriate technology, one (1) low-cost medium size potato processing hub will be installed in Njombe region. The facility will target domestic and regional markets. Apart from opening marketing opportunities, the processing hub will provide permanent and seasonal employment opportunities, especially to women and youth.

### ***Sub-component 2.2: Product Development Including Branding***

18. This will involve a series of activities including branding, product promotion and marketing to stimulate demand in the existing as well as new markets. Branding efforts will emphasize the uniqueness of products and their regions of production, i.e., Njombe and Kilimanjaro Regions. For potatoes, the focus will be on packaged fresh raw potatoes and packaged frozen chips and for ginger the focus will be on raw ginger, sliced ginger and powdered ginger to a smaller extent. The project will also focus on food safety issues for both value chains.

### ***Sub-component 2.3: Business Development and Financial Linkages***

19. Key activities will include linking smallholder producers to business development and financial services including the recapitalization and consolidation of the revolving funds already operated by MVIWATA through Savings and Credit Cooperative Societies (SACCOS), Agricultural Marketing Cooperative Societies (AMCOS) and Water Users' Associations to support emerging rural enterprises. A total amount of USD 10,000 has been allocated as recapitalization fund, and at least 10 small and medium rural enterprises will be identified/established and linked to business development and financial services<sup>3</sup>. Details on operational modalities of the fund is in Section 5 of the Technical Annexes.

### ***Sub-component 2.4: E-Platform Linkage***

20. Potato and ginger producers will be linked to a digital platform under the 'Baridi Sokoni'. Producers will be connected to the platform to enable them to electronically market their produce by increasing their visibility and marketing efficiency.

### ***Sub-component 2.5: Policy and Advocacy***

21. The project will engage the Government (central and local governments) for the creation of a favourable business and regulatory environment for farmers and other value chain actors. The most critical issues have been identified to be crop cess which impacts producers, non-tariff trade barriers and enforcement of weights and measures regulations to protect potato and ginger farmers against unfair business practices.

### ***Component 3: Increased capability of MVIWATA and its members to Manage Shocks***

22. The objective of this component is to build resilience and cushioning of MVIWATA and its members against impacts of social and economic shocks. This component will support informed decision making, diversified investments, relevant risk mitigation measures, and robust monitoring to capture useful lessons. This component will be achieved through strengthening the governance, administrative, technical, managerial and operational capacities of MVIWATA from local to national levels.

23. The project will seek to strengthen the capacity of MVIWATA systems and procedures including monitoring, evaluation and learning; and organisational, business, leadership, fiduciary and technical skills at all levels of the multilayered structure of MVIWATA. On the other hand, the producers will learn these skills throughout the project as part and parcel of the in-built project strategies, approaches and activities in all components of the project. In terms of building resilience, the project will increase crop diversification, improve low-cost irrigation to cope with cropping seasonalities, strengthen collective actions of the producers in dealing with production, marketing and financial services.

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<sup>3</sup> MVIWATA has the experience of operating this fund as they had once set and operationalized a successful revolving fund through one of the projects they implemented that facilitated farmers' access to finance.

## C. Revised Project Cost and Financing Arrangements

24. The additional financing brings the total cost of the project to USD 5.65 million (UA 4.26 million) from the initial USD 2.65 million (UA 1,99 million) approved in October 2023. This cost is broken down into USD 2.83 million (UA 2.13 million) in foreign cost and USD 2.82 million (UA 2.12 million) in local cost<sup>4</sup>. The total of USD 5.35 million (UA 4.03 million) will be provided by GAFSP while USD 0.30 million (UA 0.23 million) will be provided by MVIWATA mainly from in-kind contributions, e.g., provision of land for the development of infrastructure and office utility expenses.

25. Tables 1, 2, 3, and 4 below summarize the overall estimated project costs, and the costs by expenditure categories and sources of funding. Detailed project cost tables are presented in Annex 2-3 of the Technical Annexes to this report.

**Table 1: Estimated Cost of the Overall Project by Component (USD '000)**

Components	Previous Project		Additional Financing Project		Total cost	% of Total Project Cost
	Foreign Cost	Local Cost	Foreign Cost	Local Cost		
Component 1	166.23	606.86	404.50	532.0	1,709.59	30.25
Component 2	399.98	982.84	1,179.10	178.8	2,740.72	48.49
Component 3	213.50	174.70	434.00	278.9	1,101.10	19.48
<b>Total Base Costs</b>	<b>779.71</b>	<b>1,764.40</b>	<b>2,017.60</b>	<b>989.70</b>	<b>5,551.41</b>	<b>98.22</b>
Physical contingencies	7.17	22.24	-	-	29.41	0.52
Price contingencies	-	43.32	27.70	-	71.02	1.26
<b>Total Project Costs</b>	<b>786.88</b>	<b>1,829.96</b>	<b>2,045.30</b>	<b>989.80</b>	<b>5,651.84</b>	<b>100.00</b>

**Table 2: Overall Project Sources of Financing (USD '000)**

Sources of Financing	2023 Grant		Additional Financing		Total Cost	% of Total Project Cost
	Foreign Cost	Local Cost	Foreign Cost	Local Cost		
GAFSP	786.88	1,713.11	2,036.9	813.1	5,349.99	95.25
MVIWATA	0	116.85	8.4	176.7	301.85	4.75
<b>Total Project Costs</b>	<b>786.88</b>	<b>1,829.96</b>	<b>2,045.3</b>	<b>989.8</b>	<b>5,651.84</b>	<b>100.00</b>

**Table 2: Additional Financing Project Cost by Category of Expenditures**

Category	(USD '000)			% of Base Total Cost	% of Total Project cost
	F.E.	L.C.	Total		
Goods	891.8	10.0	901.8	30	29.7
Civil Works	487.3	121.8	609.1	20	20.1
Services	623.5	457.9	1,081.4	36	35.6
Operating Costs	6.0	114.0	120.0	4	4.0
Miscellaneous	9.0	286.0	295.0	10	9.7
<b>Total Base Costs</b>	<b>2,017.6</b>	<b>989.8</b>	<b>3,007.3</b>	<b>100</b>	<b>99.1</b>
Physical contingencies		-			0
Price contingencies	27.7	-	27.7		0.9
<b>Total Project Costs</b>	<b>2,045.3</b>	<b>989.8</b>	<b>3,035.0</b>		<b>100</b>

<sup>4</sup> The total cost for the original project is estimated at USD 2.65 million (UA 1.99 million), while that for additional financing is USD 3.04 million (UA 2.29 million).

**Table 3: AF Project Expenditure Schedule**

Component	(USD '000)				
	PY1	PY2	PY3	PY4	Total
Increased Productivity and Sustainable Production	513.2	203.2	150.0	70.0	936.5
Improved Market Access	687.7	193.4	426.8	50.0	1,357.9
Enhanced Organizational Capacity	298.2	138.2	138.2	138.2	712.9
Total Base Costs	1499.1	534.8	715.0	258.2	3,007.3
Physical contingencies	-	-	-	-	-
Price contingencies	5.4	4.2	13.4	4.7	27.7
<b>Total Project Cost</b>	<b>1,504.50</b>	<b>539.00</b>	<b>728.40</b>	<b>262.90</b>	<b>3,035.00</b>

#### **D. Implementation Arrangements**

26. The Project will be implemented by MVIWATA, using its experiences in the implementation of similar projects. The MVIWATA Board of Directors, as an oversight body of the institution, will be the Project Steering Committee (PSC). Similarly, the Technical Advisory Committee (TAC) will provide appropriate technical advice. To strengthen the capacity of the existing Project Implementation Team (PIT), two additional experts, namely, Procurement Specialist and Field Officer for Same District will be recruited. Additional facilities such as field office space, office furniture, computer and accessories, and one motorcycle will be provided. The existing PIT will implement the project, with the addition of staff to cater for additional districts.

27. **Procurement** - An assessment of the capacity and staffing of MVIWATA and PIT regarding procurement requirements was undertaken during the appraisal of “*Baridi Sokoni*” project. It was established that MVIWATA has the requisite capacity to diligently undertake procurement functions in accordance with AfDB requirements.

28. **Financial Management (FM), Disbursement, and Audit** - In compliance with the 2014 Financial management guidelines, an initial assessment of the adequacy of MVIWATA’s financial management systems was carried out during the first appraisal of Baridi Sokoni with a low-risk rating. For the purposes of additional finance, a fresh assessment MVIWATA systems indicate that the entity has maintained sound and robust FM systems, thus, maintaining a low-risk status. Therefore, the project will be implemented fully within MVIWATA FM Systems. The entity has an approved comprehensive financial management manual, with adequate descriptions and operation of the minimum financial management systems (budget, funds flow, internal controls, financial reporting, external audit), which is reviewed on a regular basis to accommodate likely changes including system improvements. In summary, the entity would access finances through the direct payment method or special account. The project would be subject to annual independent audits by a private audit firm, with bank no-objection to the recruitment of the private firm, the audit fees would be borne out of the project loan proceeds. The project would be accommodated into the entity’s automated systems, with regular quarterly interim financial reports prepared and submitted to the Bank within 45 days after the end of each quarter. The designated project accountant with the bank’s objection will lead the finance function.

29. **Monitoring and Evaluation** - The primary responsibility for the day-to-day project management and implementation rests with the Project Coordinator (PC). The M&E Specialist at the PIT will be responsible for the overall monitoring and evaluation of project activities based on the Annual Work Plans and Budgets (AWPB), which will be approved by the Project Steering Committee (PSC)<sup>5</sup>. To ensure the efficient project implementation, the Project Coordinator will inform the PSC and the AfDB Country Office of any delays or difficulties during implementation,

<sup>5</sup> The current arrangements and capacity of the PIT to discharge its M&E duties and responsibilities is rated as adequate.



including the implementation of the M&E plan, so that the appropriate support and corrective measures can be adopted. The Project Coordinator will also ensure that all project staff maintain a high level of transparency, responsibility and accountability in monitoring and reporting project results.

30. The Board of Directors, Project Technical Committee and the Bank will be responsible for external monitoring through supervision missions, which will be held on a bi-annual basis. The Mid-Term Review (MTR) of the project will be conducted in the second year of the project.

31. Using the performance indicators and targets specified in the Project Results Based Framework, the project will track progress towards project results to assess the translation of outputs into development outcomes. During project start-up, a gender-sensitive baseline study will be undertaken in Project year 1, followed with the Outcome Study in Project Year 3 to assess performance and impact of project activities.

32. The project monitoring and evaluation approach will also facilitate learning and mainstreaming of project outcomes and lessons learned into international good practices as well as national and local policies, plans and practices. The Bank and MVIWATA will jointly prepare the Project Completion Report (PCR) at the close of the project to assess project performance and draw lessons.

33. **Governance** – The Governance structure of the original project was assessed during the project design and was ascertained during the appraisal mission of the current project and noted that there are adequate checks and balances within the MVIWATA’s current structures and systems that ensure fairness, transparency and accountability.

34. **Sustainability** - The Additional Financing will further invest in institutional strengthening of MVIWATA to accelerate and scale up its services to members by improving its governance, administrative, technical, managerial, and operational capacities. The project will promote the use of simple and appropriate agro-ecological approaches from production to post-harvest management of potatoes and ginger, as well as low-cost irrigation systems that are easy to maintain and manage by farmers and farmers organisations. Project sustainability will further be enhanced by the active participation of project beneficiaries in the whole process of management of the project cycle; and building the capacity of the community in savings and credit schemes. The recapitalisation of the revolving funds, including digitalisation of some transactions, the strengthening of governance systems will increase its sustainability. Finally, linkages with more profitable markets and private sector will provide additional incentives for farmers to further invest in the production, postharvest management and processing technologies.

35. **Risk Management** - Climate change effects such as prolonged dry periods/unreliable rainfall patterns will be mitigated by application of low-cost irrigation systems and use of agro-ecology practices and climate-resilient technologies (including, among others, climate-adapted varieties, water conservation techniques, and irrigation). Politically, Tanzania is relatively peacefully and stable country, but the project will closely keep track of major Government decisions, actions and directives. Consultative processes initiated by the project will involve Government functionaries in the implementation of the project, at all relevant levels. Overall, the project is rated as low risk. A detailed risk mitigation matrix is given in Annex 4-2 of the Technical Annexes to this report.

36. **Knowledge Building** - Through the Project M&E system, the outcomes and impact of the Project will be closely monitored, and lessons learned will be disseminated through the Bank’s, GAFSP’s and MVIWATA’s information dissemination mechanisms. It will be applied in future on development projects from such organisations within and outside the country and provide the Bank with requisite knowledge to meet its objectives under the Feed Africa Strategy and the Job for Youth in Africa Strategy.

### 3 PROJECT FEASIBILITY

#### A. Technical Analysis

37. Major additional interventions include installation of low-cost irrigation facility and establishment of a potato processing hub. The Additional financing interventions mostly consist of field-tested and proven sustainable and climate adapted technologies/innovations that are scalable. It is further observed that the project is technically sound because:

- i. it has a clear project design and takes an agro-ecological approach, focusing on sustainable production, increased productivity and reduced post-harvest losses among potato and ginger farmers; it would support crop diversification and income generation for improving nutrition and food security and for building resilience to climate shocks.
- ii. It is very gender affirmative, with 70% of the members of the MVIWATA Board of Directors being women, and the project targets at least 55% women's participation in project activities. There are specific activities aimed at supporting and empowering women in production, agro-processing, and marketing. Youth are 30% of the target beneficiaries.
- iii. It is promoting the use of IT (e.g., e-marketing platform) for agricultural activities that attract youth (including young women) to engage in agriculture. This is where the future of agriculture in Tanzania, and, indeed, in the developing countries, lies.
- iv. the proposed project would increase the capability of the PO and its members to manage shocks through capacity development and increased investment in sustainable food systems.
- v. it places strong emphasis on both farm and landscape approaches.

38. Family income is expected to be increased by at least 30% through improved producer prices, reduced post-harvest losses, value addition, product development and conducive policy environment improvements for smallholder farmers and other value chain actors. Potatoes offer a huge opportunity for increasing household income because of the increasing domestic demand of potatoes in urban cities of Tanzania and in the neighbouring countries. The global demand of ginger offers opportunity for increased household income and thereby increasing their purchasing power and ability to afford the required food items which in turn would contribute to food security.

#### B. Financial and Economic Analysis

39. The financial analysis for the overall project was undertaken at prevailing market prices and on incremental project net benefits basis by combining the individual costs and benefits streams for the original project with the Additional Financing. Key assumptions used in the analysis include a project period of 15 years, yield progression of the 'with the Project' scenario starting with gradual annual increases of 5% and later 10% to reach the steady state in year 6 (2029) for the original project; and year 7 (2030) for the AF project. Measures that were applied to determine the project's worth in financial terms were: the Net Present Value (NPV) and Financial Internal Rate of return (FIRR). Results showed that the project is financially viable because the NPV is positive at USD 19.8 million and the FIRR at 27.4% is greater than the presumed cost of capital of 10%. The discounted NPV starts to be positive i.e., USD 405,000 in year 4 of the project. Similarly, the resultant economic analysis showed that the project is economically sound as it yields an Economic Internal Rate of Return (EIRR) of 28% and a NPV of USD 21.3 million. Domestic resources were used as the numeraire, while 'transfer payments' e.g., taxes were excluded. The shadow exchange rate adopted was 20% above the assumed official exchange rate.

40. Four sensitivity tests were undertaken relating to parameters thought to be the most important areas of uncertainty facing the Additional Financing for potatoes and ginger. Test results indicate that the project is not particularly sensitive to the decline in individual crop yields but is quite sensitive if all crop yields were to drop by 10%. The NPV was reduced to USD 6,177 million from

USD 8,116 while the FIRR dropped to 23.5% from 26.1%. Likewise, a price reduction for both crops causes a drop of FIRR and NPV to 16.2% and US\$ 3,057 million, respectively. The analysis indicates that the overall project is moderately sensitive to an increase in costs. An increase in production costs resulted in the fall of NPV and FIRR to USD 5,496 million and 20.7%, respectively, whereas a rise in total costs of 10% causes the NPV to shrink to USD 5,242 million and the FIRR to decrease to 20.0%.

**Table 4: Overall Project key economic and financial figures (for cost benefit analysis)**

FIRR (base case)	(27.4%)
NPV, (discount rate)	USD 19.8 mil, (10%)
EIRR (base case)	(28%)
NPV, (discount rate)	USD 21.3 mil, (10%)

### ***Additional Positive Effects***

41. The expected increase in farmers’ disposable income, from sales of their produce, will boost the local economies in the rural areas where the project will operate, i.e., multiplier effects. This will trigger private sector investments for provision of other essential goods and services due to expected higher demand by smallholder farmers. Commercial activities through sales of goods such as cement for construction and corrugated iron sheets for roofing; and services (e.g., medical stores) in the rural areas of Njombe and Same are expected to increase, significantly contributing to the local and national economy through tax payments. Non-monetary benefits will include environmental conservation and improved ecosystems from continued application of environmental-friendly (agro-ecology) practices. The Project will contribute to restoration of forest cover and ecosystems, thus reducing soil erosion, water pollution, combating desertification and deforestation as well as enhancing water catchment functions. These activities will mitigate climate risks and contribute to reduced vulnerability to extreme weather events and provide a more secure social environment for targeted populations.

### **C. Environmental and Social Safeguards**

42. The E&S risk classification was confirmed as Category 2. The category was validated and entered in the SAP on 26<sup>th</sup> September 2022 and reconfirmed on 19<sup>th</sup> June 2024. The Project poses low to moderate environmental and social risks and impacts mainly from the scaling up of agricultural production and productivity, and the construction of postharvest and bulking infrastructure.

43 The original project (P-TZ-A00-016) launched in February 2024 has unsatisfactory E&S performance with respect to compliance with the grant agreement conditions and undertaking. The Grant recipient is in the process of recruiting the E&S safeguards capacity; the site-specific E&A assessment documents (i.e. Environmental and Social Impacts Assessment/Environmental Management Plans (ESIAs/ESMPs) and Pest Management Plan (PMP) haven’t been finalised for submission to the Bank for review and clearance; and the Bank is yet to receive the first quarterly E&S report, that was due in the first week of July 2024.

44. For the new sites of Njombe and Kilimanjaro Regions, an Environmental and Social Management Framework (ESMF) was prepared by the Borrower, reviewed, and cleared by the Bank, and disclosed in-country on 18<sup>th</sup> May 2024 and by the Bank on the 21<sup>st</sup> May 2024. As the project implementation areas are unknown, the specific implementation sites are yet to be identified. The Borrower, once the implementation sites are known, and as appropriate, will prepare site-specific E&S assessment documents that could include Environmental and Social Impact Assessments (ESIAs) and Resettlement Action Plans (RAPs). These site-specific E&S assessment documents will be disclosed as per the Bank ISS requirements.

45. The key E&S risks include (i) soil and water (surface & ground) contamination resulting from increased agrochemical use to raise agricultural productivity; (ii) excessive water extraction for increased irrigation & for crops washing during processing; (iii) increased agricultural waste generation resulting from post-harvest operations in the proposed ten (10) on-farm collection and quality management centres; (iv) increased community health and safety risks; (v) risk of pest invasion during the operation phase; (vi) Occupational health and safety risks associated with the construction of infrastructure and running the processing facility, and (vii) increased generation of waste effluents (wastewater and potato and ginger peelings) from the processing facilities. The establishment of the processing facilities and associated facilities in Njombe Region may result in the acquisition of additional land, which could induce involuntary resettlement and displacement.

46 MVIWATA, the project executing entity, doesn't have the required E&S safeguards capacity to manage E&S risk during project implementation. MVIWATA has committed to mobilising the requisite E&S safeguards capacity prior to project implementation. Evidence of the recruitment of E&S safeguards officers to the satisfaction of the Bank, will be made a requirement in the financing agreement.

47. The financing agreement will incorporate conditions and requirements aimed at ensuring that MVIWATA has the required E&S safeguards capacity to adequately manage E&S risks during project implementation; and to provide technical oversight during the preparation of the appropriate site-specific E&S assessment documents. The undertakings of the financing agreement will require that MVIWATA prepares and discloses the appropriate E&S assessment documents prior to the activities' implementation.

### ***Involuntary Resettlement***

48. The project targets smallholder farmers already operating on existing fields, and the planned post-harvest infrastructure development will primarily be located on community-owned land, implying that the project will not result in involuntary resettlement. However, the proposed crops processing facilities in Njombe district will require additional land. The Borrower has not identified the sites. The establishment of the processing facilities, may result in the acquisition of additional land, which could induce involuntary resettlement and displacement.

49. E&S compliance. In addition to the full and adequate implementation of all the disclosed E&S plans, including measures to address non-anticipated risks and impacts occurring during project implementation, the Borrower will prepare quarterly E&S measures implementation reports. Also, an annual E&S performance audit conducted by an independent E&S safeguards expert will be submitted annually and no later than the end of the first quarter of the following year. All these reports will be shared with the Bank and made accessible to the stakeholders. Also, the Borrower is committed to establishing the project-level Grievance Redress Mechanism (GRM) at the onset of the implementation, making it known by all the stakeholders and maintaining it functional over the project's lifecycle. Further, in the event of an Environmental-Occupational-Health and Safety (EOHS) incident on a project site, the Borrower is committed to notify the Bank immediately, no later than 48 hours after the occurrence, share the relevant national Authority's investigation report and when deemed necessary by the Bank to submit a root-cause analysis (RCA) report, prepared by an independent OHS expert, to be cleared by the Bank for the implementation of the corrective action plan (CAP) by the Borrower. These obligations are reflected in the E&S conditions of the financing agreement. The project is compliant and ready for submission to Board consideration, as evidenced by the ESCON in annex.

## **D. Other Cross-Cutting Priorities**

### ***Climate Change and Green Growth considerations***

48. The project has been screened using the Bank's Climate Safeguards System (CSS) and is assessed as a Category 2 project meaning it is moderately vulnerable to climate risk. Main climate risks include changing rainfall patterns, high temperatures, drought, and crop pests and diseases, all of which may reduce productivity of the selected crops. In addition, historical practices of land and ecosystem degradation by local farmers have further heightened the current vulnerability to climate impacts. The additional financing will promote good agricultural practices consistent with building climate resilience including irrigation, soil organic management, mixed cropping, climate-smart agriculture, and conservation agriculture. These practices in some parts of the project sites have yielded high productivity which have positively impacted the social-economic dynamics consistent with the resilience of the farming population. Additional support through improved agricultural technologies, improved seedlings, provision of extension services, and small-scale agricultural infrastructure will be provided to further enhance the socioeconomic resilience against climate risks. The greenhouse gas emissions estimated for this project is considered minimal, as it does not involve significant construction and operation emissions. The project objectives and activities are aligned with Tanzania's National Agriculture Sector Development Plan, the updated National Determined Contribution (NDC 2021), as well as the Tanzania Agriculture and Food Security Investment Plan. The project is assessed using the joint MDB methodology for Paris Alignment, using the direct lending methodology and is considered Paris Aligned with the mitigation and adaptation objectives. A technical annex provides further information on this assessment.

### ***Poverty reduction, Inclusiveness and Job Creation***

49. The expected impact of the overall project on poverty reduction, inclusiveness, social economic progress related to employment/the job market, and wealth distribution will not differ from the original project. The project will be implemented in different geographies inhabited by various ethnic groups. However, social settings and/or environmental context are more less the same. Rural poverty remains a significant issue in Tanzania, with many families living below the poverty line. Limited access to education and economic opportunities exacerbates this problem, contributing to food insecurity and abject living conditions.

50. The project will essentially continue to strive for upscaling sustainable production and productivity of potatoes and ginger using GAPs and technologies that take into consideration gender balance, climate change effects and environmental conservation. Supported by improved agricultural trade and increased capabilities to withstand external shocks/crises (e.g., COVID-19, climate change, etc), farmers through their groups and associations, are expected produce surplus food and generate increased incomes thereby reducing poverty among men, women and youth in rural communities (about 20,000 direct beneficiaries involved in the value chains of the overall project). Horticultural crops offer multiple employment opportunities throughout the value chains for men, women and youth. The project will seek to enable the creation of opportunities that will attract women and youth particularly in "downstream" activities like value addition, processing and marketing.

51. With increased incomes, employability and job creation, and the spillover effects to more than 25,000 value chain actors, malnutrition (especially to children under five) is expected to decrease significantly. In ginger growing areas, health and nutrition benefits will also accrue to beneficiaries due to its medicinal properties and use as a dietary supplement. Moreover, the Central and Local Governments are expected to benefit from generation of revenues from taxes and levies through trading of products coming from various project sites.

### ***Opportunities for Building Resilience***

52. Challenges in horticulture markets (both production and consumption), including ginger and potatoes in Tanzania, closely mirror those affecting the overall agricultural sector in the country. A combination of technical, financial, institutional and climate-related factors impacts the efficient development of agriculture as a whole and of horticultures in particular. Inefficient farming techniques, small holding sizes of land, dependence on rainfall, underdeveloped value chains, poor infrastructure, low farmer skills, weak conservation infrastructure, limited connection between production and consumption centers, all affect production, productivity and marketing of horticultures, and ultimately, the income and development levels of the producing areas. These challenges also hinder income and employment opportunities for women and youth.

53. The analysis of the overall project in terms of building resilience is not different from the original project. Emphasis on building small farmers' resilience in increasing their productivity and production of selected vegetables and spices continues to be one of main strategies to ensure (i) food security and good nutrition, and (ii) sustained cash income generation for the households. With the increased application of eco-friendly agricultural inputs, marketable organic products from the farmers will benefit from competitive prices to address price and market issues that currently undermine the producers' professionalization. The agro-ecology promotion practiced already by vegetables and spices producers add value to their organic products on the market and contribute to building a sustainable environment in the project intervention. Lastly, designing the Project on the existing structure as a principle of not harming to increase the level of ownership from the implementer to the end beneficiaries, will boost the engagement in building communities' resilience and encourage the private sector to partner with the small farmers in horticultural value chain activities.

### ***Gender Equality and Women's Empowerment Promotion***

54. The project is category 2 on the gender marker system of the bank. Its activities will address the gender gap within smallholder farmers involved in ginger and potatoes value chains located in the districts of Wanging'ombe district in Njombe region and Same district in Kilimanjaro region (See TAs 3-3 for detailed gender analysis). Activities will include supporting women-owned enterprises in business incubation, increasing of production by enabling irrigation and setting up of potato processing hubs, formation of savings and credit groups, girls' clubs, and legal services to address gender-based violence. The project will address the agricultural capacity gap for both male and female farmers. It will increase production and earning levels and enable access to finance which is one of the biggest gender gaps in agriculture since women largely lack collateral, thus contribute to poverty reduction. Consultations indicate that women suffer gender violence especially at marketing levels where the income earned ends in the pockets of their husbands for their leisure despite the hard labour offered by their wives throughout the production value chain. Training and protection of women against such practices will be provided. The additional funding is expected to add 10,000 additional beneficiary farmers of whom at least 55% are expected to be women. The project will enhance food security and nutrition at the household level, this will especially reduce the burden of women who are culturally responsible for subsistence at the household level and taking care of the sick in case of nutritional deficiency. The processing hub for potatoes and ginger will provide permanent and seasonal employment opportunities mostly to women and youth. A detailed Gender assessment and Gender Action Plan elaborated in the Technical Annex 3-3 – Gender Equality and Women's Empowerment Promotion.

## 4 LEGAL INSTRUMENTS AND AUTHORITY

### A. Legal Instrument and Authority

55. The legal instrument will be an additional financing grant agreement between Mtandao wa Vikundi vya Wakulima Tanzania (MVIWATA) (the “Recipient”) and the African Development Bank (the “Bank”) (as Supervising Entity for the Global Agriculture and Food Security Program (GAFSP) Trust Fund for an amount of USD 2.85 million (the “Grant Agreement”).

### B. Conditions Associated with Bank’s Intervention

56. **Condition Precedent to Entry into Force of the Grant Agreement.** The Grant Agreement shall enter into force on the date of signature by the Recipient and the Bank.

57. **Condition Precedent to First Disbursement of the Grant.** The obligation of the Bank to make the first disbursement of the Grant shall be conditional upon the entry into force of the Grant Agreement and the fulfilment by the Recipient, in form and substance satisfactory to the Bank, of the following condition:

- (i) submission of evidence of the recruitment of an Environmental and Safeguards Officer with qualifications and terms of reference acceptable to the Bank.

58. **Conditions Precedent to Disbursement for Works Involving Resettlement.** Subject to the Entry into Force of the Grant Agreement and fulfilment the Condition Precedent to First Disbursement of the Grant, the obligation of the Bank to disburse the Grant for works that involve resettlement shall be subject to the satisfaction of the following additional conditions by the Recipient:

- (i) Submission of the site-specific Environmental and Social Impact Assessment (“ESIA”) and Environmental and Social Management Plan (“ESMP”) for each works, prepared in accordance with the ESMF and the Bank’s Safeguards Policies, in form and substance satisfactory to the Bank;
- (ii) Submission of the evidence of approval of the site-specific ESIA and ESMP and Pest Management Plans by the competent national authority of the Recipient;
- (iii) Submission of satisfactory evidence that all Project affected persons (‘PAPs’) in respect of works have been compensated and/or resettled in accordance with the site-specific Environmental and Social Management Plan (‘ESMP’), the site-specific Resettlement Action Plan (“RAP”) and /or the agreed works and compensation schedule and the Bank’s requirements, prior to the commencement of such works and in any case before the PAPs’ actual move and/or taking of land and related assets; or
- (iv) In lieu of paragraph (iii) above, submission of satisfactory evidence indicating that the resources allocated for the compensation and/or resettlement of PAPs have been deposited in a dedicated account in a bank acceptable to the Bank, where the Recipient can prove, to the satisfaction of the Bank that, compensation and /or resettlement of PAPs in accordance with paragraph (a) above could not be undertaken fully or partially, because of the following reasons:
  - (a) the identification of the PAPs by Recipient is not feasible or possible;
  - (b) ongoing litigation involving the PAPs and/ or affecting the compensation and/or resettlement exercise; or
  - (c) any other reason beyond the control of the Recipient, as discussed and agreed with the Bank.

59. **Undertakings.** The Recipient undertakes to:

- (i) carry out the Project in accordance with the site-specific Environmental and Social Management Plans (“ESMPs”), and the Bank’s requirements and the applicable national legislation in a manner and substance satisfactory to the Bank;
- (ii) prepare and submit to the Bank Project Reports, including quarterly reports on the implementation of the site-specific ESMPs including any deficiencies identified and the corrective measures thereto;
- (iii) refrain from taking any action which would prevent or interfere with the implementation of the site-specific ESMPs, including any amendment, suspension, waiver, and/or avoidance of any provision thereof, whether in whole or in part, without the prior written concurrence of the Bank;
- (iv) maintain at all times during Project implementation, the Project Implementation Team established under the Food Systems Support Services in Rural Tanzania “*Baridi Sokoni*” F3SRT and supervised by the Bank (the “Parent Project”), with mandate, staffing and resources satisfactory to the Bank;
- (v) maintain at all times during implementation of the Project: (1) Project Steering Committee established under the Parent Project which shall be responsible for inter alia Project strategic oversight and policy guidance, review of annual work plans and budgets, progress and quality of Project implementation; and (2) Technical Advisory Committee similarly established for the Parent Project to provide appropriate technical advice; and
- (vi) To maintain all relevant Memoranda of Understanding or other formal agreements entered with relevant private sector actors for cooperation under the Parent Project.

**C. Compliance with Bank Policies**

- This project complies with all applicable Bank policies.

***African Development Bank Group Independent Recourse Mechanism***

60. Communities and individuals who believe that they are adversely affected by an African Development Bank Group (AfDB) supported project may submit complaints to existing project-level grievance redress mechanisms or the AfDB’s Independent Recourse Mechanism (IRM). The IRM ensures project affected communities and individuals may submit their complaint to the AfDB’s Independent Recourse Mechanism which determines whether harm occurred, or could occur, as a result of AfDB non-compliance with its policies and procedures. To submit a complaint or request further information please contact: or visit the IRM website. Complaints may be submitted at any time after concerns have been brought directly to the AfDB’s attention, and Bank Management has been given an opportunity to respond before reaching out to the IRM.

**5 RECOMMENDATION**

61. Management recommends that the Board of Directors approve the proposed Grant of USD 2.85 million from the Global Agriculture and Food Security (GAFSP) Trust Fund to Mtandao wa Vikundi vya Wakulima Tanzania (MVIWATA) for the purposes and subject to the conditions stipulated in this report.



## 6 RESULTS FRAMEWORK

REVISED OVERALL PROJECT RESULTS FRAMEWORK					
A PROJECT INFORMATION					
PROJECT NAME AND SAP CODE: Food Systems Supply Services in Rural Tanzania (F3SRT) - "Baridi Sokoni" – Additional Financing, P-TZ-A00-017			COUNTRY/REGION: Tanzania		
PROJECT DEVELOPMENT OBJECTIVE: Increase smallholder farmers' horticultural production and marketing in the context of negative effects of COVID-19 pandemic					
ALIGNMENT INDICATOR (S): Income; Prevalence of Food Security; Nutrition (RMF Level 1); Increased agricultural productivity; Improved farm to market linkages; reduced risk and vulnerability; Improved rural livelihood and entrepreneurship; Improved institutions					
B RESULTS MATRIX					
RESULTS CHAIN AND INDICATOR DESCRIPTION	RMF/ADOA INDICATOR	UNIT OF MEASUREMENT	BASELINE (2023/2024 <sup>6</sup> )	TARGET AT COMPLETION (2026/2027 <sup>7</sup> )	MEANS OF VERIFICATION
<b>Tier 1: Impact level indicators</b>					
Impact indicator 1.1: Average annual household income, disaggregated by sex of household head	<input checked="" type="checkbox"/>	US\$	960	1200	Outcome monitoring survey
Impact indicator 1.2: Food Consumption Score (FCS) Index	<input checked="" type="checkbox"/>	Percentage	75	85	Outcome monitoring survey
Impact indicator 1.3: Proportion of women aged 15-49 years who met the Minimum Dietary Diversity for Women (MDD-W)	<input checked="" type="checkbox"/>	Percentage	37	50	Outcome monitoring survey
<b>Outcome 2.1.1: Increased Production and Productivity</b>					
Outcome indicator 2.1.1.1: Agricultural productivity, calculated as a measure of crop production weight (in tons) per area of land under cultivation (in hectares) (disaggregated by crop type)	<input checked="" type="checkbox"/>	Tons/ha	Cloves: 0.95 Green Peas: 2.5 Tomatoes: 10 Garlic: 2.5 Beans: 1.3 <sup>8</sup> Potato: 10 Cinnamon: 1 Ginger: 10 Black Pepper: 1.75  AF Project Potato: 10 Ginger: 9.88	Cloves: 1.07 Green Peas: 2.72 Tomatoes: 11.6 Garlic: 2.9 Beans: 1.44 Potato: 11.55 Cinnamon: 1.09 Ginger: 10.71 Black Paper: 1.96  AF Project Potato: 12.71 Ginger: 12.56	Ministry of Agriculture's Annual Agricultural Performance Report by the Ministry of Agriculture  Independent Consultant's Outcome Study report
Outcome indicator 2.1.1.2: Production levels (disaggregated by crop type)	<input checked="" type="checkbox"/>	Tons	Cloves: 190 Green Peas: 500 Tomatoes: 2,100 Garlic: 500 Beans: 800 Potato: 4,000 Cinnamon: 80 Ginger: 800 Black Pepper: 140  AF Project Potato: 10,000 Ginger: 4,942	Cloves: 214 Green Peas: 543 Tomatoes: 2,310 Garlic: 578 Beans: 866 Potato: 4,750 Cinnamon: 87 Ginger: 900 Black Paper: 157  AF Project Potato: 12,705 Ginger: 6,279	Ministry of Agriculture's Annual Agricultural Performance Report by the Ministry of Agriculture  Independent Consultant's Outcome Study report
<b>Outcome 2.1.2: Improved farm-to-market linkages</b>					
Outcome indicator 2.1.2.1: Percentage of agricultural production sold on domestic and regional markets (%)	<input checked="" type="checkbox"/>	Percentage	68	78	Outcome monitoring survey
Outcome Indicator 2.1.2.2: Volume of horticulture produce traded (disaggregated by crop type)	<input checked="" type="checkbox"/>	Tons	Clove: 133 Green Peas: 350	Clove: 171.4 Green Peas: 434.7 Tomatoes: 1,848	Ministry of Agriculture's Annual

<sup>6</sup> Year 2023 for Original Project; Year 2024 for Additional Financing

<sup>7</sup> Year 2026 for Original Project; Year 2027 for Additional Financing

<sup>8</sup> Cultivated twice per annum. This figure represents production per ha per annum.

# REVISED OVERALL PROJECT RESULTS FRAMEWORK

A PROJECT INFORMATION					
<b>PROJECT NAME AND SAP CODE:</b> Food Systems Supply Services in Rural Tanzania (F3SRT) - “ <i>Baridi Sokoni</i> ” – Additional Financing, P-TZ-A00-017			<b>COUNTRY/REGION:</b> Tanzania		
<b>PROJECT DEVELOPMENT OBJECTIVE:</b> Increase smallholder farmers’ horticultural production and marketing in the context of negative effects of COVID-19 pandemic					
<b>ALIGNMENT INDICATOR (S):</b> Income; Prevalence of Food Security; Nutrition (RMF Level 1); Increased agricultural productivity; Improved farm to market linkages; reduced risk and vulnerability; Improved rural livelihood and entrepreneurship; Improved institutions					
B RESULTS MATRIX					
RESULTS CHAIN AND INDICATOR DESCRIPTION	RMF/ADOA INDICATOR	UNIT OF MEASUREMENT	BASELINE (2023/2024 <sup>6</sup> )	TARGET AT COMPLETION (2026/2027 <sup>7</sup> )	MEANS OF VERIFICATION
			Tomatoes: 1,470 Garlic: 350 Beans: 560 Potato: 2,800 Cinnamon: 56 Ginger: 560 Black Paper: 98  AF Project: Potato: 8000 Ginger: 3954.6	Garlic: 462 Beans: 693 Potato: 3,800 Cinnamon: 69.6 Ginger: 700 Black Paper: 120  AF Project: Potato: 10164 Ginger: 5023	Agricultural Performance Report by the Ministry of Agriculture  Independent Consultant’s Outcome Study report
Outcome Indicator 2.1.2.3: Volume of crops processed (disaggregated by type)	☒	Tons	Clove: 0 Tomato: 0 Green Peas: 0 Garlic: 0 Potatoes: 0 Cinnamon: 0 Ginger: 0 Black Paper: 0	Clove: 100 Tomato: 960 Green Peas: 640 Garlic: 100 Potatoes: 384 Cinnamon: 17.4 Ginger: 171.4 Black Paper: 30	Outcome monitoring survey
Outcome indicator 2.1.2.4: Percentage post-harvest losses (disaggregated by crop types)	☒	Percentage	30	15	Ministry of Agriculture’s Annual Performance Report  Independent Consultant’s Outcome Study report
<b>Outcome 2.1.3: Reduced risk and vulnerability</b>					
Outcome indicator 2.1.3.1: Number of beneficiaries whose livelihood has become more resilient to shocks, disaggregated by sex and age group	☒	Number	0	20,000	Independent Consultant’s Outcome Study report
<b>Outcome 2.1.4: Improved rural livelihood and entrepreneurship</b>					
Outcome indicator 2.1.4.1: Direct employment provided or generated (disaggregated by sex and age)	☒	Number	0	1,000	Ministry of Agriculture’s Annual Performance Report  Independent Consultant’s Outcome Study report
<b>Outcome 2.1.5: Improved institutions</b>					
Outcome indicator 2.1.5.1: Institutional capacity of supported organizations measured by capacity index (to be defined by the project)		Number	TBD	TBD	Outcome monitoring survey
<b>Output Indicators</b>					
<b>Increased Production and Productivity</b>					
Output 2.2.1: Number of people receiving direct benefits (person), of which, 55% are females	☒	Number	0	10000	Quarterly Progress reports

# REVISED OVERALL PROJECT RESULTS FRAMEWORK

A PROJECT INFORMATION					
<b>PROJECT NAME AND SAP CODE:</b> Food Systems Supply Services in Rural Tanzania (F3SRT) - "Baridi Sokoni" – Additional Financing, P-TZ-A00-017			<b>COUNTRY/REGION:</b> Tanzania		
<b>PROJECT DEVELOPMENT OBJECTIVE:</b> Increase smallholder farmers' horticultural production and marketing in the context of negative effects of COVID-19 pandemic					
<b>ALIGNMENT INDICATOR (S):</b> Income; Prevalence of Food Security; Nutrition (RMF Level 1); Increased agricultural productivity; Improved farm to market linkages; reduced risk and vulnerability; Improved rural livelihood and entrepreneurship; Improved institutions					
B RESULTS MATRIX					
RESULTS CHAIN AND INDICATOR DESCRIPTION	RMF/ADOA INDICATOR	UNIT OF MEASUREMENT	BASELINE (2023/2024 <sup>6</sup> )	TARGET AT COMPLETION (2026/2027 <sup>7</sup> )	MEANS OF VERIFICATION
Output 2.2.2.1: Land area receiving improved production support (hectare) Disaggregation: Area provided with new/improved irrigation or drainage services (hectare)	<input type="checkbox"/>	Ha	0	1,500	Quarterly Progress reports
Output 2.2.2.2: Length of low-cost irrigation canals rehabilitated	<input checked="" type="checkbox"/>	Km	0	10	MVIWATA Progress Report
Output 2.2.2.3: Demonstration plots established	<input type="checkbox"/>	Number	0	20	Quarterly Progress reports
Output 2.2.3: Smallholder producers/processors receiving productivity enhancement support, of which 55% are females	<input checked="" type="checkbox"/>	Number	0	3000	Quarterly Progress reports
<b>Improved farm-to-market linkages</b>					
Output 2.2.5: Number of processing, storage, and market facilities constructed and/or rehabilitated (facility)	<input type="checkbox"/>	Number	0	5	MVIWATA Progress Report
<b>Improved institutions</b>					
Output 2.2.9: Number of producer-based organizations supported (organization)	<input type="checkbox"/>	Number	0	- 100 producer groups - 10 SMEs - 5 SACCOS	MVIWATA Progress Report
Output 2.2.10.1: Persons receiving capacity development support (person) (Farmers trained on good governance, operational, managerial, technical aspects and capacity building)	<input checked="" type="checkbox"/>	Number	Njombe -0 Same: -0	Njombe: 7,500 Same: 2,500	MVIWATA Progress Report
<b>Climate indicators</b>					
Output 2.2.13: Number of farmers receiving inputs or service on climate resilient or sustainable agriculture practices (farmer), of which, 55% are female farmers, and 20% of the farmers adopting technologies or practices received	<input checked="" type="checkbox"/>	Number	0	20,000	Quarterly progress reports
Output 2.2.14: Land area where climate-smart agriculture practices are implemented (hectare)	<input type="checkbox"/>	Ha	0	1,500	MVIWATA Progress Report
<b>Other Outputs</b>					
<b>OUTPUT INDICATOR A.1.3:</b> Volume of horticultural seeds produced	<input type="checkbox"/>	Tons	0	10	MVIWATA Progress Report
<b>OUTPUT INDICATOR A.1.7:</b> Collective on-farm quality centres established	<input checked="" type="checkbox"/>	Number	0	10	MVIWATA Progress Report

CHANGES TO THE ORIGINAL PROJECT RESULTS FRAMEWORK		
Revisions to the results framework		Comments/Rationale for change
<b>PROJECT DEVELOPMENT OBJECTIVE</b>		
<i>Original (PDO)</i>	<i>Proposed change</i>	
Increase smallholder farmers' horticultural production and marketing in the context of negative effects of COVID-19 pandemic	<input type="checkbox"/> No Change	
<b>OUTCOME STATEMENTS AND INDICATORS</b>		
<i>Original</i>	<i>Proposed change</i>	
Impact indicator 1.1: Average annual household income, disaggregated by sex of household head	<input checked="" type="checkbox"/> New	Added to better align with the GAFSP revised results framework
Impact indicator 1.2: Prevalence of moderate and severe food insecurity in the population, based on the Food Insecurity Experience Scale (FIES)	<input checked="" type="checkbox"/> New	Added to better align with the GAFSP revised results framework
Impact indicator 1.3: Proportion of women aged 15-49 years who met the Minimum Dietary Diversity for Women (MDD-W)	<input checked="" type="checkbox"/> New	Added to better align with the GAFSP revised results framework
<b>OUTCOME STATEMENT 1:</b> Increased production and productivity	<input checked="" type="checkbox"/> No Change	Revised numbering for better referencing with GAFSP RF: <b>Outcome 2.1.1: Increased Production and Productivity</b>
<b>OUTCOME INDICATOR 1.1:</b> Production levels (disaggregated by crop type)	<input checked="" type="checkbox"/> Changed	Target for ginger in the AF revised from 857 to 900 tons, while that for potatoes has been revised from 4620 to 4750 tons due to increased scope of the project. Baseline figures remain the same.
Outcome indicator 2.1.1.1: Productivity levels (disaggregated by crop type)	<input checked="" type="checkbox"/> No Change	Reframed as "Outcome indicator 2.1.1.1: Agricultural productivity, calculated as a measure of crop production weight (in tons) per area of land under cultivation (in hectares) (disaggregated by crop type)"
Outcome indicator 2.1.2.1: Percentage of agricultural production sold on domestic and regional markets (%)	<input checked="" type="checkbox"/> New	Added to align with GAFSP revised results framework
Outcome indicator 2.1.5.1: Institutional capacity of supported organizations measured by capacity index (to be defined by the project)	<input checked="" type="checkbox"/> New	Added to align with GAFSP revised results framework
Outcome Indicator 2.1.2.2: Volume of horticulture produces traded (disaggregated by crop type)	<input checked="" type="checkbox"/> Changed	Target changed to accommodate additional production from the addition of the geographic scope;
Outcome Indicator 2.1.2.3: Volume of crops processed (disaggregated by type)	<input checked="" type="checkbox"/> No Change	Target changed to accommodate additional production from the addition of the geographic scope
Outcome indicator 2.1.2.4: Percentage post-harvest losses (disaggregated by crop types)	<input checked="" type="checkbox"/> New	Added to align with GAFSP revised results framework
Outcome indicator 2.1.3.1: Number of beneficiaries whose livelihood has become more resilient to shocks, disaggregated by sex and age group	<input checked="" type="checkbox"/> New	Added to align with GAFSP revised results framework
Outcome indicator 2.1.4.1: Direct employment provided or generated (Disaggregated by sex and age)	<input checked="" type="checkbox"/> Change	Denomination slightly changed to match with GAFSP outcome indicator "Direct employment provided or generated" instead of "New employments generated"
Outcome indicator 2.1.5.1: Institutional capacity of supported organizations measured by capacity index (to be defined by the project)	<input checked="" type="checkbox"/> New	Added to align with GAFSP revised results framework
<b>OUTPUT STATEMENT AND INDICATORS</b>		
<i>Original</i>	<i>Proposed change</i>	

Output 2.2.1: Number of people receiving direct benefits (person), of which, 55% are females		Added to align with GAFSP Indicator #1
Output 2.2.2.1: Land area receiving improved production support: New irrigation- Improved irrigation-	<input checked="" type="checkbox"/> New	Added to align with GAFSP Indicator #2
<b>Output 2.2.2.2:</b> Length of low-cost irrigation canals rehabilitated	<input checked="" type="checkbox"/> New	Added to align with GAFSP Indicator #2
<b>OUTPUT INDICATOR A.1.2:</b> Demonstration plots established	<input checked="" type="checkbox"/> No Change	
<b>OUTPUT INDICATOR A.1.3</b> Volume of horticultural seeds produced	<input checked="" type="checkbox"/> No Change	
<b>OUTPUT INDICATOR A.1.7:</b> Collective on-farm quality centres established	<input checked="" type="checkbox"/> New	New Output under AF for post-harvest management services.
Output 2.2.5: Number of processing, storage, and market facilities constructed and/or rehabilitated (facility)	<input checked="" type="checkbox"/> New	Added to better align with the GAFSP revised results framework; Replaces previous previously: <ul style="list-style-type: none"><li>• <b>OUTPUT INDICATOR A.2.1:</b> Cold facilities for storage of fresh vegetables established</li><li>• <b>OUTPUT INDICATOR A.2.2:</b> Infrastructures for sorting, grading, packaging, aggregation, and storage of fresh foods rehabilitated</li><li>• <b>OUTPUT INDICATOR A.2.3:</b> Multipurpose processing plant for spices established</li><li>• <b>OUTPUT INDICATOR A.2.4:</b> Potato processing hub constructed in Njombe</li><li>• <b>OUTPUT INDICATOR A.2.5:</b> E-marketing system developed and operational</li></ul>
Output 2.2.9: Number of producer-based organizations supported (organization)	<input checked="" type="checkbox"/> New	Added to better align with the GAFSP revised results framework; Replaces previous previously output indicator A.1.5,
Output 2.2.10.1: Persons receiving capacity development support (person) (Farmers trained on good governance, operational, managerial, technical aspects and capacity building)	<input checked="" type="checkbox"/> New	Added to better align with the GAFSP revised results framework
Output 2.2.13: Number of farmers receiving inputs or service on climate resilient or sustainable agriculture practices (farmer), of which, 55% are female farmers, and 20% farmers adopting technologies or practices received	<input checked="" type="checkbox"/> New	Added to align with GAFSP Indicator #14
Output 2.2.14: Land area where climate-smart agriculture practices are implemented (hectare)	<input checked="" type="checkbox"/> New	Added to better align with the GAFSP revised results framework; Replaces previous previously: <b>“Output indicator A.1.8:</b> Land area under improved irrigation & sustainable agric. practices.”

## ENVIRONMENTAL AND SOCIAL COMPLIANCE NOTE (ESCON)

A. Basic Information <sup>9</sup>			
Project Title: Food Systems Supply Services in Rural Tanzania (F3SRT) - “Baridi Sokoni” – Additional Financing			Project SAP code: P-TZ-A00-017
Country: Tanzania	Region: <b>RDGE</b>	Lending Instrument: <b>Project Finance Loan/Grant</b>	
Project Sector: <b>Agriculture</b>		Task Team Leader(s): Salum RAMADHANI	
Appraisal dates: 15-24/04/2024		Estimated Approval Date: <b>October 20, 2024</b>	
Environmental Safeguards Officer: Restituta MAPINDUZI/ Emmanuel MULIGIRWA			
Social Safeguards Officer: <b>XXXXX</b>			
Environmental and Social Category: <b>Category 2</b>		Operation type: <b>Non Sovereign Operation</b>	Financial Intermediary: <b>No</b>
Categorization date: <b>September 26, 2022</b>	Categorization in ISTS: <b>September 26, 2022</b>	Categorization in SAP: <b>September 26, 2022</b>	
Is this project processed under rapid responses to crises and emergencies?			No
Is this project processed under a waiver to Integrated Safeguards System (ISS) requirement(s)?			No
B. Disclosure and Compliance Monitoring			
B.1 Mandatory disclosure			
Environmental Assessment/Audit/System/Others: <i>[specify including number]</i>			
Was/Were the document (s) disclosed <i>prior to appraisal?</i>			NA.
Date of "in-country" disclosure by the borrower/client			Click or tap to enter a date.
Date of receipt, by the Bank, of the authorization to disclose			Click or tap to enter a date.
Date of disclosure by the Bank			Click or tap to enter a date.
Resettlement Action Plan (RAP) <sup>10</sup> : <i>[specify including number]</i>			
Was/Were the document (s) disclosed <i>prior to appraisal?</i>			NA.
Date of "in-country" disclosure by the borrower/client			Click to Set the date
Date of receipt, by the Bank, of the authorization to disclose			Click to Set the date
Date of disclosure by the Bank			Click to Set the date
Stakeholder Engagement Plan (SEP): <i>[specify including number]</i>			
Was/Were the document (s) disclosed <i>prior to appraisal?</i>			No
Date of "in-country" disclosure by the borrower/client			Click to Set the date
Date of receipt, by the Bank, of the authorization to disclose			Click to Set the date
Date of disclosure by the Bank			Click to Set the date
Pest or Vector Management Plan (PMP/VMP): <i>[specify including number]</i>			
Was/Were the document (s) disclosed <i>prior to appraisal?</i>			No
Date of "in-country" disclosure by the borrower/client			Click to Set the date
Date of receipt, by the Bank, of the authorization to disclose			Click to Set the date
Date of disclosure by the Bank			Click to Set the date
Vulnerable Peoples Plan (VPP): <i>[specify including number]</i>			
Was the document disclosed <i>prior to appraisal?</i>			NA.
Date of "in-country" disclosure by the borrower/client			Click to Set the date
Date of receipt, by the Bank, of the authorization to disclose			Click to Set the date
Date of disclosure by the Bank			Click to Set the date
Riparian Communities Participation Plan (RCP): <i>[specify including number]</i>			
Was the document disclosed <i>prior to appraisal?</i>			NA.
Date of "in-country" disclosure by the borrower/client			Click to Set the date
Date of receipt, by the Bank, of the authorization to disclose			Click to Set the date
Date of disclosure by the Bank			Click to Set the date
Emergency Preparedness & Response Plan (EPRP): <i>[specify including number]</i>			
Was the document disclosed <i>prior to appraisal?</i>			NA.
Date of "in-country" disclosure by the borrower/client			Click to Set the date
Date of receipt, by the Bank, of the authorization to disclose			Click to Set the date
Date of disclosure by the Bank			Click to Set the date
Hazardous/Medical Waste Management Plan (HWMP): <i>[specify including number]</i>			
Was the document disclosed <i>prior to appraisal?</i>			NA.
Date of "in-country" disclosure by the borrower/client			Click to Set the date
Date of receipt, by the Bank, of the authorization to disclose			Click to Set the date
Date of disclosure by the Bank			Click to Set the date

<sup>9</sup> Note: This ESCON shall be appended to project appraisal reports/documents before Senior Management and/or Board approvals.

<sup>10</sup> Including Livelihood Restoration Plan

<b>Riparian notification:</b>	
Was the document disclosed <i>prior to appraisal</i> ?	NA.
Date of "in-country" disclosure by the borrower/client	<a href="#">Click to Set the date</a>
Date of receipt, by the Bank, of the authorization to disclose	<a href="#">Click to Set the date</a>
Date of disclosure by the Bank	<a href="#">Click to Set the date</a>
<b>Environmental and Social Management Plan (ESMP) of the financing agreement<sup>11</sup></b>	
Was the document disclosed <i>prior to appraisal</i> ?	No
Date of "in-country" disclosure by the borrower/client	<a href="#">September 10, 2024</a>
Date of receipt, by the Bank, of the authorization to disclose	<a href="#">September 11, 2024</a>
Date of disclosure by the Bank	<a href="#">September 20, 2024</a>
<b>If in-country disclosure of any of the above documents is not expected, as per the country's legislation, please explain why: NA.</b>	

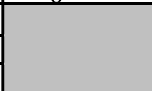


### B.2. Compliance monitoring indicators

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes
Have costs related to environmental and social measures, including for the running of the grievance redress mechanism, been included in the project cost?	Yes
Is the total amount for the full implementation for the Resettlement of affected people, as integrated in the project costs, effectively mobilized, and secured? <sup>12</sup>	NA.
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes

### C. Clearance

Is the project compliant with the Bank's environmental and social safeguards requirements, and can be submitted to Approval?

Yes

<i>Prepared by</i>	<i>Name</i>	<i>Signature</i>	<i>Date</i>
Environmental Safeguards Officer:	Restituta MAPINDUZI/ Emmanuel MULIGIRWA		<a href="#">September 10, 2024</a>
Social Safeguards Officer:	XXXXXX		<a href="#">Click to set the date</a>
Task Team Leader:	Salum RAMADHANI		<a href="#">September 10, 2024</a>
<i>Submitted by</i>			
Sector Director:	Eklou ATTIOGBEVI-SOMADO <i>OIC</i> for Martin FREGENE		24.09.2024
<i>Cleared by</i>			
Director SNSC:	Maman-Sani ISSA		03.10.2024

<sup>11</sup> As referred to in section III.2.3 of the Bank's Environmental and Social Policy (ESP)

<sup>12</sup> *In case a resettlement action plan (RAP) are not required although ESIA is/are disclosed, attached the image/picture of the project's area/site/landscape to evidence it is free of any encumbrance (simple statement or letter from the borrower does not suffice), in addition to the statement by the borrower/client (Official letter) that it is a public-owned or client-owned land.*

### ADDITIONAL FINANCING CHECKLIST

Eligibility Criteria for AF Due to Project Scaling up	Compliance (Yes / No)	Justification/reference to relevant paragraphs
<p>Satisfactory performance of the Project:                      Scoring of 3 or better on the development objective (DO); (Satisfactory); Scoring of 3 or better on implementation progress (IP); (Satisfactory) ; The outputs/effects and results recorded in the last IPR of the project show that its impact so far has been in line with the expectations set out in the PAR; Key provisions of the loan/grant are largely complied with, including audit, financial management and reporting requirements on environmental and social safeguards; For projects facing fiduciary or environmental and social safeguarding difficulties, or other problems recorded in the IPR, these should have been resolved, or a feasible action plan developed, prior to the assessment of the additional funding; For projects that have experienced implementation difficulties in the past, these should have been resolved and the project should have performed well for at least 6 months prior to the submission of the AF request.(AFPG Paragraph 1)</p>	<p>Not Applicable.</p>	<p>The original project was launched in February 2024 therefore it has not started in earnest.</p>
<p>Is additional financing for the added or expanded activities the best mechanism to maximize the development impact and results in the relevant area or sector, compared to other lending tools such as a repeater project, a completely new operation, or non-lending instruments? i.e., is providing additional funding a better option than starting a new project? (AFPG Paragraph 12 (i))</p>	<p>Yes</p>	<p>Strong synergies and complementarities with the original project. The AF will use same management and administrative structures as for the original project thus savings on staff remuneration and other office costs. Reference Paragraph 3.</p>
<p>Is the selection of beneficiaries of the scaled-up activities based on objective criteria (as opposed to politically motivated reasons)? Please demonstrate that the demand is also driven by the beneficiary communities or that they were consulted and endorsed the recommendation. (AFPG Paragraph 7; 21-22)</p>	<p>Yes</p>	<p>Beneficiary communities were involved/consulted right from the outset i.e., project conception using the participatory approach. Selection of beneficiaries is based on objective criteria as in the original project.</p>
<p>The project is generally aligned with the Bank Group's relevant strategies, priorities and policies and country, regional and sectoral priorities, and the overall environment is conducive to its success (AFPG Paragraph 12 (iii))</p>	<p>Yes</p>	<p>Reference Paragraph 5.</p>
<p>The project is broadly in line with the development objectives of the initial project (AFPG Paragraph 12 (iii))</p>	<p>Yes</p>	<p>The PDO is similar to the initial project. Reference Paragraph 4.</p>
<p>The project is technically feasible overall (AFPG Paragraph 12 (iv))</p>	<p>Yes</p>	<p>The Project is technically feasible as it promotes simple, tested and proven innovations and technologies. Besides, the selected value chains are familiar to farmers and other actors. Reference Paragraph 22.</p>



<b>Eligibility Criteria for AF Due to Project Scaling up</b>	<b>Compliance (Yes / No)</b>	<b>Justification/reference to relevant paragraphs</b>
The project is economically and financially viable overall (AFPG Paragraph 12 (v))	Yes	Based on the financial and economic analysis conducted, the overall project is viable yielding the FIRR and EIRR of 27.4.4% and 28%, respectively. Both metrics are higher than the discount rate of 10%, which is the presumed cost of capital. The financial NPV (discount rate, 10%) is positive at USD 19.8 million. Reference Paragraph 23& 24.
The institutional, fiduciary, environmental and social arrangements for the project as a whole are satisfactory (AFPG Paragraph 12 (vi))	Yes	This was attested in the appraisal mission and indicated in the PAR as satisfactory
Associated risk mitigation measures are satisfactory for the project as a whole (AFPG Paragraph 12 (vii))	Yes	This was attested in the appraisal mission and indicated in the PAR.
The assessment of the quality at entry (QaE) of the project and the assessment of its overall credit risk are considered satisfactory for sovereign operations financed from AfDB resources in ADF-only countries (AFPG Paragraph 12 (viii))	No	This AF is financed under GAFSP funding.
Is the Borrower/Recipient committed to scaling up the project activities? Would preparing an additional loan/grant bring procedural or other cost-effectiveness gains for the Borrower/Recipient, as compared to preparing a repeater or other new project? Can the magnitude or scope of the scale-up project be easily accommodated in the context of the ongoing project, relying on the Borrower/Recipient's existing implementation capacity and other project arrangements? (AFPG Paragraph 7; 21-22)	Yes	The recipient, who is the main implementing agency of the project, has committed own resources towards the cost of the project. Furthermore, the recipient has a wealth of experience in implementing projects of such a magnitude hence the AF will be smoothly integrated in the context of the original project. Reference Paragraphs 12 and 20.
Was the project scale-up anticipated at original project PAR? has the borrower/beneficiary provided justification; is the borrower/beneficiary able to make the AF available? has it been able to find other financiers and has it provided justification for the request for additional financing from the Bank Group? (AFPG Paragraph 7; 21-22)	Yes	Higher farmers' enthusiasm and availability of basic resources such as land for cultivation and favorable weather in the project were already discernible at the original project PAR. Reference Paragraph 3.
Is the AF in line with the Policy on Expenditures Eligible for Bank Group Financing? (AF Policy Paragraph 22)	Yes	The AF will follow same eligible policy on expenditures currently being applied by the baseline project
Are there any implementation delays in completing the activities under the project if AF is provided? (AFPG Paragraph 7; 21-22)	Not applicable.	
Is the Borrower/Recipient committed/able to quickly process the AF to enable smooth and successful completion of the activities it would support? (AFPG Paragraph 7; 21-22)	Yes.	Both parties are committed to processing the AF as quickly as possible to lay down the foundation for a smooth and successful accomplishment of project activities.

**AFRICAN DEVELOPMENT BANK**

**BOARD OF DIRECTORS**

**Resolution N° B/TZ/2024/84**

Adopted by the Board of Directors on a lapse-of-time basis, on 17 October 2024

**Additional Financing: Grant to Mtandao Wa Vikundi Vya Wakulima Tanzania (MVIWATA), from the approved resources of the Global Agriculture and Food Security Program (GAFSP) Trust Fund, to finance part of the costs of Food Systems Supply Services in Rural Tanzania “Baridi Sokoni” F3SRT**

**THE BOARD OF DIRECTORS,**

**HAVING REGARD TO:** (i) Articles 1, 2, 10, 12, 13, 17, 32 and 37 of the Agreement Establishing the African Development Bank (the “Bank”); (ii) the Transfer Agreement under the Global Agriculture and Food Security Program (GAFSP) Trust Fund between the Bank and the International Bank for Reconstruction and Development (IBRD) as Trustee of the GAFSP Trust Fund effective 26 October 2010 (the “Transfer Agreement”); (iii) the appraisal report contained in Document ADB/BD/WP/2023/189/Approved (the “Appraisal Report”); and (iv) the additional financing proposal contained in Document ADB/BD/WP/2023/189/Add.1/Approval (the “Additional Financing Appraisal Report”);

**RECALLING:**

- (i) That GAFSP Trust Fund was established to provide funding for projects supporting national and regional strategies targeting agriculture and food security in developing countries;
- (ii) That pursuant to the Transfer Agreement, the Bank has been designated as one of the Supervising Entities of the GAFSP Trust Fund; and
- (iii) Resolution N° B/TZ/2023/72 adopted by this Board on 19 October 2023, approving a grant, from the approved resources of the GAFSP Trust Fund to MVIWATA, of an amount not exceeding the equivalent of Two Million, Five Hundred Thousand United States Dollars (USD 2,500,000) to finance part of the costs of Food Systems Supply Services in Rural Tanzania “Baridi Sokoni” F3SRT (the “Project”);

**HAVING CONSIDERED:**

- (i) That on 28 July 2023, the GAFSP Steering Committee approved a grant of an amount not exceeding Two Million, Eight Hundred and Fifty Thousand United States Dollars (USD 2,850,000) out of the resources of the GAFSP Trust Fund, to MVIWATA to finance part of the costs of the Project;
- (ii) The letter of commitment issued by IBRD as Trustee of the GAFSP Trust Fund on 30 July 2024, for an amount not exceeding Two Million, Eight Hundred and Fifty Thousand United States Dollars (USD 2,850,000) in favor of the Bank for the implementation of the Project; and
- (iii) The recommendations and justifications set out in the Additional Financing Appraisal Report concerning the provision of additional financing for the Project;

**DECIDES** as follows:

1. To award to MVIWATA (the “Recipient”) (the “Recipient”), from the approved resources of the GAFSP Trust Fund, a grant of an amount not exceeding Two Million, Eight Hundred and Fifty

Thousand United States Dollars (USD 2,850,000) (the “Additional Grant”) as additional financing for part of the costs of the Project;

2. To authorize the President to conclude a grant agreement between the Bank, as Supervising Entity for the GAFSP Trust Fund and the Recipient (the “Grant Agreement”), on the terms and conditions specified in the Standard Conditions Applicable to Grants made by the African Development Bank and the African Development Fund from the Resources of Various Funds, the Transfer Agreement and the Additional Financing Appraisal Report;
3. The President may cancel the Additional Grant if the Grant Agreement is not signed within ninety (90) days from the date of approval of the Additional Grant by this Board; and
4. This Resolution shall become effective on the date above-mentioned.