AgCLIR: TANZANIA

Commercial Legal and Institutional Reform in Tanzania's Agriculture Sector

POLICY NOTE

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Constraints and Opportunities in Tanzania's Agribusiness Sector

This policy note provides an overview of the findings of the Agriculture-Commercial Legal and Institutional Reform (AgCLIR) diagnostic activity.[1] The AgCLIR diagnostic addresses the conditions and opportunities for doing business in Tanzania's agricultural sector, as well as key issues pertaining to the country's limitations in food security.

AGRICULTURE IN TANZANIA: PROSPECTS ABOUND, OPPORTUNITIES OVERDUE

Tanzania's persistent economic poverty belies its potential wealth. The inhabitants of the country have long dwelled in peace, generally avoiding cross-border conflicts and domestic unrest that have plagued several of Tanzania's neighbors. Its assets and opportunities are vast, including an 800-kilometer coastline, an international port, abundant natural resources, shared regional and international languages, and diminishing trade barriers in its regional markets. Tanzania is the world's 31st largest country in land mass, with the 30th largest population (more than 40 million).[2]

TANZANIA'S RANKINGS IN THE WORLD BANK *DOING BUSINESS* CATEGORIES

	2010	2009	Change
Doing Business Overall (181 economies surveyed)	131	126	-5
Starting a Business	120	111	-9
Dealing with Construction Permits	178	175	-3
Employing Workers	121	133	+12
Registering Property	145	145	0
Getting Credit	87	84	-5
Protecting Investors	93	88	-5
Paying Taxes	120	113	-7
Trading Across Borders	108	105	-3
Enforcing Contracts	31	31	0
Closing a Business	113	113	0

1 More detailed information on each of the topics summarized in this policy note along with specific recommendations for reform in each area are available in the full AgCLIR Tanzania report.

2 Unless identified otherwise, statistics cited in this report are drawn from a number of sources, including various United Nations and World Bank publications, the CIA's online World Factbook (2009), and the Economist's *Pocket World in Figures* (2010). Most of these statistics are themselves derived from Tanzania's National Bureau of Statistics, or, when compiled from many countries, from the domestic statistical services of various other countries. Given limitations in domestic information gathering in most developing environments, most figures cannot be said to be exact, but they do represent best estimates as accepted by the international community.

Although Tanzania's future may more fully incorporate opportunities in trade, tourism, and industrial growth, its present is very much grounded in agriculture. Among all the world's countries, Tanzania's gross domestic product (GDP) is the fifth most dependent on agriculture—about 45%.[3] At least 76% of the population works in the agricultural sector. Tanzania has the world's 18th lowest rate of urbanization: just 25% of its people live in urban areas (although its commercial capital, Dar es Salaam, is the world's 10th fastest-growing city).

Against this backdrop, most Tanzanian farmers work very small plots and grow food for domestic consumption, chiefly, maize, rice, cassava, and various fruits and vegetables. Low productivity on these farms is endemic because, among other reasons, farmers rarely use high-yielding, government-certified seed; rainfall is highly unpredictable and irrigation is underused; and poor storage facilities and infrastructure contribute to high rates of postharvest loss. According to the World Food Program, more than 40% of Tanzania's population lives in chronic food-deficit regions. The extreme prevalence of HIV/AIDS, which infects 6.2% of the country's adult population, compounds the effects of poor productivity and hunger. At least 38% of children under five in Tanzania are chronically malnourished (that is, their height is stunted for their age), and more than 50% of children suffer stunted growth in over 30% of all regions in the country.

Across Tanzania, a variety of formerly state-owned plantations and private farms produce so-called cash crops. Tanzania's major products for export include coffee, sisal, tea, cotton, pyrethrum (insecticide made from chrysanthemums), cashew nuts, tobacco, cloves, corn, wheat, cassava, fruits, vegetables, and some livestock. Among these, Tanzania ranks among the world's largest producers—second only to Brazil—for sisal, a product for which global demand has declined significantly in recent years.[4] Tanzania is not among the world's top producers for any other major cash crop, unlike Kenya (the third top producer of tea and the tenth top producer of coffee) or Ethiopia (the third top producer of coffee). Tanzania processes few of the goods it produces within its borders and imports many processed foods, including juices, cereals, and meat products.

Tanzania's political and economic systems have been significantly transformed over the past generation. In the mid-1990s, the country exchanged its post independence practice of full government control

3 Only Guinea-Bissau, Liberia, the Central African Republic, and Ethiopia derive higher percentages of their respective GDPs from agriculture than Tanzania.

4 See *New Agriculturalist,* "Sustainable Sisal in Tanzania" (May 2009). Although 98 percent of the sisal plant has, in the past, gone to waste, the plant may present new opportunities in biomass.

TANZANIA'S ANNUAL *DOING BUSINESS* RANKINGS	
Doing Business 2005	140
Doing Business 2006	140
Doing Business 2007	142
Doing Business 2008	130
Doing Business 2009	126
Doing Business 2010	131

Note: The number of countries surveyed ranged from 143 in 2005 to 183 in 2010.

over the economy to a free-market–based system that seeks growth through private investment and trade. As a charter member of the East African Community, Tanzania has strived to build on opportunities for regional growth. Whereas in the past most of Tanzania's agricultural economy was run through state-controlled farms, plantations, and cooperatives, vast changes in the country's legal framework now provide for entrepreneurship, private investment, and more robust systems of trade.

Political and economic changes in Tanzania have occurred concurrently with a long list of government strategies and initiatives, many of which this report references. Donors are the principal drivers of some macro-initiatives, such as the National Strategy for Growth and Reduction of Poverty, particularly with respect to funding.[5] Others emerged more organically, including the National Employment Policy (2008) and Kilimo Kwanza, a 2009 government initiative that aspires, through a 10-pillar, multi-stakeholder strategy, to launch a "green revolution" in Tanzanian agriculture.[6]

Given the level of political and financial dedication to development in Tanzania, along with the many strengths and prospects its economy affords, a recurring theme emerged during this diagnostic: under such conditions, why hasn't there been *more* change? Why does private enterprise in agricultural products continue to founder? Why does agricultural lending continue to be scarce and investment low? Why is there not *more* trade? In recent years, both local institutions and donors have conducted a multitude of inquiries and assessments in Tanzania and have developed and issued hundreds of recommendations. Untold hours have gone into building consensus among "champions" over ways forward. In fact, as a result, much has gone well—this diagnostic found marked progress

5 Tanzania Invest, "World Bank funds MKUKUTA National Growth Strategy" (January 11, 2010). For details on MKUKUTA's implementation, see the program's dedicated "poverty monitoring" website at http://www.povertymonitoring.go.tz/Outputs_background.asp.

6 Tanzania National Business Council, *Kilimo Kwanza: Towards Tanzanian Green Revolution* (June 2009).

FOOD SECURITY AND THE BUSINESS ENABLING ENVIRONMENT

Tanzania's fast pace of urbanization has increased the population's dependence on commercialized agriculture as a source of food and income. In the last fifteen years, Tanzania's urban population has almost doubled, while the rural population has increased by only a third, suggesting significant rural-urban migration. While increased production of major staple crops has kept pace with population growth overall and exceeded the rural population growth rate, slightly over a third of the country's population has remained food insecure during this time; they cannot produce enough, sell enough, or buy enough to meet their food needs. Tanzania's business enabling environment must adapt to meet the needs and support the growth of a commercial agriculture sector that can feed and employ more people more efficiently.

To promote viable food production and distribution systems that strengthen the country's food security, Tanzania's enabling environment must simultaneously improve incentives for producers, processors and distributors; remove barriers to trade; increase the efficiency of handling and transportation; and ultimately stabilize and lower the prices paid by consumers. Currently, the business environment in Tanzania falls short of what is required. Commercial farmers lack access to credit and have limited capital to scale up operations, and banks are seldom willing sources of finance for the agricultural sector. Traditions governing land use, with their emphasis on communal access for subsistence farming, limit the potential for surplus production intended for the market. The lack of information on grades and standards, coupled with ineffective commercial dispute resolution systems, adds time and cost to transactions all along the value chain. Wholesale markets are generally not transparent and open, reducing potential earnings from farmers. High transportation costs associated with a weak infrastructure discourage internal trade and inflate retail prices paid by consumers. Most egregiously, the export ban on grains has isolated producers from profitable cross-border markets, while high tariffs on imports of maize and rice inflate consumer prices and limit the purchasing power of Tanzania's market dependent population.

FOOD SECURITY AND THE BUSINESS ENABLING ENVIRONMENT (CONT.)

Tanzania's demographic change necessitates a new policy approach to enable commercial agriculture and trade to meet the growing demand for food and jobs. Government policy still tends to favor blunt instruments such as export bans, import tariffs, price controls and supports, and subsidies for inputs. These temporary measures distort market signals and add a high degree of uncertainty that discourages investment by farmers and banks alike. In many instances, policy makers and politicians lack the benefit of analyses measuring the real impact of policies they do enact and the potential impact of alternative policies they should enact.

A viable long-term strategy to enable commercial agriculture requires the government to re-evaluate the impact of existing policies and identify alternative approaches that would bring lasting benefits to producers, suppliers and consumers, while investing resources to improve the country's ailing infrastructure. For support, the government could take advantage of available donor and government-funded support mechanisms, such as COMESA's Alliance for Commodity Trade in Eastern & Southern Africa, which promotes regional trade and the commercialization of small holder agriculture. Signing the CAADP compact, which mandates a certain level of public investment in agriculture, would be a good start, but must be complemented by policy changes to derive the maximum benefit from this investment. Policy makers and politicians need a better understanding of the relationship between policies, incentives, and prices and must weigh short-term objectives, like increased domestic supply of maize, against long-term goals, such as improved productivity of the maize sector.

They key for Tanzania is to implement policies and facilitate investments that improve the productivity and profitability of commercial agriculture while strengthening the purchasing power of consumers. Agricultural enterprises can deliver better produce at a lower cost with access to credit and inputs, an open and transparent market, and most importantly, incentives. Distributors, meanwhile, need dependable suppliers and efficient infrastructure for moving and storing commodities. Both require an enabling environment that reduces or mitigates risk and rewards efficiency. Consumers will ultimately benefit from a wider variety of food available at lower, more stable prices, improving their nutrition as well as their purchasing and investment potential.

in certain lending schemes, in general awareness of property rights, and in judicial training, for example.

Yet there remains a strong sense throughout the agricultural sector that far more is possible. The private sector in particular seeks a stronger commitment to regional trade agreements and less bureaucracy in their implementation as well as reduced government interference into private transactions. Likewise, female entrepreneurs wish for better integration of Tanzanian women into the country's economic development. Change takes time, of course, but many in Tanzania believe that change, under the circumstances, is taking *too much* time. For many people, the benefits promised from a transition to a free-market system have not yet materialized.

Continuing constraints and the state of reform pertaining to specific areas affecting Tanzania's agricultural sector are identified below.

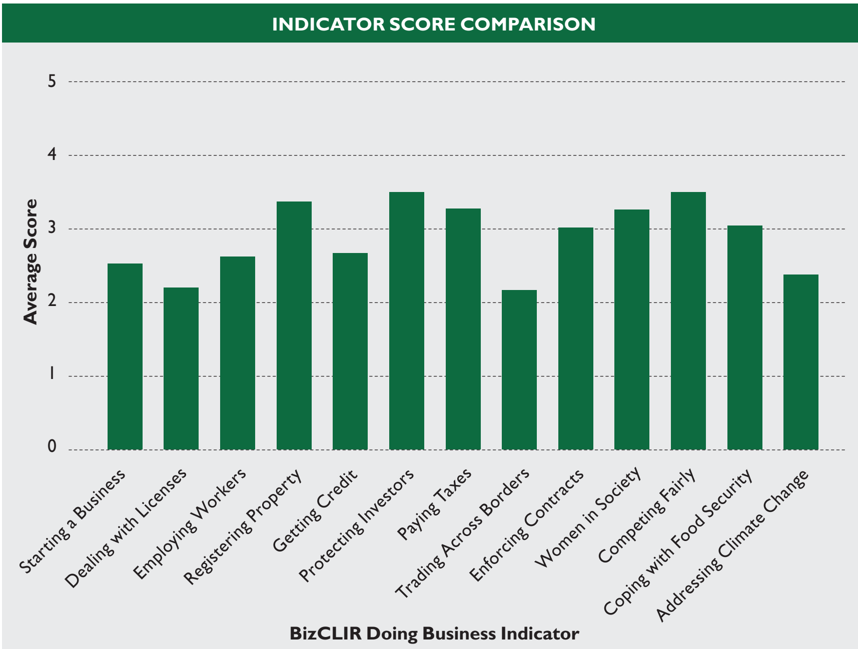
CONSTRAINTS AND OPPORTUNITIES BY AREA

WOMEN IN TANZANIAN SOCIETY

Four out of five Tanzanian women work in the agricultural sector. Notwithstanding a generally favorable legal framework that affirms equality between men and women (with certain critical exceptions), along with public policies that prioritize gender equity within the work of state institutions, conditions for these women remain enormously difficult. Although certain cultural norms are gradually changing, most rural women live amid low expectations, stagnant economic opportunities, unhealthy living and work environs, and rampant abuses of their property and employment rights. Poverty runs deep among both women and men in Tanzania, but deeply ingrained cultural forces continue to render women less literate and less likely to meet their families' needs through paid work and entrepreneurship than men.

At this time, the need is less for further study than for legislative, ministerial, and private sector action. Recommendations set forth in the International Finance Corporation (IFC) and World Bank Group's *Tanzania Gender and Economic Growth Assessment,* published in 2007, directly address the relationship between Tanzanian women and their country's environment for accessing land, finance, paid work, economic justice, and opportunities in international trade.[7] These recommendations warrant far greater consideration and

7 IFC/World Bank, *Tanzania Gender and Economic Growth Assessment* (2007).



integration into reform efforts than has taken place to date. As an immediate first step, integration of the IFC Gender Assessment's major recommendations into implementation of Kilimo Kwanza, which significantly neglected integration of women into the vision for a "green revolution," should be a priority of public and private implementers of that policy.

STARTING A BUSINESS

In addition to the customary issues of registration and licensing, agricultural businesses in Tanzania confront many challenges during business start-up, the most pervasive being the availability of information. Tanzania currently lacks readily available information on the legal instruments that govern business operations, including not only the initial business registration and licensing processes but also land tenure, water rights, health and safety, employment, and marketing. In addition, constraints to starting a business arise from legislation providing for the various commodity boards, including those overseeing cashew, coffee, cotton, meat, pyrethrum, sisal, sugarcane, tea, and tobacco. The legislation for all boards contains two common themes: the power of each board to raise levies on the produced or processed crop and the mandate of the board to monitor negotiations and pricing between producers and buyers to ensure a fair price. In practice, the laws constitute potential constraints on the start-up and ongoing business activities of both producers (who, for example, may wish to enter into contracts outside the existing market arrangements sanctioned by boards) and buyers, who may wish to enter into trading without domestic processing. Moreover, Tanzania's marketing infrastructure is inadequate to service domestic demand. Considerable investment is needed not only in processing and marketing but also in the supporting infrastructure (including laboratory facilities, cold chain infrastructure and transport) to meet the growing demand.

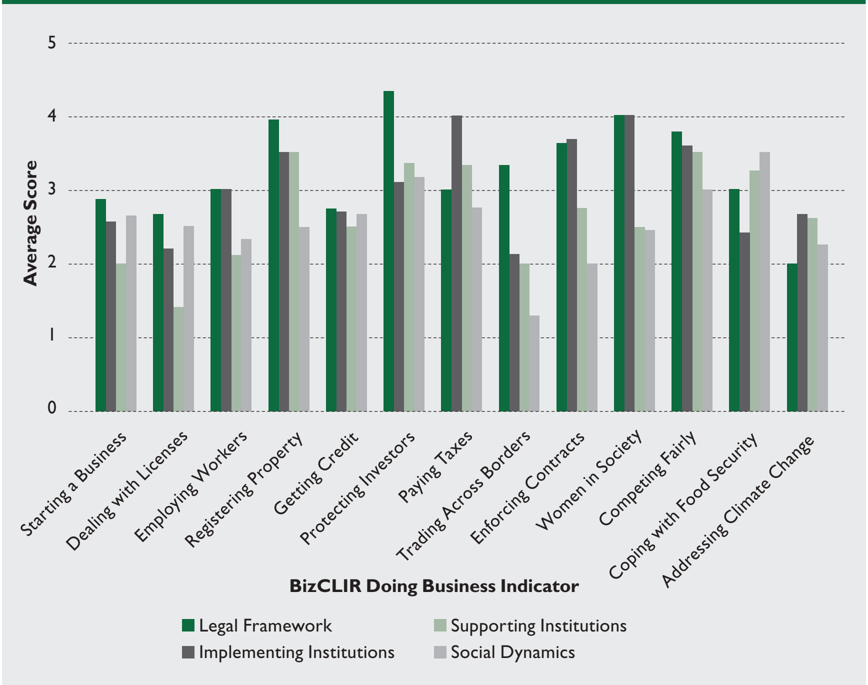
DEALING WITH LICENSES

In Tanzania, licensing procedures are typically designed to achieve one or more of three ends: (1) identification of capacity (otherwise achieved through registration); (2) maintenance of standards (often for consumer or employee protection but also for the protection of quality-based markets); and (3) generation of revenue (otherwise achieved through taxes or levies). Because many of the procedures relevant to agriculture incorporate all three aspects, their primary goal and effectiveness tend to become obscured. Overall, the implementation of the licensing system as it applies to agribusinesses in Tanzania takes place within a climate of uncertainty that promotes minor rent-seeking activities by licensing agents. In some cases, multiple licensing aggravates the situation. In most cases, however, the costs of the delays incurred are much more significant than the relatively minor costs of rent-seeking. (To put it another way, much of the corruption is in the form of "speed money", and the amounts involved are fairly small.) Delays also occur through lack of coordination between local government (district level) and central government institutions. As a result, businesses that would ideally receive licenses from local agents require licensing by authorities based in Dar es Salaam, while information collected from businesses by central authorities remains unavailable to local authorities. Fuller implementation of the Business Activities Registration Act (2007) should address such issues, although facilitation of the process may require technical assistance.

COMPETING FAIRLY

Tanzania has a well-written and comprehensive competition law intended to increase efficiency, promote innovation, maximize the efficient allocation of resources, and enhance consumer welfare. It seeks to advance these objectives through a dual mandate:

INDICATOR COMPARISON



prohibitions against anticompetitive and unfair or deceptive practices and competition advocacy. Tanzania's broader legal framework, however, tends to undermine the goals of the competition law. Various crop-specific laws, for example, continue to allow for government-imposed minimum prices, which are inconsistent with the competition law's market-based pricing. Similarly, numerous other laws and regulations designed to prevent consumer harm or correct perceived market imperfection may impose secondary effects on competition, prices, and consumer welfare that are not fully understood. In some cases, these secondary effects on competition may outweigh the principal harm the regulation intended to address. Tanzania's broader legal framework, therefore, needs a comprehensive review and, where possible, should be in harmony with the objectives of the competition law. In addition, while the competition law is well written and comprehensive, the implementing agency is young and inexperienced. The competition agency must receive adequate funding, staffing, and capacity-building support (both in the short term and in the long term) if it is to fulfill its mandates under the law effectively.

EMPLOYING WORKERS

Tanzania's new regime of labor laws and regulations, enacted between 2003 and 2008, sought to bring clarity and structure to labor relations in an economy newly oriented toward free-market principles. The relevance of this regime to most Tanzanian agricultural workers, however, remains minimal. A small minority of agricultural workers—around 25,000–50,000—are employed on 400 or so privately owned plantations where a labor union represents them. Conditions for formally employed plantation workers are significantly better than those underlying most jobs in the agricultural sector, with most plantations subject to regular inspections for labor conditions generally and occupational safety and health. In contrast, most agricultural workers in the informal sector receive little attention, if any, from state agencies, labor unions, and employer associations. Ultimately, the key issues facing both workers and employers in the agricultural economy are, first, the overwhelming unpreparedness of Tanzanians to meet the demands of modern, productive agriculture and, second, the paucity and inconsistency of the state's efforts to address these demands, including overt tolerance of conditions that perpetuate, rather than alleviate, widespread labor abuses and rural poverty. Third, and equally important, the cross-cutting conditions that limit investment, private sector growth, and job creation are crippling Tanzanian workers.

REGISTERING PROPERTY

Registering real property is difficult and time consuming. The vast majority of Tanzania's agricultural land is either not held in a form that can easily be used to access credit (i.e., village land) or, if it is owned in fee simple, has title problems. The issue of land ownership is fraught with political, cultural, and social complexities, and all Tanzanian governments since the socialist period have either neglected the issue or ignored it completely. As a result, land is rarely used for collateral outside of urban and periurban areas, and access to large tracts of land with clear title is a serious problem for commercial agriculture.

GETTING CREDIT

In Tanzania, lending to the agricultural sector is extremely risky. With few hedges to natural risks, limited financial infrastructure to hedge repayment risk, and an inabilty to predict government intentions, banks either price loans to protect themselves—excluding most poor customers—or simply focus on other sectors. The good news is that increased competition in the financial sector is pushing banks to consider agricultural lending more seriously. At the same time, however, the government has demonstrated an inclination to intervene in markets, whether through a trade ban, formalized price-setting arrangemnts, or direct interventions in the financial sector. Frequent yet inconsistent interventions in different areas undermine the private sector's ability to depend on market predictability.

Furthermore, no functioning credit information-sharing system exists in Tanzania. In 2007, the Bank of Tanzania committed to creating a credit reference bureau and associated regulations. It also committed to establishing a credit reference bureau databank, which private credit bureaus could leverage. The Tanzania Bankers Association has also announced plans to establish a credit reference bureau to use this data bank; however, to date the effort has not been implemented. Until some of these tools are available for lenders to use them during the loan application process, the cost of lenders' due diligence will remain high, the cost of borrowing will remain high, and lending to the agricultural sector in particular will remain low.

PROTECTING INVESTORS

Formally, Tanzania welcomes all forms of investment. The country does not discriminate against businesses conducted or owned by foreign investors. There are no barriers to 100% ownership of businesses by foreign investors in agriculture. There is no recent history of expropriation or nationalization, and no restrictions apply to the transfer or repatriation of capital and income earned. Corruption is a problem, but it is not high by regional standards. Moreover, Tanzania enjoys high levels of both political and economic stability: the country has never had a coup or a civil war, it has enjoyed consistent modest economic growth since 2002, and the currency is stable. While Tanzania's company law is rather weak, the general commercial legal framework is quite strong, with laws largely consistent with international best practices.

Although corporate governance is a necessary part of a modern commercial legal framework, most Tanzanian businesses, especially in the agricultural sector, need to address basic good business practices like bookkeeping and management rather than disclosure duties and shareholder protections. Higher-level corporate governance concerns will increase in importance as Tanzania's economy continues to grow. Ensuring that an adequate structure is in place and used as the need for stronger corporate governance develops will be important. In the meantime, Tanzania should support and encourage a culture of good business management, which will benefit the broader business community and lay the foundation for more advanced corporate governance practices to come.

PAYING TAXES

In Tanzania, the tax base is so small that most of the government's income comes from a relative handful of taxpayers. The Tanzania Revenue Authority (TRA) estimates that in a country with a population of around 40 million, only about 400,000 are registered (business) taxpayers. For those that do pay taxes, the legal framework for paying income tax is sound and incorporates best international practices. The framework includes individual income tax, corporate tax, a pay as-you-earn system for employees, presumptive income tax for small individual businesses, provisional and final withholding taxes, and a capital gains tax. While corporate taxpayers are taxed at a fixed rate of 30% of profits (one of the highest rates in the region), individual taxpayers pay according to a graduated scale, with the maximum rate being 30%. A taxpayer may self-assess and pay income taxes by lodging a return with TRA, withholding and pay-as-you-earn (PAYE) systems (tax withholding from the taxpayer's income source and sent to TRA directly by the payer), or through payment of installments. In the case of individual taxpayers, employers withhold and pay income tax on behalf of their employees. In the case of corporate entities, the business pays its annual income tax when it lodges its quarterly installment returns.

In implementing its tax collection function, Tanzania's government is mainly concerned with revenue collection rather than broader economic policy, social policy, environmental policy, or clearly focused investment-driven policies. In general, the government does not perform regulatory impact analysis. Although tax incentives can encourage certain activities, these tend to be applied in an ad hoc manner. The government seems to have no clear overall tax policy beyond "expand the tax base" and "increase domestic revenue collections at a rate faster than GDP growth."

TRADING ACROSS BORDERS

Tanzania's macroeconomic environment for trade has been relatively stable in recent years. Interest rates are high but competitive in relation to other countries in the region. Trade policies have been liberalizing gradually since the early 1990s, although in fits and starts. The Tanzanian government has introduced policies and plans intended to advance agricultural trade and development, including the Tanzania Development Vision (Vision 2025), the Agriculture Sector Development Strategy, Kilimo Kwanza (the Agriculture First policy), and membership in the East African Community (EAC) and the Southern African Development Community (SADC). Despite such initiatives, government actions that were not intended to affect trade nonetheless continue to hamper it. District and local rules that artificially restrict markets contribute to keeping farmers' income low. These include the failure of government decision making to consider the secondary impacts of policies on trade; crop boards that, although intended to intermediate on behalf of farmers, create an unpredictable investment environment that discourages medium- to longer-term investments such as those in tree crops; and conflicting laws that authorized regulatory agencies interpret differently and implement independently.

A number of implementing and supporting institutions facilitate trade by ensuring the movement of goods across borders. Tanzania's Revenue Authority has been quite effective in capturing the revenue generated by the movement of these goods. Other trade institutions have not been so efficient, however, and widely reported shortcomings include a lack of uniform procedures and processes, a lack of standard documentation, a lack of trading capacity and experience, border delays, checkpoints (official and unofficial), and corruption.

ENFORCING CONTRACTS

In Tanzania, formal and informal contracts for goods and services are in use throughout the agricultural supply chain. Stakeholders at all levels are generally familiar with various types of contracting opportunities. Notwithstanding the importance of contracts in Tanzania's agricultural sector, a number of factors undermine the extent to which they have become useful tools for building enterprises. Such factors include a scarcity of legal services focused on agriculture in Tanzania's rural communities, as well as an acute shortage of lawyers, and of advocates in particular; the absence of practical guidance on the formation and enforcement of agricultural contracts; attitudes at all levels that take contracts merely as guidelines for business relationships rather than as strict commitments on which enterprises can base arrangements for the future; primary-level courts that lack sufficient resources, streamlined practices, and public confidence; and significant interference by crop boards and crop-related policies in farmers' ability to establish their own terms of sale and delivery. Continued commitment to strengthening Tanzania's legal services and courts, particularly beyond the larger cities and municipalities, is necessary to strengthen the rule of law in Tanzania's vast agricultural sector. The country would further benefit from continued emphasis on informing less formal or less educated constituencies about the importance of making and honoring contracts.

COPING WITH FOOD SECURITY

Tanzania's lack of infrastructure development, maintenance, and management has contributed to its food insecurity and will prevent the country from achieving greater food security in the future. With roughly 80% of the population relying on subsistence agriculture for its livelihood, the government of Tanzania has acknowledged that improvements in infrastructure—including port operations, rail and road transportation, post harvest storage, and market information—are critical to economic development and increased food security. The need for reform is urgent. At the Dar es Salaam Port, inefficient operations cause substantial delays in offloading and clearing. The recent dissolution of a national concession agreement by an Indian company has left the central railway all but inoperable. The number of paved feeder roads is abysmally low, and a lack of transparency plagues the process for development. Furthermore, postharvest losses are around 35% due in large part to the lack of proper storage. The lack of storage facilities forces smallholder farmers to sell at harvest when prices are lowest. In addition, although informal information networks are available to the commercial farmers, the agricultural community at large still lacks value-added information that would support production, distribution, and marketing.

ADDRESSING CLIMATE CHANGE

Climate change is likely to have a significant impact on Tanzania over the next 20 years. Shifting rainfall patterns will likely pose challenges not only for farmers and herdsmen, but for everyone who relies on the current hydrological system for electricity and fresh water. Tanzania does have a national plan for addressing climate change. However, it is an ad hoc collection of responses rather than a coherent strategy. It also assumes that climate change is entirely exogenous, while largely ignoring Tanzanian activities (deforestation, changes in land use patterns, etc.) that may contribute to climate change at the local level.

Among these findings, several recommendations for reform have been identified as "immediate impact" opportunities that would have the strongest and quickest effect on improving the agribusiness enabling environment in Tanzania in the near term:

"IMMEDIATE IMPACT" OPPORTUNITIES

STARTING A BUSINESS

1) Provide technical assistance to TIC, especially an internal review to find efficiencies and pinpoint bottlenecks

GETTING CREDIT

2) Conduct SACCO Risk Analysis

COPING WITH FOOD SECURITY

3) Provide technical assistance to TANROADS in the development of a prioritized list of district and feeder roads that are critical to food security initiatives and agricultural economic development.
4) Provide the Department of Food Security technical assistance on data gathering

ADDRESSING CLIMATE CHANGE

5) Help the GOT comprehensively rewrite NAPA
6) Consider direct assistance to mitigation efforts (i.e., reforestation)
7) Conduct a Water Property Rights Assessment & Irrigation Scheme Impact Assessment
8) Conduct a Carbon Mapping Assessment

EMPLOYING WORKERS

9) Activate immediate opportunities in academic-based knowledge-sharing

THE GLOBAL FINANCIAL CRISIS AND ITS IMPACT ON TANZANIA

As of May 2010, both North America and Europe appear to be in a slow recovery from a recession. Asia—China in particular—seems to have suffered less from the recession and to be recovering more quickly. Tanzania's experience so far has been more "Asian" than western. There are several reasons for this. Tanzania has a low level of integration with international capital and financial markets; only about 11% of total commercial bank assets in the country are foreign-owned. A relatively small amount of foreign borrowing limited exposure of the country's financial system to the crisis, and no Tanzanian banks were deeply engaged with any of the international banks affected by the crisis. The Bank of Tanzania's decision to allow the shilling to fall early in the crisis also helped mitigate the effects of the global economic slowdown by making Tanzania's exports more competitive.

Overall Tanzania suffered no serious damage to its balance of trade, currency status, or foreign reserves. At this point it seems unlikely that Tanzania will suffer a "spinoff" local financial or macroeconomic crisis. Falling prices (for oil in particular) have improved Tanzania's balance of trade. Exports actually increased slightly in 2009, from about $2.5 billion to $2.6 billion, while imports fell sharply. It should be noted that one of Tanzania's major exports—gold—actually increased in value sharply during the first year of the global recession. Of its other major exports, cotton and coffee prices fell, as did the value of manufactured goods, but cashew nut prices and transit fees remained stable or rose slightly.

This is not to say that Tanzania has escaped the global financial crisis unscathed. The country has suffered falling investment, rising unemployment, and slowed growth. GDP growth in 2009, which was originally projected at over 7%, fell to under 5%. Growth in 2010 is expected to be similar. Unemployment has risen. Foreign investment has fallen sharply, as have remittances from abroad. The drop in investment has hit the agricultural sector, already starved for capital, particularly hard. Small farmers who relied on coffee or remittances from family members have seen their cash incomes drop sharply. With regard to the agricultural sector, particular areas of concern include:

Falling coffee prices. One of the impacts of the financial crisis is a dramatic decline in agricultural commodity prices. Coffee is Tanzania's single largest agricultural export, and coffee prices have fallen significantly in the last two years. Robusta prices are down nearly 30%, while Arabica prices have dropped by about 20%. The situation could be worse, however. Unlike some other countries, including neighboring Burundi, Tanzania is not heavily dependent upon coffee alone. Additionally, much of Tanzania's output consists of relatively cheaper and lower-quality Arabica coffees, which have suffered less from the global drop in demand. Tanzania actually increased coffee production sharply in the last two years, though this is largely because of earlier investments (planting more bushes) made when prices were high.

That said, the drop in demand remains a serious problem for Tanzania. The coffee sector is starved for investment; if prices stay low, attracting investment will be difficult. Many small subsistence farmers keep a few coffee plants to provide money for cash purchases. Low coffee prices will mean they have less money for seeds, tools, and other inputs.

Remittance flows. Large numbers of Tanzanians work abroad and send money home. A recent World Bank estimate suggests that remittance flows are between 1% and 2% of GDP. This is not high by African standards, but it is significant. As labor markets around the world have lost jobs in the wake of the financial crisis, remittance flows back to Tanzania have already slowed sharply and may not recover for another year or more.

THE GLOBAL FINANCIAL CRISIS AND ITS IMPACT ON TANZANIA (CONT.)

This is a particular problem in rural Tanzania, because remittances are one of the few sources of outside capital for small farms. Having a family member working abroad can give a farm family the means to buy seed, tools, and fertilizer. To some extent, the decline in remittances will thus translate directly into a decline in incomes for rural farm families.

Regional integration. Broadly speaking, other EAC countries have had similar experiences to Tanzania. All have felt the consequences of the crisis, but none have been seriously damaged. Surprisingly, regional integration has continued. In the first year of the recession, several commentators suggested that regional integration would falter or go into reverse as the crisis encouraged EAC members to turn inward, but this seems not to have been the case. Trade between Tanzania and other EAC members, though still a small proportion of total trade, has continued to grow rapidly. Some aspects of integration (such as the free movement of labor) are still stalled, but this does not seem to be a consequence of the crisis. And investment in infrastructure development, a major priority for the EAC, has not slowed down. Although the overall level of infrastructure investment remains modest, all the member countries have continued their commitment to improving transport links.

In the short to medium term, regional integration will have only modest effects on Tanzanian agriculture. However, in the longer term the prospects for regional integration now appear more hopeful than just a year or two ago. This suggests that Tanzanian farmers should be able to move more aggressively into regional markets as transport links and business connections continue to improve.

Unemployment. Officially, unemployment has risen from around 10% to a peak of around 11.7%, and is projected to fall back under 11% this year. However, Tanzania's grey and black labor markets are large enough to make these estimates very blurry indeed. Anecdotal evidence suggests a net loss of full-time employment in the agricultural sector since early 2008, with a concomitant shift towards part-time and migrant labor. While it is difficult to separate the effect of the financial crisis out from other factors (for instance, regional droughts in 2008-9), overall it appears that farm wages have stagnated over the past two years and gross farm income has grown slowly if at all.

Policy Responses. At the macroeconomic level, the Central Bank of Tanzania appears to be dealing reasonably well with the crisis and its fallout. However, government responses with regard to the agricultural sector have been piecemeal. To date, there is no comprehensive government policy for dealing with the impact of the financial crisis on the agricultural sector, and, since the crisis appears to be passing, one is not likely to emerge now. This report does not make macroeconomic policy recommendations, in part because they are outside of its scope, but largely because the GOT and Central Bank's macroeconomic responses seem to have been, on the whole, competent and correct.

A number of the recommendations in this report have been crafted to address and mitigate the continuing effects of the crisis. Several of the recommendations aim to ease burdens on small farmers—for example, those dealing with local authority transport levies, cooperatives legislation, local feedback on road construction and maintenance, weigh stations, and cess. This report also recommends a critical review of the role of crop boards. This is not a new idea—donors and others have been criticizing crop boards for over a decade—but the crisis might provide a window of political opportunity to make long overdue changes to the system. Finally, this report more or less entirely adopts the recommendations of the IFC Gender Assessment, most of which have yet to be implemented but would go a long way to ease burdens on Tanzanian women, who work primarily in the agriculture sector.

CROSSCUTTING THEMES

Across the areas discussed above, certain issues and dynamics are particularly prevalent and impact Tanzania's agribusiness environment and reform potential broadly. These crosscutting themes are discussed below.

1. Abundant opportunities in agriculture

Tanzania's agricultural economy faces a plethora of challenges, many quite severe. That said, it has certain resources that can serve as a foundation for progress. The opportunities begin with Tanzania's substantial land and water resources available for agricultural development. Although many of these resources are "locked up" in Tanzania's vastly problematic land regime—detailed in this report's chapter on Registering Property—the fact remains that strengthened systems of land management and crop productivity have the potential to generate enormous wealth. Moreover, the country borders five landlocked countries and offers the port of choice for eastern Congo. Tanzania's neighbors depend on its roads, rails, ports, and other infrastructure; thus, the rehabilitation of these resources could potentially attract significant support from these countries. Tanzania's place in Eastern Africa, and charter membership in the East African Community, also presents enormous opportunities for trade in agricultural services—including professional agricultural services, franchised food-processing businesses, and trade facilitation services.

INTERNET PENETRATION IN EAST AFRICA

Country	Penetration (% population)
Burundi	0.7
Kenya	8.6
Rwanda	2.8
Tanzania	**1.3**
Uganda	7.7

Source: Internet World Stats. Internet Usage Statistics for Africa. 2009. Website.

Another major resource for Tanzanian agriculture is its university system, including Sokoine University of Agriculture and the University of Dar es Salaam. Although Tanzania has a surprisingly low representation of students enrolled in higher education (less than 2% of its college-age population), its universities are well respected in the region and its faculties are, unlike many of their peers in formerly socialist regimes, engaged in and supportive of free-market economics. In many agriculture-related areas, opportunities for cooperation between universities and the private sector—including business incubation, mentoring and internships, and adjunct teaching by practitioners—are vast and underexploited. Furthermore, as emphasized in this report's chapter on Competing Fairly, Tanzania's universities are probably the most underutilized assets available in Tanzania when it comes to competition law and policy. The academic community appears well positioned to support a competition law regime and promote a culture of competition. This diagnostic identified some particular areas of investigation that would be well suited to university research, including the need to assess clearance times on overland trade routes. Clearance times at the Port of Dar es Salaam have received much study, but other border posts have not.

Also untapped are the remarkable opportunities that await greater Internet penetration in Tanzania, which is only about 2% today. Agriculture academics are eager to connect with agricultural businesses, institutions, and development projects all over country as a means of sharing information and developing greater knowledge

In addition, Tanzania is well prepared to receive investors. As detailed in this report's chapter on Protecting Investors, the Tanzania Investment Center (TIC) is committed to facilitating new investments. The agency's staff is generally well informed on the legal framework and the commercial environment and is able to answer pertinent and important questions about investing in Tanzania. Those seeking the approvals necessary for securing a business license, including those from the Ministry of Finance and Customs, can obtain them at the TIC office fairly quickly. A representative of the TRA is permanently embedded at the main TIC office in Dar es Salaam to review eligibility for investor tax exemptions. Permanent representatives of the business registry and the Labor Ministry are also present to assist. In 2007, TIC received the World's Best Investment Promotion Agency designation at the annual meeting of the World Association of Investment Promotion Agencies in Geneva. The TIC's chief constraint with respect to assisting agriculture investors is the relative dearth of land options to which it can refer its clients.

Throughout, this report notes many other opportunities in Tanzania's agricultural sector, including areas where current reform initiatives promise better conditions in the future. Nonetheless, certain major, crosscutting constraints remain, as discussed below.

2. Failure to implement: A cultural, political, and donor-enabled affliction

As underscored at the outset of this report, there is a pervasive sense in Tanzania that the development promised through the country's commitment to a free-market system and other economic reforms, which so greatly affect the agricultural sector, has not materialized. Even in the two years since the BizCLIR report was issued, optimism that change is "just around the corner" has dimmed. Reasons for this declining sense of possibility begin with three explanations for why change—though accessible in theory and vastly informed by experiences in similar environments—has been slow to take hold: first, certain cultural constraints; second, a lack of political commitment; and third, an emerging sense that donor engagement is not as effective as it ought to be and that in fact it comes with some significant drawbacks.

Culture. Ingrained cultural attitudes undermine the implementation of law and public policy particularly for women, who work predominately in the agricultural sector. Most laws in Tanzania treat women as equals, and the country has long committed to a policy of "gender mainstreaming," as discussed in this report's chapter on Women in Tanzanian Society. Yet the majority of rural girls and women remain effectively relegated to unskilled, unhealthy work conditions, notwithstanding improved opportunities to attend school. Early pregnancy continues to be a socially accepted practice in many communities, with the practical impact being that pregnant girls and girls with children do not continue their schooling. (There has been a limited effort to create classrooms for young mothers, but these are far from the norm.) In agricultural workplaces, this diagnostic anecdotally found that women and men doing the same work are typically treated in different capacities—that is, whereas men may be covered by an employment contract, women are paid for substantially the same work at a "piece rate," earning far less money, with far fewer options for asserting their rights.

Similarly, in most isolated or traditional communities, customs that exclude women from lines of ownership and inheritance persist. Many women receive poor treatment during their marriages—never permitted, for example, to add their names to documents indicating ownership of property—and even worse treatment after the death of a husband. Widows are often strongly encouraged after their spouses' deaths to marry one of the deceased's relatives. When that does not work out, widows are often "chased away" from the land they shared with their husbands, often forsaking all of their personal property as well. Women subject themselves to powerful social ostracism when they attempt to exercise their rights to marital or real property.

Changes are happening—early marriages (with brides as young as 10 or 12) are reportedly not as common as they were in the past—but, for women in particular, they are too slow. On paper, Tanzania has committed to reforms that would substantively counter powerful cultural constraints that negatively affect the health and quality of many women's lives. But the action required to transform these commitments into reality, as further detailed in this report, are too little and, for many women, too late.

Politics. In many areas examined by this diagnostic, interviewees cited "politics" as the reason that laws on the books, especially property rights, go unenforced. Theft of livestock and other property, illegal squatting on titled land, and other blatant property violations came up as areas where, for reasons of local politics, the authorities often look the other way. Another area of perceived political interference is tax collection. Tanzania's government gives the country's revenue authority certain targets to meet. According to wide-spread belief, a political process rather than revenue projections determines the targets.

On a broader scale, politics is surely at play with respect to setting and moving forward with significant, free-market–oriented reforms in the agricultural sector. Tanzania, the third-largest recipient of donor aid in the world, has long been privy to, and welcoming of, outside advice drawing from international best practice that aims to support economic growth. Yet, as discussed in the next subsection on government commitment to genuine free-market reforms, the country's leadership steadfastly sticks to conditions that are proven to undermine private sector growth. Politics constrains the implementation of important laws and policies that would help bring the country out of poverty. In addition, a lack of political will means that good advice often lies virtually dormant, such as in the case of an IFC-sponsored gender assessment, discussed in this report's chapter on Women in Tanzanian Society.

The donor effect. Deep in Tanzania's rural areas is a heavy presence of multilateral and bilateral donor-sponsored organizations that underwrite a wide variety of assistance programs for stakeholders in the agricultural sector, including farmers, farmer associations, and small and midsize agricultural enterprises. Donors based in Dar es Salaam also fund broad-based, multi-agency support.

Against this backdrop, this diagnostic found that certain state institutions have been inclined to surrender their responsibility for providing support and services to the agricultural sector, relying instead on donors to get the job done. For example, the Ministry of Labor is particularly passive with respect to monitoring and responding to informally employed workers in the agricultural sector. Although its staff is in a position to compile and disaggregate the data it collects from all its labor inspections (both of informal and formal enterprises)—thus learning more about particular issues facing workers—the Ministry has not done so on its own initiative in recent years, instead allowing the local office of the International Labour Organization (ILO) to compile and interpret the limited information it has collected. Similarly, it is the ILO and UN Development Programme (UNDP) that have taken charge of developing better methods of collecting employment data in the country's southern regions. A lack of resources cannot wholly explain such passivity: issues of will, ownership, and management are also at play.

Although most stakeholders welcome the support of donors, they can, in the long run, suffer harm through over-intervention. For example, when donor money is plentiful, there is a tendency to "farm projects" rather than land. If new funds reliably come along every three to five years, each one based on a new agricultural direction, farmers and their associations understandably tend to split their attention between maximizing earnings from their land and maximizing income from grants and program support. This dual-track strategy leads to conflict, which in turn leads to a de-emphasis on the production dimension in favor of the donor dimension. Dependence on donor support can result in the development of capacity that is unsustainable once the donor withdraws its support.

The plentitude of donors in Tanzania also raises the question of how both Tanzanian stakeholders and, just as critically, the donors themselves ultimately use resources. Donors have issued untold numbers of reports in Tanzania since the country underwent its economic transformation. These reports have the potential to carry great value—if and when they undergo critical assessment by both local constituencies and donors and, where necessary, are put into action. That action step does not happen often enough. Too many good reports are left to sit on people's shelves.

3. Incomplete and inconsistent commitment to the free market

Tanzania's experiment with socialism is a complex topic, and most of it is well beyond the scope of this report. During this diagnostic, however, multiple interviewees stated that a "socialist mind-set"—or, expressed differently, an incomplete commitment to free-market principles—is still very much part of Tanzania's social dynamics. Powerful examples found in this report's chapter on Competing Fairly include the following:

- ***Single-marketing channel for cashew growers.*** Cashew growers can sell their output only through cooperative unions; direct selling to private buyers (traders or processors) is illegal. As result, there is less "competition" for growers' output, and growers may receive a lower price than they might receive in a more competitive market. Moreover, because cooperative unions receive protection from competition from other buyers, the cooperative unions face less competitive pressure to operate in the most efficient manner, including minimizing the cost of marketing.

- ***Ban on the export of maize.*** The government banned the export of maize to ensure a sufficient supply for domestic needs. This has not been an uncommon measure within the region, as other countries have taken similar action. Maize farmers, traders, and millers noted, however, that the ban created short-term and long-term secondary effects and costs on competition that may not have been fully understood and appreciated at the time the ban was imposed. Domestic maize farmers immediately lost an opportunity to sell their output in export markets that may have offered them a higher price for their crop. Unable to export, farmers flooded the domestic market with their output, further suppressing domestic prices relative to regional prices. These lower prices eventually prompted some maize farmers to shift to other crops that were less-efficient alternatives under competitive conditions.

- ***Prohibition on trading of tobacco.*** The Tobacco Board, traders, and processors said that people cannot obtain a license solely to engage in the trading of tobacco. They must also show that they have a facility or contract to process the tobacco in Tanzania. Unprocessed tobacco leaf cannot be exported. The intent of this provision may have been to protect and promote domestic processors, but one effect is that tobacco growers have fewer buyers bidding for their tobacco. As a result, growers may receive a lower price than they would otherwise receive if they had more traders bidding for their output. The licensing requirement may also increase the cost of entry into the sector: new entrants may find it necessary to enter at two levels, as traders and processors.

- ***Limitation on the number of trading licenses.*** An extension service near Arusha said that the district councils tightly control the number of licenses issued for getting goods into and out of the districts. As a result, the provision artificially limits the number of traders in the market. Those having a license earn a higher return than they might otherwise earn if they faced more competition.

Interviewees made additional observations throughout this diagnostic, including the following:

- Government officials still do not understand how capitalist businesses work.
- The view is widespread that villagers and primary producers are more productive and "virtuous" than middlemen and service providers.
- Official policy emphasizes a combination of exhortation and regulation rather than economic incentives.
- The government places too much faith in large, sweeping initiatives.
- The government relies too much on crop boards and is too ready to intervene in pricing.
- A suspicion of "foreign capitalists" lingers, along with a presumption that they are in Tanzania to exploit its resources and people.

Some interviewees suggested that there is a generational issue, with older government officials and policymakers being more "socialist" in their thinking than younger ones. With respect to paying taxes, for example, many interviewees stated that tax authorities do not understand the impact of their actions on businesses. Some added further that some senior civil servants regarded capitalist businesses with mild distaste: "They see us as predatory and exploitative"; "they don't consult us, ever"; "we're guilty until proven innocent." A similar dynamic became apparent in cooperative leadership, with one cooperative official declaring, "I am from the old stock... [setting of minimum prices] is the most sensible way I can imagine that the poor man can get forward."

At this time, despite its generation-old commitment to free markets, Tanzania's government shows tendencies to intervene in the market rather than allowing the market to function, and many of its private sector actors acquiesce in this habit. The market system in Tanzania is still relatively new, and many still remain more comfortable in a government-led system. Policymakers need to focus on developing institutions that strengthen the market rather than developing institutions and implementing policies that undermine it.

4. Information asymmetries increase business risks and costs

Market information is inadequate across almost all agricultural value chains in Tanzania. Traders and potential buyers of agricultural products report that price information is hard to find, incomplete, and rarely timely enough to affect buying decisions. Most information about market opportunities is informal and comes through existing networks, a situation unlikely to bolster market expansion or market-based innovation.

A great number of other informational deficits became clear during this diagnostic, for example:

- Tanzania currently lacks readily available information on the legal instruments that govern business operations, including not only the initial business registration and licensing processes but also land tenure, water rights, health and safety, and employment.
- Beyond Dar es Salaam and a few other urban centers, access to copies of cornerstone laws and regulations is virtually nonexistent, including key provisions pertaining to lending contracts, contracts involving specific types of crops, or dispute resolution. Nor is there significant distribution of information or pamphlets in Kiswahili that would summarize the basic provisions of contract law and enforcement in easily digestible terms.

- No functioning credit information-sharing system exists in Tanzania.
- As a result of a dearth of lawyers in the rural areas, most stakeholders in the agricultural sector lack any useful guidance on business laws or on the opportunities that business formalization and use of contracts offer.
- With little access to information about market-based alternatives or a sense of competing opportunities, farmers of cash crops voice few objections to the powers held by crop boards and cooperatives.
- Traders find that not all tariff rates are publicized. Many published fees are dated and have not reflected actual tariff rates for years.

As developed further in this report, correcting many of these deficiencies is as much an issue of commitment and perseverance as it is of resources and capacity.

RECOMMENDATIONS

The AgCLIR analysis resulted in a number of specific recommendations across each of the subject areas discussed above. Recommendations summarized below are discussed in more detail at the end of each chapter in the full AgCLIR report.

		Time Horizon		
AgCLIR Content Area		**Short-Term**	**Mid-Term**	**Long-Term**
WOMEN IN THE PRIVATE SECTOR				
1.	Revisit and establish a plan for implementation of the major recommendations set forth in the IFC Gender Assessment.	X		
2.	Amend the Law on Marriage to provide for gender equality in the age of marriage.		X	
3.	Offer more women-targeted business development services.			X
STARTING A BUSINESS				
1.	Increase awareness of business start-up procedures.		X	
2.	Enhance the capacity of the Tanzanian Investment Center	X		
3.	Strengthen the marketing sector: • Establish a statutory consultative process for trade directives • Establish a market information service • Review legislation associated with commodity boards • Enhance the marketing content of agricultural extension services • Review local authority transport levies		X	
4.	Develop stronger linkages between cooperatives and down-stream value chains.		X	
5.	Improve the protection of property rights regarding encroachment, theft, and other minor nuisances.			X
6.	Review TFDA and TBS roles and responsibilities	X		
DEALING WITH LICENSES				
1.	Increase availability of information on licensing.		X	
2.	Provide ongoing technical assistance to facilitate the implementation of BARA (2007).		X	
3.	Review the registration requirements for cooperatives.	X		
4.	Review the roles and responsibilities of TFDA and TBS.	X		

AgCLIR Content Area	Time Horizon Short-Term	 Mid-Term	 Long-Term
DEALING WITH LICENSES (CONT.)			
5. Review health and safety and factory and workplace registration.	X		
6. Review legislative frameworks that result in "Kabwenga" sales.	X		
7. Reassess vehicle licensing procedures.	X		
COMPETING FAIRLY			
1. Undertake a comprehensive review of Tanzania's overall legal framework to determine its secondary impact on competition and consumer welfare.		X	
2. Support the Competition Commission in fulfilling its statutory mandate to promote and protect effective competition and consumer protection.		X	
EMPLOYING WORKERS			
1. Encourage reforms to the Ministry of Labor that render the agency less politicized, more accountable, and better equipped to serve its core mission.		X	
2. Integrate labor expertise into programs and policies pertaining to agricultural sector development.		X	
3. Continue to support free movement of East African labor into Tanzania.		X	
4. Commit unequivocally to understanding and improving conditions for women in Tanzania's labor market and future labor conditions		X	
5. Activate immediate opportunities in academic-based knowledge-sharing	X		
REGISTERING PROPERTY			
1. Help the GOT improve land-use planning.	X		
2. Build human capacity in the various land offices and agencies, not only for use of information technology but also for business processes generally.			X
3. Promote public awareness through outreach.		X	
4. Help with urban land registration.		X	
5. Integrate land issues into the NPRI.	X		
6. Take one last look at MKURABITA.	X		

AgCLIR Content Area	Time Horizon Short-Term	Mid-Term	Long-Term
GETTING CREDIT			
1. Accelerate existing reform programs for collateral registry and credit information system.	X		
2. Enhance human capacity for agricultural lending and rural finance research.		X	
3. Conduct SACCO risk-spreading analysis and program development.	X		
4. Support SACCO capacity-building and financial literacy efforts.		X	
PROTECTING INVESTORS			
1. Engage with the government and private sector on reforming the Company Law.	X		
2. Assist Tanzania's Customs Enforcement Division on enforcing international property rights.		X	
3. Expand the Code of Corporate Governance.			X
4. Consider technical assistance to TIC.	X		
PAYING TAXES			
1. Resolve VAT Issues related to Air Freight.	X		
2. Provide support to the TRA Review Board.		X	
3. Fix the time limit problem.	X		
4. Provide assistance to the Parliamentary Committee.	X		
5. Provide technical assistance to TRA on administrative processes.	X		
6. Review cess and local taxes on agricultural regions. Implement necessary TA with tax administration.		X	
TRADING ACROSS BORDERS			
1. Get Crop Boards out of trade.			X
2. Rationalize administration.		X	
3. Simplify clearance procedures.	X		
4. Make seed imports easier.	X		
5. Fix testing generally and weigh stations in particular.		X	
6. Provide technical assistance for professionalizing and regulating freight forwarders.		X	

AgCLIR Content Area	Time Horizon Short-Term	 Mid-Term	 Long-Term
ENFORCING CONTRACTS			
1. Through a limited review of existing court data, improve understanding of the types of contracts used in agriculture-related transactions and the circumstances of enforcement.	X		
2. Produce and distribute a simple guide to the laws of contracting, collection, and enforcement.	X		
3. Analyze the restrictions on contracting imposed by crop-specific laws, the warehouse receipts law, and other agricultural legislation.		X	
4. Encourage law faculties and the new school for advocates to include agricultural issues in its curriculum.	X		
COPING WITH FOOD SECURITY			
1. Emphasize noncontainerized cargo.		X	
2. Engage with the feeder road problem.			X
3. Provide support to NFRA on change management in its strategic planning process.		X	
4. Work to improve system of warehouse receipts and warehouses.	X		
5. Provide the Department of Food Security technical assistance on data gathering.		X	
6. Help the Department of Disaster Management to improve food security information.		X	
7. Fix the weights and measures.			X
ADDRESSING CLIMATE CHANGE			
1. Help the GOT revise and expand its approach to climate change.		X	
2. Help the GOT comprehensively rewrite NAPA.	X		
3. Conduct a Water Property Rights Assessment & Irrigation Scheme Impact Assessment.	X		
4. Conduct a Carbon Mapping Assessment.	X		
5. Help develop, improve and spread information about climate change.		X	
6. Consider direct assistance to mitigation efforts.	X		

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