

CALL FOR PROPOSALS - Trade and Agriculture Support Programme Phase Two (TASP II)

ANNUAL WORK PROGRAMME FOR GRANTS of the Government of the United Republic of Tanzania

1. Basic act and Financing source

Annex IV of the Partnership Agreement ACP-EU signed in Cotonou on 23 June 2000 as last revised in Ouagadougou, on 22 June 2010. This action will be financed by the 10th EDF for Tanzania.

2. Objectives of the programme, priorities for 2012 and expected results

The **overall objective** of TASP II is to increase agricultural production, development and trade in view of economic development and reduction of rural poverty in Tanzania.

The **specific objective** is to increase smallholder farmers' income through better access to markets (national, regional and international markets) by undertaking the following interventions: 1) support to capacity development for better compliance with market demand in terms of quality and standards and 2) strengthening of the value chain linking the smallholder farmers to the markets, in view of increased productivity, competitiveness and income.

The programme expects to expand market access to smallholder farmers through widened compliance to international and regional market standards for products covered under the five TASP II selected subsectors, and to support focused value chain interventions for the horticulture subsector, aimed at increased productivity and competitiveness in the sector.

- The **expected results** are thus twofold:

Result area 1: Access to markets through enhanced capacity for quality and standards compliance, through targeted interventions and activities for each of the sub-sectors improved ; and

Result area 2: Value-chain from the smallholder farmers to the markets, with particular focus on technical know-how and market support services in the horticulture sector strengthened This will be achieved by supporting tailor-made interventions under the two result areas

Result area 1: is going to be implemented through programme estimates through public indirect decentralised operations

Result Area 2: through grant award procedure through a restricted Call for Proposals.

Result area 2 covers horticulture, as a pilot commodity with the highest potential for growth and poverty alleviation. It is proposed to give particular attention to vegetables, fruit trees and spices and to enlarge this pilot approach to other sub-sectors in the future.

These results are aligned with the Tanzania Horticulture Development Strategy 2012-2021 which aims at developing a robust competitive horticultural subsector capable of making the country self-sufficient in nutrition, resulting in improvement of health and reduction of poverty while ensuring sustainable supply of high quality produce for national, regional and international markets. The strategy identifies seven pillars of interventions: horticulture promotion in Tanzania, financing & investment, land policy and infrastructure bottlenecks, product & market development, production base & quality improvement, industry linkages and human resources.

Out of these seven pillars, it has been agreed in a participatory process that Result area 2 will focus on technical know-how and market support services, because they have a strong pro-poor orientation, with results achievable within the time and resources available and are in line with the EU country strategy paper, building on EU know-how and experience.

The guidelines for applicants will follow the above priorities and they will be fine-tuned in close collaboration with the Ministry of Agriculture and the main stakeholders, in line with the action plan currently being developed for the implementation of the Tanzania horticultural development strategy, which is due to be ready with sufficient time available by July 2011.

(1) Market support services

Practical support is needed for Tanzanian smallholder farmers to access markets and capture market growth opportunities in the domestic, regional and international markets. Priority will thus go to:

- Strengthening institutional capacities of existing smallholder farmers' associations and horticultural umbrella associations to enhance their marketing, lobbying and advocacy functions for policy and regulatory reforms that will support horticultural production and marketing.

- Supporting smallholder farmers' organizations in their work to link smallholders (especially women) to traders and exporters with a view to facilitating timely and consistent supply of produce to the markets and inputs to the farmers. This area of support includes the organisational arrangements for interactive market information (e.g. to continuously give smallholder farmers and traders access to information on demand for types of crops, packaging, timing and pricing) and contract arrangements between commercial operators and smallholder farmers, which have a great potential for poverty reduction (e.g. contract farming and related services for smallholders, including training, transportation and support to contract negotiations).

- Strengthening market centres with small scale infrastructure such as produce handling facilities, pack houses and cold storage facilities to enable preservation of perishable produce.

(2) Technical know-how and practical human resources development

Horticulture covers diverse perishable products with high potential for value addition. Highly

specialised technical skills are needed at all the steps of the value chain, from production to harvest and post-harvest activities. Thus, it is proposed to support activities that help to:

- Bring the technology and know-how to small-holder farmers and processors working in the horticulture sector, with a particular interest in empowering women. This includes hands-on training on good agriculture practices and certification - including organic agriculture - as well as multidisciplinary partnerships and clusters (with local organisations/universities, research organizations, private sector, other civil society organisations and local authorities).

- Strengthen capacity of decision makers in ministries in charge of the regulatory framework for horticulture (mainly Ministry of agriculture but also ministries of trade and finance), raise their awareness of the realities of the sector and the impact of Government decisions.

3. Eligibility conditions

As per General Annex A2 of the Practical Guide to Contract procedures for EU external actions (January 2012) – Eligibility – Programmes 2007-2013 – Annex IV of the Partnership Agreement ACP-EU signed in Cotonou on 23 June 2000 last revised in Ouagadougou, on 22 June 2010.

http://ec.europa.eu/europeaid/work/procedures/implementation/eligibility/index_en.htm

The eligibility conditions will be further determined after further consultation with stakeholders

4. Selection and award criteria

The evaluation will be carried out in accordance with the procedures set out in the Practical Guide to contract procedures for EU external actions

5. Maximum rate of European Union financing

Grants may not, as a rule, finance the entire cost of the Action. No financing in full is envisaged.

The maximum rate of the European Union financing will be of 80% of the total eligible costs of the action.

6. Schedule of calls for proposals

Indicative launch date is September 2012.

7. Indicative amount of calls for proposals

The indicative amount is EUR 4 500 000