

Stakeholders in Tanzania have identified 6 intervention packages with catalytic impact across multiple NEOAS strategic objectives for food systems transformation



Intervention package 5 Foster investments across EOA value chains



Package goal

Access to financing for smallholders, women & youth entrepreneurs, and all EOA value chain actors, improving production & incomes, upscaling EOA.



Overall package intervention

Develop and increase the availability of financial products for investments in EOA value chains and entrepreneurs.



Why this intervention?

In Tanzania, smallholder farmers play an important role in contributing to economic growth by creating income and jobs. Many farmers fail to access financial resources due to limited financial knowledge and a lack of options for raising adequate capital. Most farmers rely on saving and lending schemes established by their self-help groups, which largely do not meet the financial needs for significant investment in the EOA value chains. Loans for smallholder farmers, their aggregators, and supply chain partners, have been minimal because of difficult eligibility conditions, high interest rates, and bureaucracy in getting loans.

This intervention improves the availability and accessibility of financial products and services by all value chain actors, contributing to increased productivity, market access, income, business development, job creation, and stronger supply chains that can contribute to motivating more farmers to transition to agroecology.

There is a need to map needs and engage financial institutions, development partners, and other players to effectively intervene in the financial resource challenges experienced by EOA smallholders and supply chain actors with new and improved financial products.



Impact on broader goals

This intervention will have positive impacts on the achievement of the UN Sustainable Development Goals, including multiple outcomes prioritized in the Tanzania Agricultural Master Plan: Food and nutrition security (SDG 2-3), reducing poverty (SDG 1) improved farm yields, productivity and job creation (SDG 8), and improved sustainability, climate resilience (SDG 13) and nature-smart practices and systems (SDG 14).

Thus this intervention contributes directly to the achievement of flagship objectives in Tanzania's Agricultural Master Plan, in particular core elements of Flagships 1 and 2 (Enhancing sustainable productivity by boosting irrigation investments and seed production); Flagships 4 and 5 (increasing smallholder incomes by strengthening investments in market access, supply chains, product quality improvements and incubating farmer-facing SMEs); Flagship 9 (development of medium and large

processing and storage capacities via investments); and Flagship 13 and 14 (Provide access to financing for SMEs and unlock financing for smallholder land ownership).

The intervention achieves objectives in SO9, Facilitating acquisition and accessibility of financial resources for EOA investment, but is also prioritized because of its cross-cutting impact on multiple NEOAS objectives including market access opportunities for women, youth, and indigenous peoples (SO8 and SO12), value chain development (SO6), accessibility of inputs (SO2), improved compliance with market standards (SO5), CSO capacity building (SO4), increased investments in EOA (SO9), and strengthening enterprise and local market development (SO12).



Priority actions requiring multi-year investments

- Map existing financial products and actors serving value-chain actors, and map investment needs in the EOA supply chain.
- Create products and partnerships needed for effective scale-up of investments in value chain actors, with a particular focus on smallholders, cooperatives, and female/young entrepreneurs.



Cost

Stakeholders have estimated the cost for the initial implementation of the priority actions in this intervention package is 900,000 USD for the 2025-2027 period (to be validated by the Implementation Task Force). This cost is part of the estimated budget for the strategic objective “Facilitate acquisition and accessibility of financial resources for EOA investment (SO9)”, which is 1.6 million USD for the entire implementation period 2025-2030.



Stepping stones (Short-term initiatives that can jump-start this strategic area)

- Map existing investment needs farm-to-fork, and financial products and actors serving EOA.

Stepping Stone Initiative cost: 100,000 USD



Who will be implementing this intervention

TOAM will take the lead in this intervention and establishment of new partnerships with financial institutions while coordinating engagement by member organizations and other stakeholders in knowledge dissemination on existing financial products and needs for new financial options. This will include SAT, PELUM Tanzania, IDP, etc.



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