REVOLUTIONARY GOVERNMENT OF ZANZIBAR

Zanzibar Agricultural Marketing Policy and Implementation Strategy

April 2013

TABLE OF CONTENTS:

ACRONYMS AND ABBREVIATIONS:

ASDP-L	Agricultural Sector Development Programme - Livestock.
ASP	Agricultural Strategic Plan
ASSP	Agricultural Service Support Programme
ATI	Agricultural Transformation Initiative
CAADP	Comprehensive Africa Agricultural Development Programe
CGS	Chief Government Chemist
EAC	East African Community
EEZ	Exclusive Economic Zone
EPA	Economic Partnership Agreement
FAO	Food and Agriculture Organization of the UN
FSN	Food Security and Nutrition
GDP	Gross Domestic Product
JAS	Joint Assistance Strategy
ISSC	Inter Sectoral Steering Committee
M&E	Monitoring and Evaluation
MACEMP	Marine and Coastal Environmental Management Project
MANR	Ministry of Agriculture and Natural Resources
MDG	Millennium Development Goal
MFIs	Microfinance Institutions
MIC	Ministry of Infrastructure and Communication
MoEVT	Ministry of Education and Vocational Training
MKUZA II	Mkakati wa Kukuza Uchumi na Kupunguza Umasikini II
MoSWYWCD	Ministry of Social Welfare, Youth, Women and Children Development;
POFEDP	President's Office, Finance, Economic and Development Planning
MoH	Ministry of Health
MoSPO	Ministry of State (President's Office) and Chairman of the Revolutionary Council
MTEF	Medium-Term Expenditure Framework

MTIM	Ministry of Trade, Industry and Marketing
MLCEE	Ministry of Labour, Cooperative and Economic Empowerment
MLHWE	Ministry of Land, Housing, Water and Energy
NGO	Non Government Organisation
PADEP	Participatory Agricultural Development and Empowerment Project
PER	Public Expenditure Review
PLBFPL	People Living Below Food Poverty Line
PS	Principal Secretary
RGoZ	Revolutionary Government of Zanzibar
RoSCAs	Rotating Savings and Credit Associations
SACA	Savings and Credit Association
SACCOs	Savings and Credit Cooperative
SADC	Southern Africa Development Community
SME	Small and Medium Enterprises
SPS	Sanitary and Phytosanitary Standards
STC	Stakeholders Technical Committee
TA	Technical Assistance
ToR	Terms of Reference
Tsh	Tanzanian Shillings
USD	United States Dollars
WTO	World Trade Organization
ZAMP	Zanzibar Agricultural Marketing Policy
ZFDCB	Zanzibar Food Drug and Cosmetics Board
ZFSNSA	Zanzibar Food Security and Nutrition Situational Analysis
ZFSNP&P	Zanzibar Food Security and Nutrition Policy and Programme
ZLP	Zanzibar Livestock Policy
ZNCCIA	Zanzibar National Chamber of Commerce, Industries and Agriculture
ZSGRP II	Zanzibar Strategy for Growth and Reduction of Poverty II
ZSSF	Zanzibar Social Security Fund
ZSTC	Zanzibar State Trading Cooperation

PREAMBLE:

Zanzibar's economy is heavily dependent on agricultural production that is characterized by subsistence farming, artisanal fisheries and livestock keeping in rural and peri-urban areas. In 2010 the agriculture sector accounted for 32.8 percent of the GDP (making it the second to services sector in terms of its contribution to GDP) and employed directly and indirectly between 40 to 80 percent of the labour force making it important not only as a source of income, but also because of its contribution to food security, nutrition and health status of the population. Selling of agricultural products is an important source of cash income for most rural households, and agricultural marketing is a very crucial element which acts as a catalyst for improving production, productivity, income and general livelihood of the farming and rural communities. Agricultural Marketing in Zanzibar is embedding the input and output marketing, with the input segment covering seed and planting materials, fertilizers, agro-chemical, animal feeds, veterinary medicine, fishing gears and other agricultural related inputs. It also involves producers, exporters/importers, distributors, retailers, related service providers and consumers. The output marketing covers crops, marine, forest and livestock products[1].

The focus of the discussion on the agricultural sector as a source of wealth and livelihood has traditionally been on production. However, in recent years looking at agricultural marketing has gained more ground in the debate as farmers have failed to sell their crops or the prices paid have been lower than expected. The Revolutionary Government of Zanzibar (RGoZ) has recently started targeting agricultural reforms as the quickest way to reduce poverty. In 2004 the government developed the Agricultural Strategic Plan (ASP) that aims to provide the framework for agricultural sector development including increasing production and productivity so as to enhance household food security and sector export performance. The strategy was reviewed in 2011 and acts as an integral component of the poverty reduction strategy. This goal is also articulated in the Zanzibar Development Vision

2020 and the second generation of the Zanzibar Strategy for Growth and Reduction of Poverty (ZSGRP II or MKUZA II in its Kiswahili acronym), where growth in agriculture was set as one of the pillars for achieving medium term targets for poverty reduction and improving the livelihood of Zanzibar.

In view of the above, and in line with the poverty reduction strategy, the Zanzibar Food Security and Nutrition Policy- ZFSNP (2008), the Zanzibar Livestock Policy- ZLP (2012) and the Fisheries Act No. 7 of 2010 recommended the formulation of the Agricultural Marketing Policy to guide and direct the agricultural marketing system to operate in an efficient, effective and sustainable manner; and to effectively address problems in agricultural trade and facilitate the use of agricultural marketing as a means to enhance economic growth. The Ministry of Agriculture and Natural Resources (MANR) has been mandated to take an active and leadership role and responsibility in the formulation process of the Zanzibar Agricultural Marketing Policy (ZAMP); which also involved other members from the agricultural marketing related sectors institutions.

The formulation of the ZAMP involved a thorough situational analysis and proceeded further by assessing the agricultural marketing institutional and legal structures, agricultural marketing services as well as marketing infrastructure. The process also covered extensive reviews of sectoral and cross-cutting policies through employing comprehensive participatory and consultative dialogues with various stakeholders at grass roots, district and national levels for the purpose of registering stakeholders' inputs into the policy formulation process. These consultative processes provided opportunities for stakeholders to register pertinent issues constraining agricultural marketing along the value chain, and to prioritize policy options and strategies.

Successful implementation of this Policy will at greater extent depend on active participation of all stakeholders at various levels of policy implementation. It's my trust that all stakeholders will bestow the spirits of solidarity and

commitments in devoting their respective roles and obligations within different levels of policy implementation. The Government is fully committed to playing a strong inter-sectoral coordinating role in full partnership with other sectors.

I would like to acknowledge and thank the entire team of officials from various institutions, particularly the members of the Inter-Sectoral Steering Committee (ISSC) and the ZAMP Formulation Team, for their determined efforts in formulating the Policy. I would further like to extend my gratitude to the One-UN Joint Programme 5 – Capacity Building Support to Zanzibar for financial support; and to the Food and Agriculture Organization of the United Nations (FAO), for their technical support throughout the formulation process. Finally, I would like to thank all stakeholders, from government departments, NGOs, public and private sector organizations and individuals, who contributed their valuable inputs during various stages of consultation, which has helped making this Policy a comprehensive and guiding reference towards successful implementation of the National and Sectoral policies.

Hon. Suleiman Othman Nyanga (MBM)
Minister
Ministry of Agriculture and Natural Resources

SECTION ONE: BACKGROUND

The Zanzibar Agricultural Marketing Policy (ZAMP) is formulated in response to an identified need for a comprehensive policy framework that will result in an effective agricultural development conducive to fostering poverty reduction. This need is reflected in the Zanzibar Strategy for Growth and Reduction Poverty II (ZSGRP II: Swahili acronym MKUZA II). Additionally, the Zanzibar Food Security and Nutrition Policy (2008) and the Zanzibar Livestock Policy (2012) and the Fisheries Act No. 7 of 2010 mandated the formulation of the ZAMP to link agricultural marketing more forcefully to sustained access to food.

The main thrust of MKUZA II and ZFSNP is on tackling poverty and food insecurity through: increased food production and productivity; development of an efficient domestic trade and marketing system and promotion of equity and efficient distribution of safe and nutritious food for all Zanzibaris. A productive and market driven agricultural sector is therefore critical to ensure that the overall objectives of MKUZA II and ZFSNP are attained as agriculture is the main economic activity in Zanzibar.

The ZAMP seeks to establish an improved agricultural marketing system that operates in an efficient and sustainable manner. Building on the shortcomings and gaps in existing related policy frameworks, it will be guided by the operational modalities agreed under the Comprehensive Africa Agricultural Development Programe (CAADP) Pillar II, the National Agricultural Sector Plan (ASP) and the Agricultural Transformation Initiative (ATI). More specifically, the ZAMP's aim is to safeguard the interests of all key actors in the agricultural marketing process and create linkages that will foster production and productivity while at the same time benefiting from the potential opportunities in domestic and export markets.

The formulation of ZAMP has involved a comprehensive participatory and consultative dialogue with all stakeholders at both national and sub-national levels for rolling stakeholders' inputs into the policy formulation process. These consultative processes have provided opportunities for stakeholders to register pertinent issues constraining agricultural marketing along the value chain and proposed policy options and strategies. The ZAMP will address marketing issues related to the crops, livestock, fisheries and forestry sub-sectors.

SECTION TWO: ZANZIBAR AGRICULTURAL MARKETING SITUATION ANALYSIS

Background and Context

The following situation analysis is based on the existing marketing distribution system for agricultural input and output in Zanzibar. The section highlights the agricultural marketing situation and characterize the main actors, their strength and weaknesses and the main operational mechanisms at all levels of distribution of key agricultural products.

Marketing chain of agricultural output and input in Zanzibar

Agricultural marketing is assessed in terms of input and output marketing. Input marketing entails seed and planting materials, fertilizers, agro-chemical, animal feed, veterinary medicine, fishing gears, other agricultural related inputs and involves producers, exporters/importers, distributors, retailers, related service providers, and consumers. The output marketing involves crops, marine, forest and livestock products.

Crops Marketing

The marketing of key crops like cassava, rice, banana, peas, sweet potatoes, pumpkins, maize and coco yams starts from the farm gate from where the products are taken to the central wholesale markets where the product are in most cases auctioned but direct sales are also common. There are no clear distinctions in most cases between who is a farmer, broker, wholesaler, or retailer as some market actors perform multiple roles.

Overall, the marketing of crops can be broadly classified into three segmented channels based on the characteristics of the clientele and nature of the products. However, there are considerable overlaps among the actors operating within these channels. The first channel serves the low-income local market segment, and is composed of a nation-wide network of smaller district councils/municipality run markets; informal neighborhood-based structures and/or roadside vendors

Much of the product flow in this channel is composed of locally produced unprocessed varieties of products that are preferred by this market segment. This market segment is the mostly supply-driven and characterised by poor quality and seasonal availability of produce.

The second marketing channel supplies the medium to high-income population, mostly through retailers at the main central markets and/or specialty stores and supermarkets[1]. Products marketed under this channel, particularly vegetables, are largely sourced from outside Zanzibar (mainly from the Mainland), during the off-season period.

The third channel supplies hotels and restaurants. This channel is characterised by "exotic" varieties that are not consumed in large quantities by the local population. Here, contractual supply arrangements that are matched to seasonal fluctuating tourist demand are common as larger quantities, safe and higher quality products are required. In most case, however, due to the inability of farmers in Zanzibar to satisfy this demand, a large proportion of the produce are sourced from the Mainland.

The marketing of agricultural commodities in Zanzibar is regulated either by the municipalities and/or district councils. They are responsible for the management and smooth functioning of the market. They collect: fees for market stalls; license for market sellers; levies on vehicles transporting commodities that enter the markets; fees for upkeep of hygiene and sanitary conditions including verification of quality and safety of products marketed within their respective jurisdiction. They are also responsible for training and certifying the auctioneers. In addition, they are responsible for verifying ownership and source of products for which they collect a token fee.

From the farm gate, two modalities of selling takes place. In the first case, which is more popular, products are sold to middlemen/wholesalers who arrange and pay for transportation costs to the central market. Otherwise, producers bear the cost of transporting the produce directly to the central markets. In both cases, once the produce arrives at the market, it is either auctioned or sold directly to brokers/wholesalers or consumers.

Normally auctioning of locally produced crops takes place in the morning hours and auctioneers receive commission for their services. Marketing of fruits and vegetables are relatively complex and dynamic due to their seasonal nature and high degree of perishability. Their prices are generally high during the heavy, rainy season (March – June) but relatively low in the dry season (December to mid-March) when production is low and the tourist season is at its peak. Brokers provide an important link between producers and the wholesalers/retailer/consumer as they search for buyers, negotiate prices, sell, collect cash, and hand cash to farmer. They can also purchase crops from farmers either at the farm gate or on contract, or in local rural markets. These purchases are then assembled sorted, packaged, ripen and transported to secondary town markets for auctioning or other modes of sale.

Brokers involved with supplying mainly fruits and vegetables to the medium and high-income segment of the market are usually engage in contract farming arrangements with farmers. The price is usually agreed on the basis of the farmer's entire production for the season. In some cases, a proportion of the payment is given to the farmers at the time of the agreement to enable them finance their production. However, for brokers supplying hotels and restaurants, contractual payment agreements with farmers are on weekly/monthly basis depending on delivery volumes. Oftentimes, brokers have reported that hotels and restaurant don't pay them as agreed and this is consequently affecting their agreements with farmers. This untimely payment creates a "capital freeze" and farmers who specialise in production for hotels and restaurants cited this as a major operational constraint. Given their low levels of working capital, they are forced by the delayed payments to devote time and resource to other crop or activities to improve their cash flow. This in turn affects the output of the contracted crop and hence their overall income and operational capacity.

The prices of major food crops in Zanzibar can sometimes vary widely between the prices received by producers and those, which the final consumer pays for the commodities. In some cases, the producers' share of the final consumer price is less than 50 percent and can be as low as 13 percent especially for highly perishable produce. This huge margin between producer and consumer prices indicates that there is an ample room for improving producer prices without affecting the consumer prices.

External Trade

With regard to external trade, the Zanzibar State Trading Corporation (ZSTC) has exclusive monopoly in the export of cloves. However, it often grants permission to private exporters to export cloves from its own stock. ZSTC is also involved with export of chilies and essential oils in competition with private exporters. Unlike other export crops, the producer price for cloves is set by ZSTC.

Other export crops include fruits (citrus fruits, rambutan, mango), spices (ginger, turmeric, black pepper, cinnamon), and seaweed. Information on grades, standards and other external market requirements are not fully diffused or transmitted to enable market actors to adequately benefit from international trade. As for seaweed, farmers sell directly to exporters through village buying centres located all over the seaweed growing areas. Future plan should involve improving the processing seaweed rather than export the raw product.

Constraints associated with output supply

- Production mostly rain-fed and highly variable
- Limited land holdings, low yields and high degree of post-harvest losses
- Inappropriate and often untimely use of inputs
- Weak financial capacity and limited availability of credit to support production and marketing
- Poor market infrastructure poor handling and transportation facilities resulting in unsafe and low quality products
- Weak regulatory framework to safeguard interest of subsistence farmers
- Inadequate marketing information and dissemination mechanisms
- Weak producers' organization and linkages along the marketing chain involving smallholder

Livestock and livestock products marketing

There are different marketing channels for each type of livestock product and marketing takes place for both live animals and animal products.

Meat products: The traders of meat products are livestock keepers, livestock dealers, and retailers/butcheries). The livestock dealers normally travel to rural areas to purchase live animals from livestock keepers and sell the meat to retailers who operate in market stalls and meat shops. Like with crops, there is also a large margin between the final consumer and producer prices for meat products.

Pricing of the live animals is done through visual inspection and no physical measurements are taken. Although there are authorized slaughterhouses, slaughtering is mostly done either at home or in facilities not equip for such purposes. As a result, many livestock are slaughtered and transported in unhygienic conditions. This situation denies livestock keepers and dealers access to the expanding tourism sector, where the norm is for safe and disease-free meat and livestock products.

Animal integuments: The yield trends of hides, skins and animal integuments (hooves, feathers, and horns) are usually expected to correspond with the number of live animals (cattle and small ruminants) slaughtered and sold at the market. The demands for these products have been growing in recent times. To access this potentially lucrative market, investment will be required to ensure proper ante-mortem and post-mortem care, appropriate processing skills, equipments, and improvements in general animal husbandry techniques.

Currently, a few unorganized small-scale processors who have limited access and knowledge of production techniques and requirements of the potential markets are carrying out the production of semi-processed hides and skins. Locally processed hides and skins are destined to local manufacturers including shoe and handcraft makers who in turn have limited capacity to absorb larger quantities the semi-processed products.

Milk products: The marketing of milk from the producer to consumer is through various channels. Milk producers sell fresh milk directly to consumers (mostly in rural or peri-urban areas) or through market agents/vendors who transport milk on bicycles and motorcycles and sell to urban consumers. In the central areas of Unguja Island, most producers dispose their milk through associations. Producers deliver their milk to the identified centres from which processor makes regular collection. Most of the milk marketed for domestic consumption is produced locally. Imported milk is also playing a significant role for the high-income tourist market.

There is limited enforcement of milk safety regulations except during the outbreak of diseases like cholera. Adulterations of milk are thought to be rampant as consumers are not assured of the quality of milk they buy. These possess significant threat to public health especially when vendors to increase volume use unsafe water.

The main milk processing is through small scale processing plants, which produce different types of dairy products (such as butter, cheese and yoghurt), which are sold mainly to supermarkets, hotels, kiosks, and restaurants. However, the quantity of milk handled by these small processors is small ranging from 5 to 10 litres a day.

Milk producer prices vary with location and market outlets. For all market outlets the average price received by producers for their milk are higher in the peri-urban areas than in rural areas. It is estimated that on average the producer share of the final consumer price is around 55 to 60 percent, which is relatively higher compared to the shares received by producers of food crops.

The marketing of dairy products has shown marked improvements, particularly due to the revival of the milk processing plant. A major weakness of the current milk marketing system is the absence of strong associations of dairy farmers. Individual farmers do much of the marketing - a situation that limits their bargaining power for better prices. Equally, unsafe milk handling equipment and storage facilities contribute to poor quality of milk and thus, deny both farmers and traders access to the dynamic tourism markets.

Poultry and Poultry Products: In Zanzibar there are two types of chicken: the local (traditional) free-range chicken and the hybrid-chicken. The traditional chicken is more widely produced and preferred by majority of local consumers. A larger percentage of hybrid- chicken are imported as day-old chicks, although there are a variety of local poultry farms of different scale that produce hybrid-chicken and eggs. A good number of hotels and restaurants prefer imported chicken because of domestic supply constraints and quality. As noted earlier, there are limited facilities for slaughtering, processing, and packaging and as a result, marketing of locally produced poultry is limited largely to local consumers. These are areas where urgent priority actions are required to enable domestic producers to capture the vibrant tourist market.

Poultry products such as eggs are often marketed directly by farmers and through intermediate dealers. Eggs are mostly consumed either boiled, fried, or on bakery products. Additionally, there is limited awareness and enforcement of handling and quality standards, and hence there is much to be done to improve the quality and shelf life of the poultry products.
Although currently local producers are not able to satisfy the domestic demand, indications are with right support and investment the potential exists for them to satisfy the local demand. More importantly, the problem facing local producers is compounded by uncontrolled importation of chicken and other poultry products, some of which were meant to be used as input but now find their way directly to the market.

Other Livestock Products: There are other non conventional livestock like guinea fowls, ducks, duikers, rabbits etc. that can potentially enter the marketing chain but at this time there are insignificant market demands for them relative to other products indicated above.

Fish and other Marine Products Marketing: Fish products pass through two main channels before reaching the final consumers. The first channel, which is shorter, is from fisher folks and traders to hotels and restaurants. The other channel is much longer as the products passes through many traders who participate in auctioning either at fish landing sites and/or in town market auctions. Handling of fish products at landing sites and during transportation remains an area of grave concern. It is common practice to see fish being processed at the beach in un-hygienic conditions. Transportation is often by traditional containers such as *susu* or just thrown on top of local commuter buses. Improving fish handlings, processing and storage has the potential of expanding market opportunities both nationally and for the export markets. Amongst the key constraints in the fish marketing chain are: the poor state of cold storage facilities and fish marketing structures, weak enforcement of hygiene and quality standards, inappropriate information and low investment in fish processing and storage technologies, including inappropriate monitoring systems.

Actors in fish marketing include fisher folks, auctioneers, wholesalers, fishmongers, restaurants and hotels, consumers and exporters. The wholesalers normally participate in fish auctioning at the landing sites and transport the products using public transport or pickups to the main central markets where the products are sometimes subjected to auctioning again. For specific products such as octopus, squids, and crabs, wholesalers normally maintain contractual agreements with fisher folks at agreed prices. Wholesalers can also supply their stocks directly to hotels and restaurants. Fishmongers can be grouped into stationary and mobile retailers. The former sell fresh, salted or frozen fish in fish stalls, whereas the later transport fish products either on bicycles or on motorbikes. Mobile retailers deliver fish directly to consumers in villages and to the central retail markets, where it may be re-auctioned or sold to consumers directly.

On average the percentage share of producer price in the consumer price for fish products is relatively high, ranging from 60 to 75 percent. This is a reflection of high domestic demand for the products and less competition from imports and the fact that due to its high degree of perishability, fish is often sold directly by fisher folks. The potential for the producers/traders to capture a larger percentage of the price exist if adequate handling and storage facilities could be provided.

With regard to exports, there are two general ways of exporting fish. The first one involves artisanal fisher folks who sell fish to export merchants. Under this method, the main fish products exported are octopus, crustaceans, sea cucumber, and seashells. The exporter is responsible for all activities and services required for export. Some of these activities are carried out either at the premises of the exporters or a hired place designated for these activities. However, these small-scale activities are often linked with specific export arrangements.

The second way of exporting fish is through licensed foreign-flagged large-scale industrial vessels, which mainly operate in deeper waters within the Exclusive Economic Zone (EEZ).
At present there is weak capacity in monitoring the amount of catch and the type of fish, hence huge amount of revenue is lost and the potential depletion of valuable fish stocks go unnoticed. Potential areas to be improved include – building appropriate landing sites, ice making and cold storage facilities, efficient and trained monitoring personnel with the relevant equipment, competent authority to certify and manage safety, sanitary conditions and fish stock control.

In the case of other marine products, seaweed is the main product produced and exported. However, there are other marine products marketed in Zanzibar but now the marketing channels are not developed.

Input supply and actors involved: The majority of Zanzibar farmers still rely on the hand hoe as the main means of production combined with low input technologies and often environmentally unsound practices. According to the latest Agricultural Census conducted in Zanzibar, only 24 percent of farming households are reported to be using improved seed varieties while 23 percent are reported to be using fertilizer.

The data also reveal that only 0.2 percent of rural households are receiving any forms of credit. Farm inputs include seeds, fertilizer and manure, water, irrigation equipment and infrastructure, tractor services, fishing equipment, animal feeds, veterinary drugs, bull semen, chemical pesticides (insecticides, fungicides, herbicides, and nematocides), farm tools, machinery, and packaging (baskets, sacks, ropes, etc.). As the availability of appropriate production inputs are fairly limited, the bulk of crops are grown under conditions that are not capable of maintaining or restoring soil fertility; and with poor husbandry practices, disease free status of livestock are not assured, thus, ultimately affecting the quantity and quality of the final output.

Although the Government has partially liberalized agricultural input marketing, this has not stimulated private sector participation in crop related input supply due to low returns; *adhoc* market interventions as the Government is still involved with importation and subsidiszed distribution of certain inputs like fertilizer; NGOs involvement in the distribution of inputs

which often crowd out small private operators. Compounding this problem are other factors inadequate capital, weak credit mechanisms and readily acceptable collateral from smallholders, cumbersome law and regulations, high taxation, untimely delivery of imports, poor knowledge of use even when appropriate inputs are provided and unavailability of innovative services that link input and output marketing. However, the situation is different in the livestock and fisheries sectors, where the private sector is highly active in the provision of services, such as supply of day-old chicks, feedstuffs, drugs, fishing gear, and extension services.

Agro-inputs are normally accessed from small input stores and government research stations. In addition a number of NGOs are involved in the distribution of agro inputs. Some quantities of improved seeds and essential agrochemicals were provided to stockists under the World Bank funded Participatory Agricultural Development and Empowerment Project (PADEP).

Under this project, locally managed input stores provide inputs at subsidized rate. However, it has been reported that the stores have very little stock, with poor management, little in the way of transparency in the use of granted funds with limited business or entrepreneurial skill and/or strategy. Farmers have complained of poor supply and untimely availability of improved seed and chemicals.

In its bid to foster private sector participation in the input market, the Government recently piloted a coupon/voucher system for farmers to purchase cassava cuttings from the private sector at subsidised rates. Under this system, the private dealers are reimbursed upon presentation of the voucher as proof for sale.

Market organization/institution and management

Institutional and Legal structure

The institutional arrangement for agricultural marketing in Zanzibar is not well defined. The Ministry of Trade, Industry, and Marketing (MTIM) has the mandate for external trade issues (imports and exports), including the issuance of import/export permits. However, before agricultural products are exported, MANR has to issue a clearance (no objection) certificate. Issues related to domestic marketing of agricultural products and importations of inputs are mandated to MANR. In addition, plant protection unit of the MANR handles certification, including compliance with national Sanitary and Phytosanitary Standards (SPS) for seeds and planting materials. Furthermore, concerning all food items, safety certification is under the mandate of the Ministry of Health (MoH) through the Office of the Chief Government Chemist (OCGC). For livestock products, the Ministry of Livestock and Fisheries (MLF) is responsible for ensuring and monitoring disease free status of all livestock products and issue health permits for import and export of livestock products.

In the case of domestic marketing of livestock products, due to capacity constraints the responsible authority (MLF) only inspect animals slaughtered at registered slaughter stations. Enforcement of animal slaughter regulation on facilities not registered under the mandate of the respective district/municipal authorities. Similarly, there is limited enforcement of quality controls for timber and other forestry products.

More importantly, the legal framework presents significant challenges especially in administering and enforcing contractual arrangements between farmers and buyers or brokers/wholesalers. Neither clear guidelines nor legally enforceable measures are set to safeguard interested parties in case of default. This has a significant impact on the efficiency of agricultural marketing.

Agricultural Marketing Services

In Zanzibar there is generally low level of knowledge by farmers of opportunities either in the internal or the external markets. Farmers, fishers and livestock keepers tend to be disconnected from the local tourism industry and are often not aware of the changing nature of food industry opportunities. The uptake of new crops that are more marketable or of higher value is therefore very slow. This is a situation that can be aided by better availability of information and extension services, as well as by stimulating the development of farmers' organizations that may be better equipped to take advantage of market opportunities.

In the area of market information services, the collection, analysis and dissemination of agricultural information is done in an *adhoc* manner. Various institutions are involved in generating and dissemination of agricultural marketing information. These are the Office of the Chief Government Statistician (OCGS), MANR, MLF and the MTIM. Information collected is often of limited scope and geographic coverage with very weak mechanism for information sharing and feedback. In addition, the media, which is crucial for information dissemination and public education are mostly urban-based and therefore have limited coverage of rural development activities and issues.

Financial services are important for agricultural development. Farmers need credit to finance and purchase inputs necessary for increased productivity. The low level of capital investment is among the major barriers to increased agricultural production and marketing. Accessing credit for the majority of farmers and traders is constrained by institutional barriers and households' attributes.

The financial institutions that are relevant for the agricultural sector include commercial bank, Microfinance Institutions (MFIs), non-bank financial institutions, e.g. the Zanzibar Social Security Fund (ZSSF) and informal moneylenders. The most critical gap, especially for MFIs and informal institutions, is limited financial management skills.
MFIs provided loans are reported to carry high repayment and interest rates. As for the SACCOs, the amount of finance accessible for investment in productive activities depends upon participants' contributions. This is because funds pile up relatively slowly and may be insufficient to finance large capital investments – typical loans are small and considered inadequate by many would-be commercial growers. MFIs such as SACCOs and SACAs have not yet established the appropriate legal framework. Although SACCOs schemes are numerous, coverage is patchy and not all producers have access to one.

Most financial institutions, especially formal banks are urban-based with limited networks for rural outreach and more importantly are unable or unwilling to carry the risk of lending to the agricultural sector. A well-functioning agricultural marketing system can reduce the cost of domestic food supply and the uncertainty of supply, and at the same time, improve food security of the poor and vulnerable households. These are the very challenges facing Zanzibar agriculture.

Marketing Infrastructure
The marketing infrastructure of Zanzibar is generally considered to be in poor condition. These include physical infrastructures for transportation, storage, produce handling, processing, packaging, testing and general hygiene and sanitation.

With a large proportion of the trunk roads being paved, Zanzibar is likely to have a good road network. However, very little has been done to improve the nation's feeder roads system, which mostly services the agricultural sector. Poor conditions of feeder roads bid up the costs of transporting agricultural produce and thus create additional barriers for suppliers. Consequently, the low output produced by smallholder farmers has often dictated the mean of transport: bicycles, ox/donkey pulled carts and man-pulled carts (*mkokoteni)*. In the case of transporting products between Unguja, Pemba and the mainland (including exports/ imports), the mode of transportation is either by sea or air.

Storage facilities are essential for sustainability of supply chain for perishable agricultural produce such as fish, milk, fruits and vegetables. Inadequate cold storage and processing facilities leads to high product losses through wastage. In Zanzibar, traditional facilities such as baskets *(polos*, and *pakachas)* and gunny bags are commonly used for storage of crops. These storage kits do not assure quality and long shelf life. Products are kept in warm stores by wholesalers at central markets until they are sold. The estimated average post-harvest lifespan of fruits and vegetables in some areas is around two to three days, increasing to two weeks if refrigerated. Hotels and restaurants also store quantities of some products to assure quality for their customers.

Poor quality handling and packaging allows products to be damaged in transit, reducing their value. There are limited commercial fruit or vegetable processing facilities in Zanzibar and very small quantities of fruit surpluses are processed by sun drying, juice extraction, and transformation into sauces pickles and preserves. It is believed that investment in basic processing and preservation could reduce post harvest losses by as much as 60 percent. Training provided to small scale fruit and vegetable farmers are limited in scope with emphasis mainly on artisanal production for local markets; aspects of marketing such as research, promotion and branding are not widely taught or understood in Zanzibar.

Processing and value addition at the farmer/producer level is derived from increasing the yields and quality of produce through application of modern agricultural techniques. In Zanzibar, where there is limited opportunity for expansion of cultivation due to land pressures, one way to increase productivity is by adding value to existing output. At the collector/assembler level, value addition is in sorting, grading and packaging, and transporting the produce from the point of production in the rural areas to the urban areas. In the case of livestock, value addition takes place through processing of milk into butter, cheese, yoghurt, etc.

Large potential exists for the expansion of processing and preservation of fruits and vegetables to capture the lucrative tourist industry.

The hygiene and sanitation facilities and operational status along the marketing chain in Zanzibar are in deplorable conditions. Services such as toilets, drainage, sewage disposal, water facilities, paved floors, fish landing and processing sites, slaughter houses, and marketing structures (stalls and shades) are in dismal need for very urgent attention.

SECTION THREE: LINKAGES WITH NATIONAL, REGIONAL AND GLOBAL INITIATIVES

Zanzibar like other countries in Sub-Saharan Africa (SSA) suffers from widespread and increasing rural poverty that is at the heart of national development strategies. The effective implementation of the ZAMP is of paramount importance to Zanzibar's development agenda, as reflected by its central position in national reform, strategies and programmes aimed at poverty eradication. With its long-term objective of promoting regional and intercontinental linkages and to facilitate cross-border movements of goods and services, the ZAMP is in line with the objectives of both the national and regional CAADP framework that will be developed under the East African Community (EAC), and the SADC trade and marketing agenda. It will benefit from the outcomes of ongoing negotiations for Economic Partnership Agreement (EPA) with the European Community (EC) and maximize the use of flexibilities under the World Trade Organization (WTO).

National Development Policies and Strategies

Since the mid-eighties, the Zanzibar economy has undergone fundamental transformation that has resulted in re-defining the role of government and that of the private sector. With the exception of agriculture, which is lagging behind, the process has paved the way for the withdrawal of government involvement in direct production, processing and marketing activities, and encouraged the private sector to take over. The main thrust of these changes has been to: deregulate prices and remove subsidies; improve the quality of public policies; and to liberalize foreign trade. The changing economic environment prompted a review of many public policies to respond to the evolving challenges. The main policies and strategies, with linkages with the ZAMP include:

Zanzibar Development Vision 2020 and Zanzibar Strategy for Growth and Reduction of Poverty (ZSGRP)

The Vision 2020 for Zanzibar guides the long-term development of the Zanzibar economy. Within this strategy,
the Agricultural Sector is the engine to eradicate poverty through increased food and livestock production and productivity to enhance food security, increase agro-export and farm income. Modernization and commercialization of agriculture is the main strategy to achieve these objectives.

The Zanzibar Strategy for Growth and Reduction of Poverty II (ZSGRP II) - popularly known as MKUZA II, spells out the medium-term framework to achieve the objectives of the Vision 2020 essentially for the agricultural sector. The MKUZA II rests on three pillars all of which have direct bearing with ZAMP.

Linkages with National Sectoral Policies and Initiatives

Key national sectoral policies and initiatives that are related to agricultural marketing and hence have direct linkage with the ZAMP are summarised below.

Agriculture Sector Policy (2002)[1]

The overall goal of the Zanzibar Agricultural Sector Policy (ASP) is to promote sustainable development of the agricultural sector for economic, social and environmental benefits for its people. For effective implementation of this policy, a clear operational plan (the Agricultural Sector Strategic Plan (SP)) was formulated in 2004 and revised in 2008. The plan comprises a set of innovative actions designed for the commercialization of the sector. Further, the Government aims to double its efforts to enhance the sector by developing a long-term vision under the Agricultural Transformation Initiative – ATI (2010 -2020).

While the Agricultural Sector Policy, Strategic Plan, and the ATI focuses on improving agricultural production and productivity, the ZAMP intends to strengthen the value chain through creating enabling environment for efficient functioning of the marketing system to enhance the benefits from both domestic and export market linkages.

Zanzibar Food Security and Nutrition Policy- ZFSNP (2008)

The goals of the ZFSNP are to improve food availability through enhancing domestic food production, development of an efficient food marketing and trade system, increase the purchasing power and access to food for all, improve utilization of adequate, nutritious, safe and high quality food, reduce vulnerability to food insecurity and malnutrition and improve sustainable management of the environment. A direct recommendation of ZFSNP is the establishment of the ZAMP and its respective implementation plan to address the key issues in the ZFSNP. ZAMP intends to create an effective marketing system that will stimulate smallholder productivity, enhance purchasing power, household income and food availability. The ZAMP therefore has both forward and backward linkages to the ZFSNP.

National Forestry Policy (1999)

The Forest Policy addresses long-term forest issues, which include the ever increasing scarcity of forest products, coral rag degradation and deforestation, degradation of mangrove resources, threat to natural forests and loss of biodiversity, deterioration of watersheds and accelerated soil erosion, the need for support for community initiatives, the neglected roles and problems of women, outdated and poorly enforced laws, and the potential crisis in forestry funding and uncertain land tenure. Forestry resources are deeply woven into the fabric of Zanzibar's national well being, in a way that cut across sectors and social and economic categories. The ZAMP recognizes the importance of sustainable utilization of natural resources and it therefore advocates for the efficient and sustainable use of forestry resources.

Zanzibar Industrial Policy (1998)

The Industrial Policy seeks to address critical issues facing the industrial sector and provide for the optimal exploitation of potential resources, particularly agriculture, marine products and forestry. The Industrial Policy also advocates for improved availability and access to financial resources in support of measures to overcome the inherent weaknesses within the industrial sector, which includes small size of the domestic market, low purchasing power and inadequate investment, weakness in basic industrial skills and poor infrastructure.

The ZAMP links with Zanzibar Industrial policy through supporting measures on enhancing agro-processing and value addition.

Zanzibar Investment Policy (2005)

Formulation of the Zanzibar Investment Policy in 2005 facilitated major structural and institutional changes with respect to investment promotion. The policy takes into consideration the trade development requirements of having an efficient Freeport and Export Processing Zones. In addition, the policy considers the need for improving service delivery in the tourism sector. With respect to agriculture marketing, the policy envisages to promote production on commercial basis through encouraging investments in agricultural input and output marketing chains for high quality products; and in undertaking research on high value agricultural products for export. These objectives are consistence with those of the ZAMP.

Zanzibar Livestock Policy (2012)

The livestock policy was formulated to stimulate the transformation of livestock sector to respond to existing and emerging challenges. The policy recognizes the urgent need to improve safety and handling of animals and livestock products. Furthermore, the policy calls for enhancement in processing and value-addition of the products for the domestic markets. In this regard, the policy addresses key issues of agricultural marketing and stipulates forward and backward linkages between agricultural marketing, consumption and production.

The Zanzibar Fisheries Act (2010)

The Fisheries Act lays down the conditions for fishing; collecting, manufacturing and selling, importing and/or exporting of fish products or products of aquatic flora. This Act presents the building block of the marketing strategy for fishery products.

Zanzibar Tourism Development Policy (2004)

Currently, tourism is Zanzibar's largest sector in terms of both domestic and Foreign Direct Investments (FDI). In order to regulate the development of the tourism sector, the Government of Zanzibar introduced the Zanzibar Tourism Development Policy in 2004 and formulated the Tourism Master Plan that laid down a framework of measures for sustainable development of tourism in Zanzibar. ZAMP links with the Tourism Development Policy as both policies emphasize on quality of agricultural commodities and services while considering the environment impact, and offer institutional and market incentives to those who are involved in the production of essential services for the tourism industry.

Zanzibar Trade Policy (2006)

Zanzibar's current trade policy seeks to facilitate the smooth running of all trade related activities in Zanzibar and those that affect Zanzibar at the regional and global level. Generally, it goes beyond the traditional focus on tariffs and non-tariff and technical barriers and restrictions to trade, it captures the deeper issues of agrarian transformation and emphasizes the role of the the private sector as the engine of growth. It sets out new and modern rules and strategies on how to increase international competitiveness.

As Zanzibar along with the mainland (Tanzania) are members of the East African Community (EAC), and the Southern African Development Cooperation (SADC), the Trade Policy of Zanzibar is in line with that of the EAC and policy instruments and mechanism in the process of conforming to those of SADC and at the wider global level the WTO. An important linkage between the Trade Policy and the ZAMP is on the area of the tariff and taxation issues. The trade policy advocates the tariff and taxation relief on important imported goods including foodstuffs and essential inputs as well promoting price stabilization. Another important linkage is in the area of standards and quality control. The Trade Policy puts more emphasis on standards and quality control on imported and exported foods items and products and strengthening the role of the OCGC. These are consistent with the objectives of the ZAMP.

Zanzibar National Export Strategy (2009-2015)

The national export strategy provides an institutional framework where initiatives that support export competitiveness are brought together in a prioritised manner. The strategy identifies constraints to Zanzibar's export competitiveness and recommends actions for improvements. The export strategy is directly linked with the ZAMP as many of the proposed interventions are related to the marketing of agricultural commodities.

Small and Medium Enterprises (SME) Development Policy (2006)

This policy addresses the main constraints to Small and Medium Enterprises (SME) development, including providing an enabling legal and regulatory framework, equitable tax regime, improved physical infrastructure, promote access to financial and non financial resources, improve technical, business and entrepreneurial skills and enhance the linkages between SMEs and large enterprises. ZAMP direct links with SME Development policy as both are strongly centred on promoting marketing of the agro-based small-scale enterprises.

National Environmental Policy and Programme of Zanzibar (1992)

This policy and programme guides the national framework for environmental management of water resources, deeper soils, coastal zones and coral rags - all of which are critical to sustain food security. In so doing, the programme creates an indirect linkage between sustainable agro-marketing systems and sound environmental management. This will form the basis for the ZAMP implementation strategy.

National Water Policy (2004)

Water is vital to health, safety and socio-economic development of people. The Zanzibar Water Policy recognizes the right to adequate clean and safe water as an essential element in reducing poverty and ensuring food security through: (i) protection of water resources for quality and use in accordance with water and environmental conservation principles, and (ii) the development and provision of water supply and sanitation in a sustainable manner. The policy provides guidance on accessing clean and safe water while taking into account sustainable conservation practices. Water is essential ingredient in ensuring that products are produced for the market. In this regard the National Water Policy and the ZAMP are intertwined.

Health Policy (2002)

The overriding objective of Zanzibar's Health Policy is to improve and sustain the health and nutritional status of the Zanzibari people. To achieve this goal, the policy aims to ensure the availability, safe storage and distribution of healthy and nutritious food throughout the country. Although an agency (Zanzibar Food, Drug and Cosmetic Board) has recently been created to monitor and improve food quality and safety, its operation will need to be strengthened. The linkages between ZAMP and the Health Policy lies on the fact that both policies seeks to ensure that high quality and safe products are available at the market for human consumption.

Zanzibar Education Policy (2006)
Zanzibar's Education Policy seeks to promote acquisition and appropriate use of all forms of knowledge and skills for development its citizens. It aims at transforming Zanzibar to meet the challenges of the changing global environment by contributing to the achievement of the national goals of economic growth and attainment of household food security. The education policy is therefore, directly linked to the ZAMP as it will influence food accessibility through improvements in education and skills, increased competitiveness, entrepreneurship and quality of the labour force.

Zanzibar Vocational Education and Training Policy (2005)
Enhanced technical and vocational training are necessary ingredients for poverty reduction as they provide opportunities for self-employment, innovations in product development, which directly or indirectly enhance the attainment of food security. The overall objective of the Zanzibar Vocational Education and Training Policy is to provide a framework for learning opportunities for youth with the aim of creating

employment opportunities and fostering entrepreneurship values and skills. In this way, the Vocational Training Policy is linked with the ZAMP in promoting food accessibility and resource levels through improving human resource capacity. The ZAMP will also seek to extend vocational training to market participants.

Zanzibar Information Policy (2005)
The overall objective of the Zanzibar Information Policy is to inform the Zanzibari society of socio-economic changes and development trends with particular attention on the fight against poverty both at the national, regional and international levels. The ZAMP also stresses the provision of appropriate, relevant and timely market information. In this way the ZAMP is in line with the objectives of the Zanzibar Information Policy.

Zanzibar National HIV/AIDS Strategic Plan (2004/5 - 2008/9)
The National HIV/AIDS Strategic Plan underlines strategic actions towards control and prevention of any further spread of the disease. The Strategic Plan has identified thematic areas for interventions of which health care and support to people living with HIV/AIDS is directly related to food security through strengthening the community based care for people living with HIV/AIDS. The ZAMP recognizes the impact the disease can have on market participants and strongly advocates for strategic measures to promote initiative that target prevention and care to at-risk market stakeholders.

Linkages of existing policies with agricultural marketing
It is well appreciated that agricultural marketing issues are complex in nature and will require an inter-disciplinary and cross-sectoral approaches to address them. This calls for the need to have an effective institutional coordination and networking to overcome inherent marketing constraints for all market actors. The Cooperative Development Policy will further strengthen the ZAMP when both are fully operational. Although most of the existing policies recognize the importance of a well functioning domestic agricultural marketing system,

the emphasis has been placed more on export markets rather than on the domestic market. Despite this emphasis, the role of the government in promoting export of agricultural commodities has been limited to handful of commodities. The existing policies do not even provide adequate direction on how marketing of various agricultural products should be promoted. In addition, the commitment to effective cross-sectoral collaboration is weak. Weak legal framework to enforce policies also contributes to policy ineffectiveness. With regard to the domestic markets, there is clearly defined institution that is mandated to promote and safeguard the interests of agricultural producers and consumers. These are some of the issues that the ZAMP is intended to address.

Linkage with Regional and Sub-regional Agricultural Marketing Frameworks

In terms of regional and global initiatives, as noted earlier, Zanzibar is participating in harmony under the Union Agreement with the Tanzania Mainland. Concerning the EAC, which recently launched its transition from customs union to common market, the implication is that all of Zanzibar's internal and external policies will have to be harmonised with those of other EAC member states. In this regards, it is expected that the ZAMP will be linked with other member states policies through the regional EAC - CAADP. Under SADC, the United Republic of Tanzania, which includes Zanzibar, has also committed to harmonise its marketing policies and strategies with those of other members and to jointly develop initiatives to promote regional marketing of agricultural products.

Furthermore, the EAC is in the process of concluding negotiations for EPA with the EC. Under this Agreement, the EC has offered the EAC duty free and quota free access for all goods except arms. However, in the EAC's offer, all agricultural products are categorized as sensitive to prevent subsidized European products from disrupting the weak and evolving EAC market. Under the WTO, as LDCs, Zanzibar is not constrained to provide support to its agricultural marketing systems.

SECTION FOUR: STRATEGIC INTENT OF THE ZANZIBAR AGRICULTURAL MARKETING POLICY- ZAMP

ZAMP Vision

The vision of the ZAMP is geared towards establishing and maintaining an efficient agricultural marketing system that will stimulates agricultural trade, increased domestic production and higher productivity.

ZAMP Mission and Objective

The mission of the ZAMP is to develop an agricultural marketing system that will create a favourable environment for the benefit of all Zanzibari and operate as a catalyst for enhanced agricultural productivity in a sustainable manner.

It will provide policy guidance for the efficient operation of a competitive and equitable agricultural marketing system in Zanzibar which provides fair returns for farmers and create greater access to safe and nutritious food for all, particularly the most food insecure and vulnerable population groups.

The policy advocates for specific and concrete actions in improving the current state of following:

1. Legal and regulatory framework.
2. Institutional arrangements.
3. Quality, safety and availability.
4. Market infrastructure.
5. Access to credit and other financial services.
6. Agro-processing and value-addition.
7. Transportation.
8. Regional and International trade and marketing issues.
9. Cross-cutting issues.

Strategic Areas of Policy Intervention

1. Legal and Regulatory Framework

Policy Issues

- Inadequate rules and regulatory framework;
- Poor management and weak enforcement of existing rules and regulations that govern the operations of agricultural marketing.

Policy Statement

- Enhance the existing and enact new legal and regulatory framework to respond to market challenges.

Implementation Strategies

- Review existing regulations and enact new and relevant ones;
- Streamline and effectively enforce regulations related to food safety and quality;
- Streamline and effectively enforce regulations related to compliance with commitments in both the domestic and international markets;

- Ensure that information on existing, new and/or updated regulations are effectively communicated and enforced;
- Study the feasibility for enforcement of the existing regulations governing the operations of the wholesale and retail markets and provides recommendations for smooth functioning of the system.

2. Institutional Arrangements

Policy Issues

- Weak market support services within the ministries responsible for agricultural marketing to address the provision of market information, standards and quality assurance;
- Overlapping roles within and between relevant ministries and agencies related to agricultural marketing;
- Weak farmers organizations and consumer associations;
- Weak private sector participation in provision of agricultural support services.

Policy Statements

- Put in place a coherent, clear, and operationally effective institutional arrangements;
- Provide an enabling environment for participation by both small and medium scale private producers in the marketing of agricultural products;
- Develop and implement regulations and guidelines that will govern wholesale and retail markets for agricultural products;
- Strengthen institutional capacity of producers and private sector organizations on domestic and export markets.

Implementation Strategies

- Develop appropriate institutional coordination mechanism and communication strategy in providing marketing support;
- Strengthen the capacity in terms of data collection, analysis and dissemination of relevant Ministries, institutions, and local authorities to effectively support marketing systems;
- Promote Private Public Partnership in the provision of agricultural marketing services;
- Support the development of appropriate market-sensitive pricing systems for all timber plantations and other forest products including seedlings;
- Improve education and participation of rural women in the process of planning and marketing of forest activities, as they constitute a segment of the population most dependent on forest resources for daily needs;
- Promote and strengthen farmers and fisher-folk organizations (associations, cooperatives) that respond appropriately to market signals;
- Promote the use of relevant products from domestic markets for safety-net programmes.

3. Quality, Safety and Availability

Policy Issues

- Market infrastructures are un-hygienic and without adequate facilities including secure storage, safe water and sanitation structures;
- Poor quality of input and handling leads to poor quality of the output;
- Inadequate grades and standards including weak inspection mechanisms;
- Late availability of production inputs at the farm gate;
- Weak linkages between demand and supply.

Policy Statement

- Improve quality, safety and availability of agricultural products to enhance their value and minimise health risks for consumers;

- Promote certification of agricultural products as organically produced where possible, and put in place a verification scheme;
- Strengthen sanitary and phyto-sanitary services aligning them to regional and international standards;
- Promote quality assurance and appropriate use of agro-chemical inputs.

Implementation Strategy
- Develop awareness and educational campaigns for market participants;
- Strengthen the provision of trainings in quality and other produce requirements for the general and niche markets (supermarkets, restaurants and hotels);
- Develop and improve abattoirs, butcheries, fish landing sites and public retail and auction points to enhance quality and reduce health hazards;
- Strengthen and harmonize mechanisms for grading and handling of commodities;
- Improve and enforce compliance guidelines to enhance safety and quality along the marketing chain for both domestic and international markets;
- Promote the development and value addition of spices to enhance their profile among Zanzibar's tourist industry and for export;
- Support functioning of the Zanzibar Bureau of Standards to address issues related to input and output quality, building on already established standards like the CODEX Alimentarius;
- Protect Zanzibar name as a trademark for branding of Zanzibar products.

4. Market Infrastructure

Policy Issues
- Poor conditions of feeder roads;
- Inefficient modes of transporting agricultural commodities;
- Inadequate processing, storage, and cold storage facilities;
- Poor market information and dissemination systems;
- Existing market infrastructures have low capacity relative to market size, and markets are not strategically located.

Policy Statement
- Improve marketing infrastructure to connect segmented gaps and enhance market access opportunities along the chain;
- Accelerate the rate of on-going improvements in rural infrastructures to include rural feeder roads, cold storage facilities, appropriately targeted marketing infrastructures that are strategically located, and improve inland and marine transport systems.

Implementation Strategy
- Invest in upgrading and modernising existing physical marketing infrastructures and build new ones in all five regions of the country tailored to the specific needs of each region;
- Establish effective marketing information and communication systems covering the value chain;
- Enhance and improve data collection and dissemination of market related information at national and sub-national levels;
- Upgrade existing feeder road strategy within the existing Transport Master Plan with a view of improving marketing efficiency of agricultural products;

5. Access to Credit and Other Financial Services

Policy Issues

- Inadequate access to capital is a major barrier to increased agricultural production and improved marketing of agricultural products;
- Accessing credit for majority of farmers and traders is constrained by institutional barriers and bank requirements based on household attributes;
- Smallholders farmers and traders do not have adequate loan collateral which prevents the majority of them from obtaining bank loans;
- Liquidity constraints affect farmers' production adversely as they rarely have money or are able to borrow money to purchase the necessary farm inputs such as seeds and pesticides, resulting in poor harvests;
- Formal credit institutions are generally reluctant to lend to small borrowers while informal lending is limited;
- Financial services mainly available in urban areas.

Policy Statements

- Enhance availability and accessibility of affordable credit and other financial services specifically for small scale producers and traders along the marketing chain;
- Enact regulations, guidelines, policies and support mechanisms to ensure well-functioning financial services delivery system targeted at small scale producers and traders in rural areas.

Implementation Strategy

- Promote the use of inventory credit or warehouse receipt system/collective marketing arrangements;
- Enhance the existing schemes (ROSCAs, SACCOs, SACAs, etc) for credit provision to small scale producers and traders;
- Review appropriate instruments and mechanisms to encourage commercial banks to open lending corridors for small-holder farmers and small trading firms;
- Speed-up the establishment of the rural/agricultural development bank as called for in the Agricultural Sector Policy;
- Establish mechanisms to provide export guarantees and pre-shipment trade financing for agricultural commodities that are internationally traded.

6. Agro-Processing and Value Addition

Policy Issues

- High post harvest losses and wastage due to limited processing of agricultural products;
- Limited knowledge and expertise on value addition of smallholders, entrepreneurs and processors;
- Inadequate investments in processing facilities for small, medium and large scale enterprises.

Policy Statements

- Encourage, promote and support value addition strategies and agro-processing to increase competitiveness of locally produced agricultural products to satisfy domestic and export markets;
- Promote public and private sector investments in agro processing and value addition;
- Support research to diversify the agro industrial base with the view to enhance quality and develop new products for local and external markets;
- Promote the use of locally processed products in the tourism industry.

Implementation Strategy

- Take concrete steps to enhance knowledge and information sharing amongst the relevant stakeholders on agro-processing and value addition;
- Broaden institutional capacities to specifically provide services related to value addition and agro-processing;
- Support and improve the expansion of the degree of processing (value addition) to increase the share of final product prices for local producers;
- Strengthen the incentive schemes to promote private sector participation in agro-processing and value addition;
- Encourage the public sector including parastatals to take the lead in investing in agro-processing and value addition activities either by themselves or in partnership with the private sector;
- Provide incentives for Zanzibaris in the diaspora to invest in agro-processing and value addition activities.

7. Transportation

Policy Issues

- Improper transport equipment, poor handling;
- No specific transport for particular products;
- High transportation costs for both domestic and imported goods.

Policy Statements

- Improve quality of feeder roads and enforce clear guidelines for the transportation of agricultural commodities;
- Encourage investment in products specific transport linked to strategically established collection points and enable farmer pool their products for bulk transportation.

Implementation Strategy

- Encourage and support the formation of commodity based/cluster associations to enable pooling of larger quantities of goods so as to benefit from economies of scale;
- Encourage parastatals to initiate investment in transportation and other areas along the value chain;
- Promote feeder roads development and maintenance.

8. Regional and International Trade and Marketing Issues

Policy Issues

- Zanzibar under the union agreements with the Mainland is a member of the EAC, SADC, AU, Indian Ocean
  Tuna Commission (IOTC) and WTO. In this regard Zanzibar is eligible for all preferential arrangements under these agreements;
- As an LDC, Tanzania (Zanzibar) is not required to reduce its tariffs under the WTO;
- Harmonization of national policies in line with those of regional and global partners is slowly progressing;
- EPA with the EC are likely to lead to loss in trade revenue, flood domestic market with highly subsidized EC goods and create disincentive for local investment and production;
- Poor quality and diversity of product base is among the major constraints which are compounded by the fact that agricultural land is limited;
- Limited information of opportunities at the regional and global levels coupled with low investment and severe supply-side constraints limits Zanzibar's participation in regional and global trade.

Policy Statements

- Improve competitiveness of export crops and explore market opportunities for other potential export crops at the regional and global level;
- Support the positions of the East African Community in bilateral, regional and global trade agreements:
  - ✓ Under the EPA with the EU – support the position that agriculture products are “sensitive and special” and as such only very limited tariff reduction will be allowed way into the transition period, simplify and transparent rules of origin and ensure that the agreement does not impose WTO-plus obligations on the EAC states.
  - ✓ Under the WTO, support the reduction of tariffs and non-tariff and technical barriers including tariff escalation and the elimination of trade distorting support in OECD countries.
  - ✓ Ensure that flexibilities granted under the WTO are not lost in regional and bilateral agreements.

Implementation Strategy

- Effective participation in regional and international trade negotiations;
- Improve export promotion to create linkages with potential exporter and markets to improve trade of Zanzibar’s agriculture and related products;
- Promote the use of the “Zanzibar” brand as a geographic indicator;
- Promote investment in products classified as “special and sensitive” – i.e. products that are highly relevant for improving food security, livelihood security and rural development;
- Mainstream the process of “organic” production for selected products;
- Support transparency and harmonization of rules governing bilateral, regional and international trade;
- Establish mechanisms to provide export guarantees and pre-shipment trade financing for commodities that are internationally traded;

9. Cross-cutting Issues

Policy Issues

- Limited market and product promotion of services;
- Inadequate agricultural market linkages;
- Inadequate agricultural market research;
- Inadequate product intensification which limits the supply base;
- Problems of seasonality of supply and demand;
- Over exploitation of natural resource base – both marine and terrestrial environments;
- Inappropriate disposal of solid wastes;
- Limited understand of the environmental, energy, gender and health issues.

Policy Statements

- Improve efficiency in marketing functions and operations to effectively address cross cutting issues;

- Scale up and mainstream gender, health, environmental and energy issues in marketing policy and programmes;
- Improve monitoring of fish stocks and the rate of deforestation.

Implementation Strategy

- Build and strengthen networks along and across different actors and products;
- Promote environmentally sustainable product intensification measures, limit exploitation of natural resource base, and improve human waste disposal in forests and coastal areas;
- Accelerate the access to energy such as renewable energy, improve sustainable use of biomass, conserve biodiversity and ensure that communities benefit from these resources;

- Scale up effective gender mainstreaming in policy and planning including gender disaggregating of statistics in national data collection systems;
- Strengthen the capacity to plan, implement and monitor health related issues and programmes in the agricultural sector;
- Promote the development of sustainable forest related activities such as small scale nurseries, forest-based, handicraft, identification and harvesting of potential viable non-wood forest products, and bee-keeping as means to raise rural income;
- Promote research and development in agricultural marketing

SECTION FIVE:CREATING AN ENABLING ENVIRONMENT FOR ZAMP IMPLEMENTATION

Legal and Institutional Framework
The effective implementation of the agricultural marketing policy needs a clear and well organized legal and institutional framework of the marketing system in the country. The existing regulatory and institutional framework for issues related to agricultural marketing and trade with the exception of the cloves export is not well organised. Exclusively the Zanzibar State Trading Corporation (ZSTC) conducts trade in cloves, which is under the mandate of the MTIM. Exports of other domestic agricultural products include crops, livestock and marine products are under the jurisdiction of MANR and MLF, who are also responsible for phytosanitary and zoo-sanitary procedures respectively.

Issues pertaining to quality, safety of food, herbal, drugs, medical devices, the Zanzibar Food and Drugs Board (ZFDB) regulate poisons and cosmetics. The Zanzibar Food, Drugs and Cosmetic Act No. 2 (2006) empower the board to regulate importation, manufacturing, storage, marketing and distribution of food, drugs and cosmetics. Likewise, issues related to consumer protection are mandated to MTIM in accordance to the Zanzibar Fair Trading and Consumer Protection Act No. 2 (1993), whereas the CGC is mandated to undertake chemical analysis of products including food and advise the authorities accordingly.

Given the above setup there is scope to streamline the roles and responsibilities as the numerous institutions involved is likely to lead to confusion for small producers and traders. As such redefined legal mandates and effective institutional framework is essential. In this regard, it may be necessary as a strategy for the implementation of the ZAMP to review and streamline the coordination mechanism for effective implementation of the policy.
An effective agricultural marketing system necessitates the effective collaboration of different institutions both private and public. The implementation of ZAMP will involve a wide range of actors with different roles and responsibilities. These include:

Government Institutions:
The following Ministries are identified as key actors in ZAMP implementation in accordance with their roles and institutional mandates.

Ministry of Agriculture and Natural Resources (MANR)
The Ministry is the leading institution in coordination of the Policy implementation strategy. In this regard, the MANR will assume a lead role in the ZAMP implementation and will be working very closely with all other key ministries and institutions that are responsible for implementation of ZAMP.

Ministry of Livestock and Fisheries (MLF)
This Ministry will play a very important role in the implementation of the ZAMP. The Livestock Policy and the Fisheries Act addressed above clearly brings out the issues and linkages of the ZAMP implementation strategy.

Ministry of Trade, Industry and Marketing (MTIM)
With regards to ZAMP, the Ministry is responsible for regulations on all imports and exports, fair trading and consumer protection (quality control).

Ministry of Social Welfare, Youth, Women and Children Development
This ministry is mandated to promote gender mainstreaming interventions and care for vulnerable groups especially youth, women and children, all of which can influence the agricultural marketing performance.

Ministry of State (President's Office) and Chairman of the Revolutionary Council (MSPO)
At the local level, the authorities (municipal, town/district councils) are involved in the regulation of commodities trading;
issues licenses to sell commodities collect market dues and local taxes, erect and maintain market structures. In addition, they issue certificates for the transport of goods from rural to urban areas that have to be produced on demand at inspection points around the country. However, they have no role when it comes to legal action against default at the market place. The implementation of the ZAMP will rely heavily on the collaborative role of the municipal authorities.

Ministry of Health (MoH)
The ministry of Health has the overall responsibility for all health related aspects of ZAMP Policy. The Chief Government Chemist who is operating under the MoH has the mandate for inspection and quality control of product being exported and imported.

Ministry of Land, Housing, Water and Energy (MLHWE)
The MLHWE has a prominent role in implementing the ZAMP as it guarantees the effective implementation of land, water, energy and construction aspects related to the ZAMP implementation strategy. It also ensures protection of potential agricultural land from encroachment and destruction ensuing from other challenging activities. The MLSWEC is responsible for facilitating availability of clean and safe water for all uses and regulate energy tariffs for sustainable livelihood development. Effective implementation of these mandates by the MLSWEC will enhance the implementation of the ZAMP.

President's Office, Finance, Economic and Development Planning (POFEDP)
This Ministry assumes important role on implementation of the ZAMP. It is responsible for regulating rural and urban financial services, which will in turn promote agricultural marketing trade. Moreover the ministry has several additional important roles – collecting revenue, administering the export process and free economic zones, encourage and promote private sector investment in agriculture marketing and all other financial and institutional issues related to the state. This is perhaps the most important Ministry for the implementation of the ZAMP.

Ministry of Education and Vocational Training (MoEVT)
The MoEVT has the mandate to promote acquisition and appropriate use of all forms of knowledge and skills for development and growth. It aims at transforming Zanzibar to meet the challenges of the changing global environment by contributing to the achievement of the national goals of economic growth through enhancing agricultural marketing. The ministry is also has the objective of providing a framework for learning opportunities for youth with the aim of creating employment opportunities and fostering entrepreneurship and marketing values and skills and therefore is a very crucial in the implementation of ZAMP.

Ministry of Information, Tourism and Sports (MoITS)
The Ministry is responsible for regulating and providing information at the national level. The provision of clear and effective information is a key objective of the ZAMP and the collaboration with the MoISC will be essential for the implementation of the ZAMP.

Ministry of Infrastructure and Communication (MIC)
The Ministry has a significant and supportive role in accelerating growth of both urban and rural based economies through provision of efficient transportation and communication infrastructure. In this regard, it fosters linkages in the agricultural marketing chain especially between production, distribution and marketing centres for food and related inputs needed for improvement of productive and service sectors. With the emergence of network technology and tele-banking services, this ministry has an important role in facilitating trade, especially exportation and importation of agricultural commodities.

Ministry of Labour, Economic Empowerment and Cooperatives (MLEEC)
This Ministry is mandated to safeguard labour regulations and standards concerning investments and enterprises. The Ministry's functional responsibility also touches upon economic empowerment of the population. Furthermore, the Ministry plays a major role in the establishment of agricultural cooperatives that provide members to access markets for their products and get reasonable prices.

Private Sector
The private sector is the mainstay of agricultural marketing in Zanzibar. The ZAMP recognizes the important roles of private sector not only in enterprise development and investments but also in the provision of advocacy, advisory, training and other agricultural services. The private sector is anticipated to take an active role in investing in agro-processing, value addition, and strengthening marketing system along the value chain.

Development Partners
Zanzibar appreciates the contribution and support of its development partner's particularly multilateral and bilateral donors. These will play an important role in providing financial and technical assistance in the strengthening agricultural marketing chain. However, as the country has a Joint Assistance Strategy (JAS) based on the Rome and Paris Declarations of aid effectiveness, it is expected that development partners will adhere to the imbeded principles of the JAS – strong national ownership and harmonization of donor and government processes and procedures in ways that make aid more effective and simpler to manage.

Implementation and coordination mechanism
In order to effectively monitor the implementation and achievements of the ZAM Policy (and respective strategy) in line with MKUZA II, a strong and elaborate coordination mechanism will be put in place that is part of the MKUZA II Monitoring Master Plan and can operate smoothly to safeguard the focus on ZAM Policy objectives and goals. The following institutions will provide the overall implementation:

Inter-Sectoral Steering Committee (ISSC)
The Inter Sectoral Steering Committee (ISSC) whose membership will consists of high level representatives of relevant Ministries (at PS level) dealing with agricultural marketing, as well as representatives of the business community and the private sector.

The ISSC will comprise of the following members:

- Principal Secretary, Ministry of Agriculture and Natural Resources (MANR)
- Principal Secretary, Ministry of Livestock and Fisheries (MLF)
- Principal Secretary, President's Office, Finance, Economic and Development Planning (POFEDP)
- Principal Secretary Ministry of Education and Vocational Training (MoEVT)
- Principal Secretary, Ministry of Health (MoH)
- Principal Secretary, Ministry of Land, Settlement, Water, Energy and Construction, (MLSWEC)
- Principal Secretary, Ministry of Trade, Industry and Marketing (MTIM)
- Principal Secretary, Second Vice President's Office (SVPO)

- Principal Secretary, Ministry of States (PO) and Chairman of the Revolutionary Council (MoSPO)
- Principal Secretary, Ministry of Social Welfare, Youth, Women and Children Development (MSWYWCD)
- Principal Secretary, Ministry of Information, Tourism and Sports (MITS)
- Principal Secretary, Ministry of Infrastructure and Communication (MIC)
- Principal Secretary, Ministry of Labour, Economic Empowerment and Cooperatives (MLEEC)
- Executive Director, Zanzibar National Chamber of Commerce, Industries and Agriculture (ZNCCIA)
- Secretary General, Association of NGOs in Zanzibar (ANGOZA).

The PS MANR will be the chair of the ISSC and the Zanzibar Agricultural Marketing Unit (ZAMU) will perform the secretariat functions of the ISSC (see below). The ISSC will be the main decision making body and is responsible for providing overall guidance to ZAM Policy and Strategy implementation and operationalisation. In particular, the ISSC will:

- Safeguard effective inter-sectoral communication and policy coordination by promoting synergy effects, guide implementation of various activities and avoid duplications of interventions. The ISSC will meet on a quarterly basis;
- Provide guidance on ZAMP implementation according to defined priorities and implementation strategies and in developing key ZAM strategies;
- Solicit technical advice on specific food security and nutrition issues from the Stakeholders Technical Committee (STC);
- Direct the Zanzibar Agricultural Marketing Unit (ZAMU) to prepare relevant reports for consideration by ISSC (e.g. work and budget plans, monitoring reports, position papers on specific ZAMP implementation issues;
- Approve ZAMP budget proposals that promote efficient allocation and utilization of resources for the achievement of policy goals and targets and provide guidance on resource mobilization;
- Monitor the ZAMP implementation and make adjustments if necessary.

Technical Coordinating Committee – TCC

The Technical Coordinating Committee (TCC) will serve as an advisory body to the ISSC with the aim of ensuring effective and coordinated implementation of the ZAMP strategy. Each relevant Ministry and institution will appoint a representative at the Director's level (in some cases programme coordinators) to be the focal person in the TCC. Additionally, technical agencies will be invited to participate in TCC activities on an *ad hoc* basis if need arises.

The TCC will meet once every three months (or when deemed necessary) and be specifically responsible for:

- Safeguarding effective inter-sectoral communication and policy coordination in order to promote synergy effects, guide implementation of various activities and avoid duplications of interventions;
- Provide guidance on ZAMP implementation according to defined priorities and implementation strategies;
- Provide supervision on technical issues related to agricultural marketing;
- Prepare relevant reports for consideration by the ISSC (e.g. work and budget plans, monitoring reports, position papers on specific ZAM issues etc.);
- Supervise the preparation of ZAMP budget proposals that promote efficient allocation and utilization of resources for the achievement of policy goals and targets and provide guidance on resource mobilization;
- Supervise the preparation of monitoring reports of the ZAMP implementation and make adjustments if necessary;

The MANR through the Department of Planning, Policy and Research (MANR) will be the chair of the TCC and will be strengthened to undertake the following, in close collaboration with other agricultural sector related Ministries:

- Undertake technical work needed for decision making by the ISSC and assists the TCC with its technical deliberations;
- Collect, process and disseminate agricultural marketing information for all relevant stakeholders at national and sub-national levels;
- Prepare analytical briefs and reports on status and prospect of agricultural marketing in Zanzibar for submission to the TCC and ISSC;
- Maintain linkage with other relevant ministries, departments and agencies (MDAs) Mainstream agricultural marketing related issues in the existing district development plan;
- Keep track of developments in the national, regional and global market place and recommend modification of ZAMP strategy as Prepare annual work plans and budgets in line with agricultural marketing policy and strategy;
- Ensure mainstreaming of priority marketing issues in district level development plans and budgets;
- Receive and review monitoring reports of marketing interventions and prepare quarterly updates on the marketing situation and the progress of ZAMP implementation strategy.

ZANZIBAR AGRICULTURAL

MARKETING POLICY

IMPLEMENTATION STRATEGY

Towards efficient domestic marketing and

trade for sustained food security and

poverty reduction

The Agricultural Marketing Policy Implementation Plan (ZAMP IP) has been developed in response to the recently formulated the Zanzibar Agricultural Marketing Policy (ZAMP). The policy has been developed to respond to an identified need for a comprehensive policy framework that will stimulate production and productivity through enhanced agricultural marketing and trade. Overall, the ZAMP provides policy guidance for the effective and efficient operation of a competitive agricultural marketing system in Zanzibar, for socio-economic benefits of all actors involved in agricultural marketing system.

The ZAMP Implementation Strategy is a comprehensive multi-sectoral plan that will facilitate effective implementation of the ZAMP. The Implementation Strategy is therefore provides an operational framework to implement ZAMP through an integrated and coordinated way. It contains a detailed implementation of strategic actions to effectively implement ZAMP. Specifically, the strategy covers the following aspects:

- Prioritising interventions that clearly itemize what need to be done in the short, medium and long term, and how it will be accomplished;
- Identification of roles and responsibilities of the key actors involved in the implementation of prioritised interventions;
- Establishment of the mechanisms and instruments for the management, coordination, monitoring and evaluation of the ZAMP; and
- Provide mechanism for Quality management of the agricultural products while taking into account the, Safety and Availability of the products to stimulate marketing and its functions
- Establishment of mechanism for various actors along the market value chain to access credit and other financial services to facilitate markets of agricultural products.

Description of the Implementation Strategy

Rationale and overview

The rationale for ZAMP Implementation Strategy stems from the vision of attaining an efficient agricultural marketing system that will stimulate agricultural production and productivity, agricultural trade, and contributes to the improvement of household and national level food security. In line with MKUZA and MDG targets, implementation of ZAMP will accelerate economic growth and significantly contribute towards reduction of poverty. The ZAMP Implementation Strategy addresses important areas of actions that need to be taken by various institutions and stakeholders, in order to tackle the underlying causes of imperfect competitiveness of agricultural marketing system. In addition, the consequences of inefficient marketing performance including unsustainable livelihoods for households depend primarily on agriculture hence food insecurity. As such, the ZAMP Implementation Strategy contributes to the implementation of Zanzibar Food Security and Nutrition Policy - ZFSNP. Furthermore, the Implementation Strategy will establish the favourable environment on policy, regulatory and institutional framework that can stimulate effective functioning of agricultural marketing systems as stipulated in the ZAMP.

Based on the findings from analyses of agricultural marketing situation in Zanzibar, it has been recognised that factors constraining efficient functioning of agricultural marketing system are many and require multi-sectoral interventions and actors to overcome them/and that cannot be addressed under one project. This recognition necessitates the need for an integrated programme approach, whereby interventions for the ZAMP Implementation Strategy will be tackled in the framework of various projects, to address specific areas of strategic policy interventions of the ZAMP policy. These projects will contain long-term and short-term activities necessary to make agricultural marketing into decisive forces to achieve the goal of ZAMP as well as the objectives of MKUZA and ZFSNP.

An integrated programme approach is also emphasize as it has advantages of maximize the limited resources available and ensure effective utilization of available

resource (human, financial and infrastructure), reduce risks of unnecessary duplication and overlaps in activities and resource utilization and have a possibility of providing linkages and synergies among projects.

ZAMP Implementation Strategy: Strategic Objectives

The strategic objectives of the ZAMP Implementation Strategy are:

- Establish improved/efficient agricultural marketing system that operates to benefit all key actors in the marketing process/along the chain value;
- Strengthening management and enforcement of rules and regulations that govern management and market functions;
- Institutionalize agricultural marketing issues, related activities and interventions, and/to embedded with clear and coherent legal mandate, and operationalize effective institutional arrangements
- Set standards and develop quality assurance mechanisms based on the nature and needs of the products;
- Improve marketing infrastructure for widened of the participation of different segments of stakeholders, and enhance market access opportunities along the value chain
- Increase competitiveness in value addition and agro-processing for domestic and export markets;

ZAMP Implementation Strategy aims at contributing to the achieving of national targets and goals set to reduce poverty and attaining food and nutrition security through stimulating the development of efficient agricultural trade and promote agricultural production and productivity. The strategy will be implemented in the form of short-, medium- and long-term activities through the framework of an integrated programme comprising of a number of projects designed to reflect to the strategic areas for policy intervention as stipulated in the ZAMP.

Activities to facilitate the implementation of ZAMP are categorised into the following areas:-

Strategic area 1: Legal and regulatory framework.
Strategic area 2: Institutional arrangements.
Strategic area 3: Quality, Safety and Availability.
Strategic area 4: Market infrastructure.
Strategic area 5: Access to credit and other financial Services.
Strategic area 6: Agro-processing and value addition.
Strategic area 7: Regional and international trade, and marketing issues.

STATEGIC AREAS

1. Legal and regulatory framework

Programme activities under this component aim at addressing the problems of inadequate rules and regulatory framework; poor management and weak enforcement of existing rules and regulations that govern management of market functions. Activities to be undertaken under this project are as summarised below:

Implementation Strategies	Actions Required	Outputs/outcome	Key Implementing Actors	Assumptions/Risks/ Comments
• Review existing market regulations and enact new and relevant ones.	• Assess all related regulations with a view to identify gaps and weaknesses and recommend areas for improvements. • Effectively implement the recommendations of the assessment. • Review, update and enforce guidelines for the transportation of agricultural commodities and provide support for effective implementation.	• Enhanced regulatory framework in place by 2015. • Differentiated transport system for agricultural commodities and passengers operational.	• MANR, MLF, MTIM, AGC, Municipal Authority, District Councils, Chief Government Chemist, ZFDB, NGOs/CSOs.	• Weak capacity to enact and enforce market-sensitive regulations. • Poor understanding of the need for reviewing legal and regulatory frameworks. • The actors involved may not be conversant with the objectives of the marketing implementation strategy. • Might involve "costs" that should be evaluated against health and safety concerns.
• Streamline and effectively enforce regulations related to food safety and quality at domestic,	• Harmonize and streamline existing food safety regulations and devise clear roles and responsibilities of	• Harmonized food safety regulations in place and operational by 2013; • Clear and effective	• MANR, MLF, MTIM, AGC, Municipal Authority, District Council and Chief	• Weak capacity to enact and enforce market-sensitive regulations and effective guidelines on roles and responsibilities.

regional and international levels.	relevant institutions • Ensure that domestic food safety standards comply with regional and international norms.	guidelines on roles and responsibilities of relevant institutions in place by 2013;	Government Chemist, ZFDB, NGOs/CSOs.	• Both human and other resource capacity currently limited.
• Ensure that information on existing, new and/or updated regulations are effectively communicated and enforced.	• Awareness campaigns on enhanced food and marketing regulations developed and carried out. • Undertake continuous capacity building activities for stakeholders along the value chain. • Put in place an effective communication strategy for increasing awareness on marketing laws and related regulations.	• Stakeholders are knowledgeable on food related regulations. • Improvement in quality and standards of food and other agricultural commodities in the market. • Effective communication strategy that has the purpose to increase awareness on marketing laws and related regulations in place by 2016	• MANR, MLF, MTIM, AGC, Municipal Authority, District Councils, Chief Government Chemist, ZFDB, NGOs/CSOs	• Weak capacity to enact and enforce market-sensitive regulations might undermine stakeholders' appreciation. • Weak capacity to respond to identified need and benchmark against outcome and compliance indicators. • Communication strategy should be market- friendly and does not discourage relevant feedback from market actors.
• Study the feasibility for enforcement of existing regulations governing the operations of the wholesale and retail markets and provides recommendations for smooth functioning of the system.	• Undertake study to review the operations of the marketing system and provide guidelines for separating operations of the wholesale and retail actors in the markets;	• Clear distinctions between operations of retailers and wholesalers by 2017.	• MANR, MLF, MTIM, AGC, Municipal Authority, District Councils, ZNCCIA.	• Tax structure and market regulations including levies should be designed to prevent wholesalers from conducting retail trade as well. • Relevant authorities may not be motivated to enforce compliance.

2. Institutional Arrangements

Currently institutional arrangements and mandates for agricultural marketing in Zanzibar are not clearly defined as such this situation has lead to ambiguity on management and control of market related functions/activities for agricultural commodities. The main objective of proposed activities is to: (i) put in place a clear institutional framework and arrangements at national and sub-national levels so as to ensure effective coordination among actors and agricultural marketing related functions; and (ii) provide an enabling environment for participation by both small and medium scale private producers in the marketing of agricultural products. Proposed activities under this area are as summarised below:

Implementation Strategies	Actions Required	Outputs/outcomes	Key Implementing Actors	Assumptions/Risks/ Comments
• Enhance institutional coordination mechanism and communication systems in providing marketing support	• Develop appropriate coordination mechanism and communication strategy that reinforces the roles of relevant institutions providing marketing support services; • Mainstream the coordination mechanism and communication strategy within the Agriculture Sector Development Programme for Zanzibar (ASP-Z) that is currently being developed. • Allocate adequate resources to training of technical staff and provide	• Increased efficiency in marketing service provision; • Redefined and effective Legal and institutional framework is in place by 2014. • Increased competitiveness of products at all levels in the market place. • Trained technical personnel in place.	• MANR, MLF, MTIM, AGC, SVPO; Municipal Authority, District Councils, Chief Government Chemist, ZFDB, NGOs/CSOs.	• Possibility of district planning process to be crowded out by public sector thereby limiting participation at the sub-national level. • Potential leakage of existing trained staff at all levels. • Linkages with other relevant institutions, private sector and service providers outside Zanzibar could transfer beneficial lessons. • Proposed draft communication Strategy should enhance and develop innovative outreach programmes for effective communication (radios, mobile phones, internet, film, etc.)

	incentives to retain them.			
• Strengthen the capacity in terms of data collection, analysis and dissemination of relevant Ministries, Institutions and local authorities to effectively support marketing systems	• Harmonize data collection and verification methodologies among all relevant institutions. • Enhance capacity on data collection for enumerators, extension agents and district agricultural officers. • Improve the technical and analytical capacities of officials across the relevant institutions. • Ensure availability of relevant and up-to-date analytical tools. • Ensure that market-related data is disseminated in a clear and regular manner using appropriate medium especially to target smallholders.	• User friendly data system incorporating national, regional and international data available and functional by 2014. • Trained manpower in place. • Improved market information and early warning systems in place by 2016. • Increased competitiveness of products at all levels in the marketplace.	• MANR, MLF, MTIM, OCGS, MoSPO, PBZ, Municipal/ District Councils, NGOs/CSOs, ZNCCIA.	• Overdependence on external support might limit the effectiveness of related activities. • Data collection methodologies and approaches should be designed for effective and transparent responses from respondents and useful analysis and feedback should be provided to all stakeholders in a timely manner. • Strong linkages with relevant institutions in the Mainland especially given the current limited technical capacity in data collection and analysis. • Minimum overlap/duplications on disseminated data.
• Promote Private Public Partnership (PPP) in the provision of agricultural marketing services	• Realign the existing incentive framework to attract domestic investors to participate in agricultural marketing services; • Improve PPP dialogues and interactions in all issues related to	• Increased involvement of domestic investors in the provision of agricultural marketing services. • Increased private domestic participation and investment in agricultural	• MANR, MLF, MLEEC, MTIM, MoSPO, POFEDP, ZIPA, ZNCCIA, NGOs/CSOs.	• Financial services available to support private sector investments. • Services that private sector can perform should be removed from public sector functions and given to the private sector. • Risk of crowding-out private sector by state actors and

forest resources for daily needs	in planning forest activities through the promotion of gender-sensitive interventions to enhance access to forest resources.		MoSPO, PBZ, Municipal/ District Councils; NGOs/CSOs, ZNCCIA.	• Enhancing the capacities of existing schemes like SACCOS, etc. in providing relevant financial services. • Possibility of encouraging them to form cooperatives might improve the nature of their activities. • Gaps already identified in the National Forest Policy (1999) are addressed.
• Promote and strengthen farmers and fisher-folk organizations (associations, cooperatives) that respond appropriately to market signals	• Long term capacity building in advocacy to influence policy, mobilization of resources, negotiation and partnerships. • Develop awareness campaigns on market opportunities amongst association members. • Develop and strengthen links (networks) between actors along the marketing chain from producer to final consumer.	• Effective market-oriented cooperatives and other farmers' organizations. • Increased adoption of producers interests in policies and programme implementation • Long term capacity-building programmes established to create effective, market-oriented farmer organizations along the value-chain.	• MANR, MLF, MTIM, OCGS, MoSPO, MLEEC, MSWYWCD, Municipal Authority, District Council NGOs/CSOs, ZNCCIA.	• Gaps already identified in the Draft Cooperative Development Policy are addressed. • Financial services available to support farmer organizations; although new group formation should not be driven by external support. • Risk protection instruments should form part of strategy for strengthening farmer organizations.
• Promote the use of relevant products from domestic markets for safety-net programmes.	• Encourage and sensitize donor community to contribute to safety-net programmes. • Establish guidelines to align future procurements for safety-net programmes to stocks that will be held by the proposed Zanzibar Emergency Food Reserve Unit from the domestic markets. • Promote awareness of dietary diversity.	• Guaranteed markets for locally produced rice and other food products. • Increased calories and micronutrients available for at risk households. • Reduced vulnerability to acute food shortages • Strategic food reserve established with clear and adequate distribution system so as not to distort market signals by 2014.	• MANR, MLF, MTIM, OCGS, MLEEC, MSWYWCD, MoSPO, MS-SVPO, Municipal Authority, District Councils, NGOs/CSOs, ZNCCIA.	• Gaps and areas for improvements already identified in the Food Security and Nutrition Policy (2008) are addressed. • Efficient market information and early warning systems in place. • Strong synergies between the ASP, the FSNP, and the Livestock and Fisheries Policies/Acts. • Food safety and quality issues addressed as recommended.

3. Quality, Safety and Availability

This area aims at addressing problem of poor quality of agricultural commodities caused by; poor sanitary and handling techniques; inadequate facilities and standards. The implementation of this area envisages on improving quality, safety and standards of agricultural commodities to enhance their value and minimise health risk; and promote certification of agricultural products. Under this area the following activities are proposed:

Implementation Strategies	Actions Required	Outputs/outcome	Key Implementing Actors	Assumptions/Risks/ Comments
• Develop training, awareness and educational campaigns for market participants along the value-chain including for niche markets (supermarkets, restaurants and hotels)	• Determine training needs of various stakeholders, produce innovative communication materials on basic food safety and quality issues, and facilitate dissemination. • Provide enhanced training on food quality and safety related issues to actors along the market value chain (importers, producers, suppliers, traders, consumers, etc). • Improve and enforce compliance guidelines to enhance safety and quality along the marketing chain for domestic, regional and international markets. • Provide the necessary facilities and equipment for	• Long term capacity-building programmes established which deliver increased understanding and compliance of the rules and regulations on food safety along the value-chain. • Improved compliance of quality, safety and technical standards both in the domestic and international markets. • Developed and improved abattoirs, butcheries, fish landing sites and public retail and auction points with enhanced quality and minimal health hazards. • Adequate supply of produce according to market requirements.	• MANR, MLF, MoEVT, MTIM, OCGS, MoSPO, MLEEC, MSWYWCD, Municipal Authority, District Councils, ZBS, NGOs/CSOs, ZNCCIA.	• Specific type and scope of training identified and organized as per identified needs. • Success depends on actions taken to improve, streamline and harmonize the legal, regulatory and institutional frameworks. • Participation of private sector should be emphasized in all stages of training developments (from diagnostic to delivery, evaluation and feedback). • Overdependence on external support might limit the effectiveness of related training activities. • Equipping of the ZBS with adequate resources will be

	proper monitoring of quality, standards and regulations.			crucial.
• Strengthen and harmonize mechanisms for grading and handling of commodities	• Improve awareness on appropriate grading and handling of the commodities for both the domestic and international markets. • Enforce the use of existing guidelines for weight, measurements and quality systems for agricultural produce. • Develop effective accredited processing and packaging centres for agricultural commodities. • Strengthen the relevant institutions to carry out regulatory activities to ensure compliance with international trade and safety standards of the FAO/WHO-SPS, OIE, etc. (OIE = Organization for Animal Health).	• Updated and operational rules and regulations on grading and standards for agricultural commodities. • Improved capacity of district/municipal authorities, customs, etc. in enforcing regulatory standards. • Proper grading and handling systems in place for agricultural commodities. • Improved quality and price of agricultural products.	• MANR, MLF, MTIM, OCGS, MoSPO, Municipal Authority, District Council, ZBS, NGOs/CSOs, ZNCCIA.	• Success depends on actions taken to improve, streamline and harmonize the legal, regulatory and institutional frameworks. • Need to ensure that standards comply with both regional and international norms.
• Promote the development and value addition of spices to enhance their profile among Zanzibar's tourism industry and for export	• Support research, knowledge sharing to promote new and diversified spice products from Zanzibar (including composites) for various	• Improved quality and availability of diversified spices and spice products/composites that meet the tourist industry and export requirements.	• MANR, MLF, MTIM, OCGS, MLEEC, MSWYWCD, MoSPO, Municipal	• Address weaknesses and develop synergies between: the Zanzibar Industrial Policy (1998), the National Forest Policy (1999), the Zanzibar Investment Policy (2005), the

	uses. • Increase support including market-sensitive training to small entrepreneurs. • Make information on related products and firms widely available – through Internet, trade fairs, diplomatic missions, etc. • Implement the clove development strategy to support clove marketing and trade. • Equip the ZNCCIA to enhance its role in facilitating spices marketing and trade.	• Improved access to information on related products, market trends and opportunities. • More small entrepreneurs connected to the local and export markets. • Expanded membership in ZNCCIA involving more small entrepreneurs.	Authority, District Councils, ZBS, NGOs/CSOs, ZNCCIA.	Zanzibar SME Development Policy (2006), the Trade and Tourism Development Policies. • The Sector-Wide Approach advocated under the TAFSIP might be helpful though its interventions strongly depend on donor aid. • Support to ZNCCIA should be targeted in specific/relevant districts (based on comparative advantage).
• Support the smooth functioning of the Zanzibar Bureau of Standards to address issues of input and output quality and standards, building on *CODEX Alimentarius* and the OIE.	• Improve capacity of ZBS in terms of human and facilities. • Strengthen the ZBS to effectively enforce and realign existing standards with regional and international standards. • Improve support for veterinary support services in the MLF. • Establish and strengthen the Competent Authority for certifying safety of fish and	• ZBS is effectively fulfilling its mandates. • Acceptability of Zanzibar agricultural products in regional and international markets with the "ZBS" seal. • Veterinary support services strengthened and strongly linked with ZBS. • Competent Authority established and strengthened and strongly linked with the ZBS.	• MANR, MLF, MTIM, OCGS, MoSPO, Municipal Authority, District Council, ZBS, NGOs/CSOs, ZNCCIA.	• Overdependence on external support might limit the effectiveness. • Potential leakage of existing trained technical staff. • It might take a long time for the ZBS seal to be accepted in regional and international trade.

	other aquatic products.			
• Protect “Zanzibar” as a Trade Mark for branding of Zanzibar products	• Investigate and take action to protect the Zanzibar trademark as required under the geographic indication provision of the WTO TRIPS Agreement. • Develop capacity in the WTO related Agreements and issues – TRIPS, GIs, WIPO, etc. (WIPO=World International Property Rights Organization). • Maintain strong linkage with the Business Registration and Licensing Authority (BRELA) in the Mainland as the focal agency for TRIPS related issue in Tanzania.	• Secured operational and protected Zanzibar brand (Zanzibar trade mark). • Zanzibar trademark widely used for various products. • Royalties from the use of the “Zanzibar” trademark.	MANR, MLF, MTIM, OCGS, MoSPO, Municipal Authority, District Council, ZBS, NGOs/CSOs, ZNCCIA, BRELA	• The “Zanzibar” trade mark might already belong to another entity with related protection under respective national laws. • As Tanzania (and other LDCs) has until 1 July 2013 to set up appropriate protection framework under the WTO-TRIPS Agreement, this issue should be included in any protection framework for the Union. • Might be costly to seek protection of the “Zanzibar” trademark especially if claims are challenged by others. • Capacity of institutions involved in trade policy formulation needs to be enhanced with strong synergies developed with the ASLMs, including those in the Mainland.

4. Market Infrastructure

The marketing infrastructure of Zanzibar is generally considered to be in poor condition. This section therefore proposes the following activities to address poor physical infrastructures for transportation, storage, produce handling, processing, packaging, testing and general hygiene, and sanitation:

Implementation Strategies	Actions Required	Outputs/outcome	Key Implementing Actors	Assumptions/Risks/ Comments
• Invest in upgrading and modernising existing physical marketing infrastructures and build new ones in all five regions of the country tailored to the specific needs of each region	• Fast track the upgrading and/or construction of five multi-purpose marketing structures as called for under the MIVARF. • Fast track rehabilitation of three (3) storage facilities as called for under MIVARF. • Develop and enforce code of conduct for proper handling of products and use of marketing facilities and services. • Fast track construction of the proposed central fish market and processing complex under the Japanese Government support. • Provide incentives (such as reduction of tariffs, tax exemption, etc) to stimulate private sector investments in agricultural markets, storage	• The five market structures in place and operational by 2017; • Central fish market complex in place and operational by 2015. • Developed and improved abattoirs, butcheries, fish landing sites and public retail and auction points with enhanced quality and minimal health hazards. • Increased competitiveness of products along the value-chain. • Increased number of PPP projects on marketing infrastructure development.	• MANR, MLF, MTIM, OCGS, POFEDP, MoSPO, Municipal Authority, District Council, ZBS, NGOs/CSOs, ZNCCIA.	• Overdependence on external support with various development partners whose activities might not be in harmony may limit the effectiveness. • MIVARF funding available, government, and districts fulfil their obligations in terms of contributions in a consistent and timely manner. • Japanese support available in a consistent manner and small holders encouraged participating in fish processing.

	facilities and related supplementary facilities.			• Financial services available to support private sector investments. • Private sector allowed participating in areas where they have comparative advantage over the public sector. • Effective legal, regulatory and institutional framework in place.
• Establish effective marketing information and communication systems covering the value chain	• Develop and facilitate innovative methods of information collection and dissemination at national, district and shehia levels.	• Harmonized and user-friendly data market information data base accessible to actors along the marketing chain. • Media campaigns and other innovative information dissemination systems available.	• MANR, MLF, MTIM, OCGS, MoSPO, MICS, MoITS, Municipal Authority, District Council, ZBS, NGOs/CSOs, ZNCCIA.	• Operationalization of food safety policies though effective legal and regulatory systems; • informed decision-making process among different market actors lead to effective functioning of marketing system.
• Upgrade existing feeder roads within the existing Transport Master Plan with a view of improving marketing efficiency of agricultural products	• Fast track rehabilitation of 192 km of feeder roads as called for under MIVARF. • Fast track construction (24 km); rehabilitation (26 km)	• At least 247 km of feeder roads are constructed /rehabilitated by 2017. • Improved and expanded road networks that are	• MANR, MLF, MTIM, OCGS, MoSPO, MIC, POFEDP, Municipal	• Strong synergies needed between MIVARF and TAFSIP. • Support should also
	and spot maintenance (50 km) pavement (200 km) of feeder roads as called for under TAFSIP. • Facilitate rehabilitation and/or construction of other feeder roads that are not covered under MIVARF and TAFSIP.	linked to markets. • Reduced cost enhances availability and profit of market participants.	Authority, District Council, ZBS, NGOs/CSOs, ZNCCIA.	be provided to develop and rehabilitate major roads in districts that link to markets. • Enforcement of proposed guidelines on the transportation of agricultural commodities is essential.

5. Access to Credit and Other Financial Services

Financial services are important for agricultural development, and producers need financial services to acquire necessary inputs and services for increased productivity. This section outlines the actions required to address financial services to stakeholders along the market value chain.

Implementation Strategies	Actions Required	Outputs/outcome	Key Implementing Actors	Assumptions/Risks/ Comments
• Promote the use of inventory credit or warehouse receipt system (WRS)/collective marketing arrangements	• Examine feasibility of establishing warehouse receipt systems for cereals in Zanzibar. • Fast track rehabilitation of three (3) storage facilities as called for under MIVARF and based on feasibility study from above determine if warehouse receipt systems could be established on them. • Support the formation of commodity based/cluster associations to enable pooling of larger quantities of goods so as to benefit from economies of scale. • Provide incentives for private sector participation drawing on good practices in the EAC region. • Develop capacity of	• Information on feasibility of establishing warehouse receipt system is available by 2013; • Three storage facilities in place and warehouse receipt systems operational by 2017; • Effective cluster associations formed and/or strengthened by 2014; • Private sector participation enhanced; • Capacity building programmes developed and updated regularly based on market developments and trends.	• MANR, MLF, MTIM, MLEEC, POFEDP, OCGS, MoSPO, Municipal Authority, District Councils, ZBS, NGOs/CSOs, ZNCCIA.	• Strong dependency on public sector (or external) financial support may inhibit private sector participation. • Lessons should be drawn on experiences from the Mainland and elsewhere in the region. • Technical capacity on management of WRS needs to be enhanced along the value-chain.

	producers and traders in the use and opportunities of WRS.			.
• Enhance the existing schemes (ROSCAs, SACCOs, SACAs, etc) for credit provision to small scale producers and traders;	• Capacity building to improve performance of the relevant support institutions. • Improve access to sustainable financial services and develop outreach to non-members to enhance participation. • Support partnerships with ZNCCIA, CSOs/NGOs for training and technical assistance and financial management issues	• Increased access to loans and credits to guarantees provided by the MIVARF project to commercial banks; • Increased participation and improved financial management skills of market participants. • Improvements in business operations of small scale farmers and traders and other service providers along the marketing chain. • Guaranteed and flexible loans for small farmer and traders based on unique marketing niche. • Increased numbers of self-financing and innovative schemes in place.	• MANR, MLF, MTIM, OCGS, MLEEC, POFEDP, MoSPO, Municipal Authority, District Council, ZBS, NGOs/CSOs, ZNCCIA.	• Existing micro financing schemes should be enhanced. • MIVARF support available and targeted based on objectively designed criteria. • Innovative approaches to agribusiness development and deep understanding of marketing trends is required for existing scheme management.
• Speed-up the establishment of the rural/agricultural development bank as called for in the Agricultural Sector Policy (2002);	• Explore appropriate mode of operation of the proposed bank to align with cultural and religious interests including the use of "Islamic financing". • Capacity building to improve performance of the relevant support institutions. • Improve access to sustainable financial services especially to respond to the specific situation facing small holders.	• Bank established with appropriate mode of operation to address the needs of stakeholders. • Improved credit environment and business operations of small scale farmers and traders and other service providers along the marketing chain. • Increased participation and improved financial management skills of market participants.	• MANR, MLF, MTIM, OCGS, MoSPO, MLEEC, POFEDP, Municipal Authority, District Councils, ZBS, NGOs/CSOs, ZNCCIA.	• Availability of external sources of financings should not be the main determinant of the bank establishment. • Increased access to loans and credits including guarantees provided by the MIVARF project to commercial banks and other MFIs.
• Establish mechanisms to provide export guarantees and pre-shipment trade financing for agricultural commodities that are internationally traded.	• Determine specific requirements and develop financing services that respond to those specific needs (including those of small holders and traders/businesses and SMEs). • Provide incentives for private sector institutions and parastatals to participate in the provision of trade financing.	• Appropriate scheme established with specific financing instruments tailored to a variety of exporters and importers. • Improved financing environment and business operations of small scale farmers and traders linked to the regional and global marketplace.	• MANR, MLF, MTIM, OCGS, MLEEC, POFEDP, MoSPO, Municipal Authority, District Councils, ZBS, NGOs/CSOs, ZNCCIA.	• Knowledge and opportunities in trade financing schemes should be effectively communicated. • There should be special arrangements for small holders, traders and SMEs to access bank services. • Legislations for establishment should be in harmony with the SME policy, the ASP, the draft Cooperative Development Policy and others as are relevant.

6. Agro-Processing and Value Addition

Processing and value addition of agricultural produce is very important catalyst for increased production and productivity. In Zanzibar, where there is limited opportunity for expansion of cultivation due to land pressures, one way to increase productivity is by adding value to existing output. This section therefore addresses issues of limited scope of agro-processing and value addition as follows:

Implementation Strategies	Actions Required	Outputs/outcome	Key Implementing Actors	Assumptions/Risks/ Comments
• Take concrete steps to enhance knowledge and information sharing amongst the relevant stakeholders on agro-processing and value addition.	• Support groups to assess the opportunities and constraints to value-addition based on prioritized production and marketing activities. • Train processors on management and value addition (processing and product differentiation through branding, compliance with standards and food safety measures, organic and environmental certification). • Support training of agricultural producer's cooperatives on marketing, business skills, product handling and processing. • Develop special campaigns for promoting the "Zanzibar" brand as a	• Increased share of value-added products from small and medium-scale producers and processors. • Business and technological capacities of agro-processors strengthened. • Developed and improved abattoirs, butcheries, fish landing sites and public retail and auction points with enhanced quality and minimal health hazards. • Increased competitiveness of products along the value-chain.	• MANR, MLF, MTIM, MLEEC, POFEDP, OCGS, MoEVT, MoSPO, Municipal Authority, District Councils, ZBS, NGOs/CSOs, ZNCCIA.	• Effective Legal and regulatory framework in place. • Increased access to loans and credits including guarantees provided by the MIVARF project to commercial banks and other MFIs. • Innovative approaches to agribusiness development and deep understanding of marketing trends and requirements.

	Geographic Indicator (G.I) both domestically and in the export markets.			
• Broaden institutional capacities to specifically provide services related to value addition and agro-processing	• Facilitate linkages with business development units (quality assurance and packaging development); • Develop or update service provider database and promote participation of service providers in on-the-job training activities. • Establish linkages with financial service providers for processing and other value addition investments (example matching grant facility), as well as offer support to prepare bankable project proposals.	• Increased share of value-added products from small and medium-scale producers and processors. • Business and technological capacities of agro-processors strengthened. • Linkages between processors and service providers facilitated.	• MANR, MLF, MTIM, OCGS, MoSPO, Municipal Authority, District Council, ZBS, NGOs/CSOs, ZNCCIA.	• Strong partnerships between public sector and private sector including the ZNCCIA, CSOs/NGOs etc.
• Encourage the private sector and parastatals to take the lead in investing in agro-processing and value addition activities either independently or in partnership.	• Sensitize potential private sector investors and parastatals on the opportunities in the agro-industrial sector. • Provide incentives in private sector investments in agricultural markets, storage and processing facilities. • Facilitate utilization of value-added products in the domestic market including the tourism sector.	• Increased investment and participation by private sector in all stages of the value chain. • Increased utilization and sales of high quality domestically produced high-valued products available in the domestic market. • Reduced importation of similar high-valued products produced in Zanzibar.	• MANR, MLF, MTIM, POFEDP, OCGS, MoSPO, Municipal Authority, District Councils, ZBS, NGOs/CSOs, ZNCCIA.	• Effective and market sensitive legal and regulatory environment in place. • ZBS operational and credible. • Credit and financial services are supportive of private sector participation. • Effective protection from imports of similar products in place during the early stages of investment.
• Provide incentives for Zanzibaris in the diaspora to invest in agro-processing and value addition activities	• Sensitize potential private sector investors on the opportunities in the agricultural sector; • Study good practices elsewhere in attracting diaspora investment and align them to suit Zanzibar situation. • Provide appropriate incentives for diaspora to return and invest in agro-processing activities.	• Increased investment and participation by Zanzibaris in diaspora in all stages of the value chain. • Increased income, skill development and employments opportunities.	• MANR, MLF, MTIM, POFEDP, OCGS, MoSPO, Municipal Authority, District Councils, ZBS, NGOs/CSOs, ZNCCIA.	• Existence of legislation on dual nationality. • Ease of doing business and nature of incentives provided. • Joint ventures encouraged as part of national investment policy.

7. Regional and International Trade and Marketing Issues

Being a small island Zanzibar is constrained by limited internal markets for its products. Thus there is a need to harness the market opportunities that are available at regional and global levels. This section addresses linkages and opportunities that Zanzibar could benefit in promoting regional and international marketing of its agricultural products as follows:

Implementation Strategies	Actions Required	Outputs/outcome	Key Implementing Actors	Assumptions/Risks/ Comments
• Effective participation in regional and international trade negotiations	• Provide training and information for local importers and exporters to enhance their capacity to understand international trade issues. • Facilitate participation of non-state actors in trade negotiations and trade policy development. • Streamline and effectively enforce regulations related to compliance with commitments in both domestic and international markets. • Build partnerships with countries of similar development interests. • Evaluate likely threats of the EPAs and other trade Agreements relative to the	• Trade Agreements that protect the development interests of Zanzibar evaluated. • Increased participation and influence of non-state actors in trade negotiations and policy processes. • Trade, business and investment climate improved for both small and large scale participants. • Improved partnerships with countries of similar development interests. • Improved and development friendly provisions in the EPAs, WTO and other trade	• MANR, MLF, MTIM, OCGS, POFEDP, MoSPO, Municipal Authority, District Councils, ZBS, NGOs/CSOs, ZNCCIA.	• Possible conflicts of interests between the public, private and non-state actors. • Ensure ratification of relevant provisions of international trade and related undertakings. • Should not support a WTO-plus undertaking in any regional and bilateral agreements. • Development of deep sea fishing activities should not solely depend on external financial resources.

	WTO Agreements. • Build capacity to effectively utilize and monitor deep sea fishing activities.	related agreements. • Increased income from deep sea fishing activities.		.
• Improve export promotion through linkages of potential exporters and markets .	• Strengthen the export promotion agency under the MTTI and ZNCCIA to create linkages with potential partners. • Strengthen ZIPA as a one-stop facility to also include the provision of export related services (e.g. act as competent authority for fish export code). • Ensure that the activities in the Free Economic Zones have backward linkages to the agricultural sector.	• Trade, business and investment climate improved for both small and large scale participants. • Increased trade in diversified high-valued products in the market. • Increased flow of investment and skill development through activities in the Free Economic Zones.	• MANR, MLF, MTIM, OCGS, POFEDP, MoSPO, Municipal Authority, District Councils, ZBS, NGOs/CSOs, ZNCCIA.	• Effective and harmonized legal and regulatory frameworks consistent with regional and international standards and norms. • ZBS operational and credible. • Free Economic Zone should be operational with activities that utilize much domestic inputs with technological spill-over into the domestic market. • Institutional framework should be rationalized and streamlined based on good practices elsewhere in the region.