

# Impact of Multi-Stakeholder Dialogues in Agriculture: The Case of Sunflower Sector Development in Tanzania

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## Abstract

Agriculture development have tended to disregard the efficacy of multi-stakeholder dialogues (MSDs) in bringing lasting change to the poor small-scale producers in developing countries. Though the proponents of MSDs promote the application of MSD methodology, handful examples exist of how it fosters business-enabling environment in the agriculture sector and benefit the smallholder farmers. Thus, this case study demonstrates the power of multi-stakeholder dialogues (MSDs) in coordinating ecosystem market actors' increased industry voice in edible oil/seeds, with example from sunflower development in Tanzania. The case study is a flashback to SNV's experience in influencing edible oils policy changes in the country through MSD methodology. The case study draws an example from SNV Netherlands Development Organisation's experience in facilitating series of multi-stakeholder dialogues in sunflower sector development using a framework of Oilseeds Multi-stakeholders Forum (OMSF). From highly uncoordinated actors to alliance building, the case study attests the uniqueness of MSDs in reforming, tackling policy and market constraints in sunflower value chain in the country. The initiative resulted in the establishment and development of alliances- the Tanzania Edible Oilseeds Association (TEOSA), Tanzania Sunflower Processors Association (TASUPA), Sunflower Oilseeds Processors Alliances (CEZOSOPA and UMAMBE). TEOSA and TASUPA in collaboration with the sunflower oil processing alliances of CEZOSOPA and UMAMBE, succeeded in changing sunflower business environment in the country. After succeeding in claiming space in the Ministry of Industries, Trade and Investment task force, the alliances managed to influence, for the first time in sunflower history in Tanzania, the government to come up with a five years sunflower development strategy.

**Keywords:** Sunflower, Value Chain, Accountability, Multi-stakeholders, Dialogue, Farmers, Market Actors, Alliances,

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## 1. Background

Despite the existing countrywide agro-ecological conditions suitable for edible oilseeds production, especially sunflower, Tanzania imports more than 60% of domestic demand for edible oil (BOT, 2017). Imports of crude edible oil have been increasing annually, from 0.3 million tons in 2012, reaching 0.5 million tons in 2015 (ibid, 2017). The main imports source countries are Singapore, UAE, Indonesia and India. Crude palm oil dominates the imports of edible oils, accounting for 44.1 percent of the total during 2015. This situation is associated with Tanzania's history of state-controlled businesses and marketing in the agriculture sector. The notion of entrepreneurship and private sector institutional development is still at nascent stage. This has rendered edible oilseeds subsector actors uncoordinated for policy influencing. Limited industry voice for influencing on policy and existing regulatory framework is creating opportunity for rent seeking. The uncoordinated subsector also leads to low productivity at farm level, limited access to finance and markets for producers and processors. Lack of industry coordination affects about 4 million smallholder farmers engaged in the production of edible oilseeds, especially sunflower and sesame (URT, 2009 and URT 2016).

### 1.1. Rationale for Intervention

On the whole, Tanzania economy heavily depends on agriculture. According to Deloitte (2018, p11) "agriculture is the single largest employer of the country, currently employing 65% of the population. In 2015, it contributed 29.0% of the GDP, while in 2016 it is estimated to have contributed 29.1% of the GDP". In fact, the sector accounts for 45% of gross domestic product and 30% of the nation's foreign exchange earnings (NSGRP II and I). Agriculture, therefore, is at the heart of the fight against poverty in the country and wealth building. The National Strategy for Growth and Reduction of Poverty (NSGRP II and I) including the recently developed Agriculture Sector Development Strategy (ASDP II) targets rural areas where about 87% of over 53 million Tanzanians live. Thus, agriculture is a key sector, both in terms of economic value, as well as looking at the demography of the country. To the contrary, the sector is still underdeveloped due to a number of factors, which include weakly developed private sector, heavy government control in business and the economy as a whole ("socialist heritage"), and inadequate government investment in agriculture.

As a result, over the past thirty years, Tanzania's agriculture has largely remained at subsistence level. Agriculture exports have stagnated for the past twenty years. However, the business climate is slowly improving, and the government of Tanzania has started to prioritize efforts to uplift agriculture, opening up to private sector

led transformation – as laid down in the Tanzania Development Vision 2025 and the Agriculture Sector Development Strategy II (URT, 2018). Similarly, the establishment of Sothern Agricultural Growth Corridor of Tanzania (SAGCOT) in 2010 at the World Economic Forum with the objective of fostering inclusive and successful agribusiness in partnership with the private sector (ASI, 2015). A home-grown government initiative such as Kilimo Kwanza (2010), coordinated by the Tanzania National Business Council, aims at stimulating a private sector-led Tanzanian Green Revolution, and market –driven agricultural growth. Despite the unfolding positive strategies and improving business climate, sub-sectors analysis clearly showed that crops, such as sunflower, have had received scanty development attention and was not part of the government strategy to benefit the smallholder famers involved in the production and marketing of the crop (MMA, 2005).

To foster the performance of agriculture in Tanzania, SNV-Netherlands Development Organization, positioned its country programs in the sector and was informed by and aligned with the Government of Tanzania Development Vision 2025, the *Kilimo Kwanza* (agriculture first) initiative, the Agriculture Sector Development Strategy and National Strategy for Growth and Reduction of Poverty (NSRGP I, 2005-2010; NSGRP II). The NSGRP II and I welcomed initiatives that have value added to agricultural products in order to accelerate GDP growth rate, reduce unemployment and promote private sector investment.

## 1.2 About SNV

SNV is a not-for-profit international development organisation that has been present in Tanzania for over 40 years. Founded in the Netherlands in 1965, they have built a long-term, local presence in many of the poorest countries in Asia, Africa and Latin America. The global team of local and international advisors work with local partners to equip communities, businesses and organisations with the tools, knowledge and connections they need to increase their incomes and gain access to basic services – empowering them to break the cycle of poverty and guide their own development. SNV is dedicated to a society in which all people, irrespective of race, class or gender, enjoy the freedom to pursue their own sustainable development. They help to alleviate poverty by focusing on increasing people's income and employment opportunities in specific productive sectors, as well as improving their access to basic services including water, sanitation and hygiene, and renewable energy. SNV's goal is to catalyse sustainable development processes. They support people to access and develop the capabilities, services and opportunities needed to live a healthy, productive and otherwise fulfilling life, while sustainably using the natural resources they depend on. SNV specializes in supporting the resourcefulness of market actors. Together they develop local capacities, strengthen governance systems, and make markets work for the poor by leveraging on multi-stakeholder dialogues and processes.

## 2. Problem statement

Although proponents of inclusive business have ranked Multi-stakeholder Dialogue (MSD) high as a methodology that can increase market actors' industry voice in agriculture development and bring lasting change to smallholder farmers, its application, benefits and results have often remained undocumented. Dodds and Benson (2018, p1) claim that “with sufficient time, resources and preparation, an MSD can be a very effective tool for bringing diverse constituencies together to build consensus around complex, multifaceted and in some cases, divisive issues”. However, despite these promising outcomes, it seems there is no concrete evidence shared from the field on the outcome of MSDs, at least in a form of a case study, to demonstrate the efficacy of the MSD methodology in developing quality and inclusive partnership in addressing stakeholders concerns in the agriculture sector.

In another case, Nyoh (2018) argues that the MSD is an approach recently recognised, as a method to facilitate partnerships and collaborations, but shares no evidence from the agriculture sector that encourages practitioners to embrace the approach. In fact, “in the UN systems, it is used in ensuring that the voices of all actors are heard and enabling more effective and coordinated implementation of the global policy on sustainable development” (ibid, p1). This is impressive, but it does not provide specific lessons from the Agricultural sector. Arguably, it is imperatively significant and high time to highlight with examples of MSDs successes from the agriculture development programmes. A case in point in this case study is documenting SNV's experience of MSD methodology in edible oilseeds in Tanzania as a good practice, on how development programmes and partners could use this technique to devise quality and inclusive interventions in the rural context.

Before sharing on the case study, it is important to review on, at least briefly, the notion of multi-stakeholder dialogue (MSDs) in the development context.

### 2.1. The Notion of Multi-stakeholder Dialogue (MSD)

The notion of multi-stakeholder dialogue is diverse, but scholars come into one page of shared understanding of this important and colossal term. Hemmati et al (2001, p35) consider the term multi-stakeholder dialogue as a term that describes processes which “aim to bring together all major stakeholders in a new form of communication, decision-finding (and possibly decision-making) on a particular issue”. The standpoint of this

definition pegs itself on what the technique ought to achieve. Thus, the application of multi-stakeholder dialogues focuses on results-based approach. The World Bank pins down multi-stakeholder dialogue as “a process by which stakeholders are actively involved in the design, delivery, review and improvement of products and services (including political and social services). Stakeholders are involved to ensure gains over the long term. Stakeholder theory describes organizational connections to stakeholders addressing how stakeholders can enhance an organization and become more engaged” (World Bank 2018, p1). The World Bank approach to defining the term multi-stakeholder dialogue is on exploring what happens with the stakeholders’ i.e focusing on engaging stakeholders in participatory way to pursue a certain course of action. In fact, the World Bank views MSD as “an interactive, working communication process that involves all types of stakeholders in decision-making and implementation efforts” (ibid, p1).

Additionally, Heydenreich (2008) refers to MSD as Multi-Stakeholder Process (MSP) and defines it as a form of social collaboration. Thus, scholars use the terms MSDs and MSPs interchangeably to mean almost the same thing. MSDs and MSPs are constructive engagement of actors to collaborate, in a sustainable development. The aim of MSDs and MSPs, is “to bring those different actors into constructive engagement, dialogue and decision-making in order to collaboratively improve a situation characterised by common and conflicting interests” (ibid, p3). Therefore, for an MSD process to be productive requires a team of well-seasoned facilitators and honest brokers who are able to “actively monitor concerns of all legitimate stakeholders, and should take their interests appropriately into account in decision-making and operations” (ibid, p4). To that effect, the methodology demands for capacities in facilitation knowledge and skills. These range from “the capacity to engage with the complex political context underpinning the rationale for the MSP, to the capacity to work with individuals and groups in a way that enables them to challenge themselves and each other in the quest for new approaches and collaborative learning” (Brouwer et al, 2015, p1).

To conclude, the acknowledgement attributed to the benefits of MSDs in the agriculture; seem to have provided incentives to development programs such as SNV-Netherlands Development Organization in Tanzania, to explore and apply, in practice, the value added of the MSD approach in edible oilseeds value chain development in the country.

### 3.0. Methodology

In view of the context of agriculture business and marketing in Tanzania, where the enabling business environment, in terms of providing and enforcing conducive regulatory framework is still rudimental, SNV used multi-stakeholder dialogue methodology to unlock the potential of the edible oilseeds sector in the country. SNV used the Multi-Stakeholder Dialogues methodology, informed by subsector analyses, to identify functional and institutional issues impinging on edible oilseeds. Eventually the Multi-Stakeholder Dialogues facilitated the formation and development of alliances, which in turn built on the MSD processes as an instrument of change, fielding support from market actors in the country and partners with facilitative, brokerage and technical support from SNV senior advisors.

In the implementation of MSD process for edible oilseeds value chain development, SNV stood out as a convener, facilitator, mediator and honest broker in opening up the edible oilseeds market systems in Tanzania. SNV was key organization instrumental in initiating, designing, facilitating and carrying out the MSD process while keeping market actors connected.

### 3.1 Objective

The MSD process aimed at facilitating the establishment and development of alliances of edible oilseeds actors and enterprises for advocating reforms, tackling policy and market constraints. In fact, Heydenreich (2008, p3) endorses the aim of the MSD methodology and underlines it as “to bring those different actors into constructive engagement, dialogue and decision-making in order to collaboratively improve a situation characterised by common and conflicting interests”; more specifically:

- Generating specific information on legal and regulatory issues and key value chain actors, through subsector analysis, policy benchmarking and actor mapping, in order to broaden sunflower and sesame actors’ understanding of the policy environment and value chains dynamics.
- Develop alliance of sunflower and sesame actors (farmers, processors, civil society organizations, traders) at regional and national level to strengthen industry voice to advocate for an enabling domestic policy environment at national, regional and district level. Advocacy focus includes multiple taxation and levies, Agriculture Marketing Cooperative Societies (AMCOS) autonomy and voice in operating as enterprises.
- Engage with political actors, especially councilors, to support a more effective, efficient and better-resourced agricultural extension service.
- Seek complementarity with other organizations supporting edible oil VCD at local and national level.
- Developing partnership, collaboration with other market actors and development.

Thus, the core business of SNV through MSD was to capacity develop and facilitate processes, whereby key stakeholders jointly analysed and addressed identified constraints. The approach of conducting series of MSDs in the edible oilseeds value chain development underwent through three phases as presented in the subsections that follow.

### **3.1 Phases of MSDs in Edible oilseeds Value Chain development**

This section provides highlights of the three phases as key milestones of MSD methodology accomplishments in edible oilseeds value chain development in Tanzania. Since its initial positioning in 2005, the SNV interventions in edible oilseeds went through three phases with guidance from the MSD process. The phases are as follows: Phase I (2005-2007) on Market Access for the Poor; Phase II (2007-2009) for Impact Orientation; Phase III (2010-to date) on Business links, Impact Investment and Accountability.

#### **3.1.1 Phase I (2005-2007) Sub-sector Analysis and Actor Constellation**

In 2005, SNV contracted a professional local organization Match Maker Associates to collect secondary data for subsector analysis in the agriculture sector. Match Maker shortlisted potential subsectors for SNV intervention. This step was key and instrumental in the setting up the series of MSDs process (MMA, 2005).

In order to make a meaningful MSD process, identification of market actors needed high attention. In the early sub-sector analysis, mapping of actors identified main categories of actors in the edible oilseeds and distinguished as government, producers and processors.

In the period of 2005-2007 SNV was applying the Market Access for the Poor (MAP) approach as key “practice area”. This entailed a focus on four specific aspects i.e. financial services, market links, economic research and development (R&D) and rural enterprise development. SNV’s MAP working modality consisted of providing advisory services in building farmer-to-firm relationships. SNV advisors provided these services on a one-to-one client-SNV relationship. The market access for the poor approach was a more technical one i.e. addressing functional issues related to provision of inputs, production, and processing and market access. Advisors were involved in conducting training to producers on agronomic practices of sunflower production and other related technology.

Key areas for sunflower production in the 2005s were Central Zone regions of Dodoma, Singida and Manayara. The production of sunflower in the three regions stood at an average of 200 kgs per acre (MMA, 2005).

#### **3.1.2 Phase II (2007-2009) Impact Orientation**

In 2007, SNV entered into a second phase 2007 – 2015. During this period, SNV identified three entry points in the MSD process for the sunflower value chain development. They included instituting Industry voice, enhancing processing and Production capacity. To achieve this focus, SNV commissioned a study through a Local Capacity Builder, EARDP – Community Initiatives, to carry out institutional mapping of alternative financial organizations with prospects for the oilseeds sub-sector. The outcome of the study was circulated among CEZOSOPA members enabling them to identify which financial institutions would be instrumental for expanding their business (Banzi, 2009). In order to enhance the process, a local capacity builder, Computer Promotions Ltd (CPL) was engaged to assess the quality and operations of financial management systems among CEZOSOPA members. Consequently, tying the findings from the two studies resulted into coaching avenues to CEZOSOPA members in improving their financial management practices, thereby making them ready to access investments.

In 2008, SNV conducted a capacity building needs’ assessment of CEZOSOPA. One of the capacity areas was how to access information on alternative value chain financing. Conventional financing institutions, such as banks, were not accessible to processors, due to the need for collateral and high interest rates.

Late 2008, SNV commissioned a quick scan to identify opportunities to replicate the unfolding sunflower experiences from the central corridor to Lindi and Mtwara regions (Kikoka, 2008). These regions have about 500,000 agriculture households, of which 45,000 grow sesame – contributing to 70% of the country’s total sesame export accounting for 50,000 MT in 2010 (ESRF, 2008 and NARI, 2018). In response to the findings, in March 2009, SNV and Fair Trade Labeling Organisation co-organized and facilitated a multi-stakeholder dialogue with sesame actors in Lindi and Mtwara (Schulz and Mhanga, 2009)

#### **3.1.3 Phase III: Impact investment and accountability issues (2010 to date)**

The Phase III of SNV’s positioning in edible oilseeds was informed by Public Accountability initiative in Tanzania (PATA) programme. The Initiative aims to explore innovative new avenues to strengthen accountability relationships towards better service delivery. SNV focused on building and transforming relations between citizens and state that limit development potential in the value chain. PATA highlighted elements of dysfunctional local government institutions, and identified weaknesses in the relationship between service users and authorities. A concrete example is the challenge for councilors to oversee – let alone intervene in – local government budget allocations to oilseed development. Similarly, lack of transparency around (multiple) revenues from oilseed production, as well as low prices dictated by Regional Business Councils’ result in

farmers receiving marginal benefits for their produce. In the same initiative (PATA) in partnership with VNG Netherlands, SNV piloted a learning trajectory among local authorities and councilors in benchmarking accountability in agriculture sector, including the oilseeds value chain.

During this phase in relation to impact investment, SNV in collaboration with the Finance Alliance for Sustainable Trade (FAST) organized and co-hosted a third edition of the FAST Financial Fair (FFF), in Arusha, Tanzania, February 16-18, 2011. The FAST Financial Fair (FFF) objective was to contribute to sustainable production by bringing quality financial products. Prior to the event, SNV supported two CEZOSOPA members (Songela Investment Company and Nyemo Investment Company) to prepare and present their financial needs and sustainable business plans.

#### **3.1.4. Developing Sunflower from Institutional Perspective**

In line with the theory of change, an institutional perspective model to VCD (Figure 3) was developed. The model was used in enabling actors reflect on how to address envisaged concerns through Multi-stakeholders Dialogues (MSDs). The model has the following key questions: (a) What agencies of government serve as key actors in the sunflower sector? (b) What private sector operates or is expected to operate in the sunflower value chain? (c) What key non-state actors operate in the sunflower value chain? (d) What actions each of the identified actor undertake at each level of the chain? (e) Are the actions of each actor legitimate or illegitimate? (f) What gap needs to be addressed? (f) What actors have to do differently to make the market actions legitimate for the benefits of the farmers? These questions aimed at visualizing accountability along the sunflower value chain.

Following the reflections on these key questions, SNV embarked on producer and processor group strengthening, facilitating market systems development, value chain financing and enhancing public policy management in the sunflower value chain.

The Institutional Perspective Model served as key instrument for transforming the relationship among actors within the sunflower value chain. According to Eguren (2011), the model is an “instrument for creating and facilitating spaces for multi-stakeholders encounters, space for dialogue, initiatives to coordinate agendas among multiple actors, from public, private and civic institutions”. Arguably, alliances of actors such as TEOSA, TASUPA and CEZOSOPA, got an opportunity to ponder over the six questions of the model.

## **4. Results**

This section presents results of the SNV work delivered through MSD methodology for developing edible oilseeds value chain in Tanzania. SNV’s main role in edible oilseeds development has been to act as a facilitator and honest broker, bringing actors together - who were previously uncoordinated - on matters that affect them. In general, the MSD approach has proven to be an effective way of enabling market actors address the constraints in the edible oilseeds value chain (Mbuvi and Schulz, 2009). Moreover, by bringing actors together they had more power to enter into negotiations with government. In specific terms, this section provides flashback of MSD methodology that SNV applied since 2005 to 2015 in edible oilseeds value chain development in Tanzania.

### **4.1 Selection of Commodities and subsector analysis**

In preparation for series of multi-stakeholder dialogues, SNV undertook first a sunflower and sesame sub-sector analysis in order to get more in-depth understanding of key production and marketing constraints (MMA, 2005). It was important to conduct subsector analysis because, according to Rengasmy (2017, p3), it served as a “tool that can facilitate firms to move to promising technologies and market niches”. An MSD and consultation among 111 organizations from public and private sectors, resulted in the final selection of commodities, which met the criteria of having a large outreach (number of households engaged in production), potential for increased income and employment and in which SNV’s capacity development services can create impact. Identified subsectors were horticulture, cattle and edible oil seeds (sunflower and sesame). After the subsector studies and multi-stakeholder consultation, oilseeds actors in the Central Corridor (Dodoma and Singida regions) asked SNV to facilitate the establishment of an edible oilseeds’ forum. The forum took charge with responsibility of managing stakeholders as SNV took the facilitative and brokerage role in developing edible oilseeds value chain in the country.

Traditionally, sunflower is women’s and poor man’s subsistence crops, with small yields between 135 and 225 kg per acre (ESRF 2007 and ESRF 2008). The oilseeds are grown in the semi-arid areas of the Central zone (Dodoma, Singida, Manyara) and the Southern coast (Lindi and Mtwara regions). These areas receive low and/or poorly distributed rainfall, which affects the production of grains such as maize and rice. These areas are among the poorest of the country and classified as chronically food deficient (USAID, 2011). Implicitly, selection of sunflower as one of the main crops that may contribute to poverty reduction in those areas mean that creating opportunity for increasing household income, expanding avenues for employment and increasing household food security.

#### 4.2 Market Actors Constellation

Understanding market actors of sunflower value chain was the next key step with a view to priority in addressing concerns and power of stakeholder influencing change. Understanding of market actors as stakeholders who have stake in the sunflower value chain is key to exploring “the degree of influence and level of interest of each stakeholder over the relevant issues or possible objectives of the MSP” (Brower and Browers 2017, p33). The stakeholder identified included the following:

- Regional Agriculture officers, providing advisory services to the districts; District Agricultural and Livestock Development Departments in the Local government authorities (district councils), coordinating support services and inputs to farmers. Within these departments, district extension officers, responsible for the provision of extension services to farmers;
- District Planning officer responsible for coordinating district development plans, budget allocation as well as coordinating revenue from agriculture and other economic sectors;
- Councilors, who have overseeing responsibility regarding agriculture development plans and represent the interests of citizens in resource allocation to support the subsector.
- At the producer level, farmers were loosely organised. In the Southeast regions of Lindi and Mtwara, agricultural marketing cooperatives (AMCOs) existed for sesame producers. Sunflower producers do not have such organizational basis, and are operating at an individual level. At regional level, AMCOs organized in cooperative unions.
- Private sector, mainly sunflower buyers and processors. Highly disorganized and uncoordinated with highly level of suspicion of each other, operating in a government with a legacy of state controlled business and marketing of agriculture commodities.
- There are numerous small and medium processing units for sunflower. These used to be highly uncoordinated. Operate in uncoordinated way making them difficult to tackle matters affecting their business, collectively. All processors buy the raw produce from farmers through hawkers, local intermediaries who roam around the area during harvest time. Processors sell oil - mostly unrefined - locally.

Indeed, the mapping of sunflower market actors opened up the understanding on what stakeholders’ priority issues not only needed attention, but also which actor has what level of power to influence for change. Arguably, “making an Importance versus Influence Matrix helps to map out stakeholders and their relation to the issue at stake in the MSP” (ibid, p33).

#### 4.3 Understanding of Institutional issues in Edible Oilseeds

One of the key results of the MSD process in edible oilseeds, sunflower and sesame in particular, included understanding of the institutional issues that impinged in the two sub-sectors, sunflower and sesame in Tanzania. The MSD process revealed that domestic policies resulted in market distorting price setting and taxation that made local edible oil less competitive in comparison to imported palm oil. In addition, local governments set low prices for domestic oilseeds, while external market signals (prices) are not accessible for domestic farmers. This in-turn discouraged oilseeds production, let alone uptake of and investment in innovation such as improved seeds. At the same time, there was uncoordinated, limited industry voice to influence both the domestic policy and the market situation. There was weak organisation among edible oil enterprises, which affected their influence, e.g. on policy and other aspects of enabling business environment. Agriculture Marketing Cooperatives (AMCOs) which are meant to represent the interests of farmers, are co-opted by government (regional business councils) while producers and processors are poorly organised, which limits their access to (market and policy) information, access to inputs, and bargaining power.

#### 4.4 Understanding of Functional Issues in Edible Oilseeds

Production and productivity levels are low. Agro-dealers’ and extension services are not adequately addressing sunflower and sesame production (low quality seeds), nor market needs – consequently, farmers focus on seed colour and not on seed oil content, which limits farmers’ capacity to negotiate for better price. Producers and processors lack the business skills, knowledge and access to alternative financing facilities to grow edible oilseeds businesses to scale. One of the key issues identified during the baseline 2007-2008 is limited knowledge and access to alternative financing for edible oilseed producers and processors.

The above-mentioned key issues were the main obstacles to unleash the identified potential of the edible oil seeds subsector in Tanzania.

#### 4.5 Establishment of Alliances

Series of multi-stakeholders dialogues with actors were organized and late 2006 the Oilseeds Multi-stakeholder Forum (OMSF) was established in Dodoma. The forum had eleven members i.e. farmers, processors, NGOs and public sector - mainly regional agriculture officers. OMSF was representing over one million producers and 200

small and medium processors. The aim of this forum managed to identify constraints and opportunities for improvement of the sub sector (Kilima et al, 2009). In addition, the forum explored ways to enable producers and processors' to influence policy. This included how to increase sunflower production and productivity production techniques to meet national and international demand. In addition, how to improve the industry through strengthening coordination, institutional capacity and skills across the edible oilseeds value chain, especially sunflower and sesame.

The successes of TEOSA attracted funding from USAID funded Business Environment Strengthening in Tanzania – Accountability Component (BEST-AC) for research-based advocacy. The TEOSA alliance used the funding to facilitate establishment and institutionalization of TEOSA Regional Chapters in key oilseed producing regions of Manyara, Dodoma, Morogoro, Iringa, Singida, Mbeya, Lindi, Tanga and Mtwara. One of the key outcomes of this process was the establishment of TEOSA regional chapters in the respective regions.

In addition, SNV has facilitated the establishment of alliances of edible oilseeds enterprises such as CEZOSOPA and UMAMBE. In Dodoma and Singida regions, thirteen CEZOSOPA members improved their performance in achieving economies of scale through collective action in accessing inputs, marketing and access to financial services.

The OMSF and CEZOSOPA models and experiences scaled up in late 2008 into the Northern circuit by the establishment of the Manyara Agriculture Initiative (MAI) and UMAMBE, a processors' cooperative with forty active processing companies, of which two are women owned processing companies. At the same time, SNV - through Faida Mali, a local capacity builder - facilitated the registration of an apex of 35 Agricultural Marketing Cooperatives (Shirikisho la Wakulima wa Alizeti Babati-SHIWABA). To fan the process, RLDC fully engineered the establishment of the national level alliance of sunflower processors known as Tanzania Sunflower processors Alliance, a springboard to CEZOSOPA.

#### **4.6 Influencing Business-Enabling Environment.**

The establishment of TEOSA and CEZOSOPA enabled oilseed actors and processors effectively change government policy for the benefit of the sector (TEOSA, 2010). Other alliances, such as CEZOSOPA and UMAMBE, have successfully promoted pro-poor contracts and market arrangements (Songela Investment Ltd, 2011). Since the OMSF initiative, SNV has facilitated multi-stakeholders processes that led to the establishment of the Tanzania Edible Oilseeds Association (TEOSA) as an intermediary organisation, playing a brokerage and advocacy role for its members. TEOSA has forty active founding members from public, private sector and CSOs, currently representing approximately 80,000 households. The alliance provides a foundation for enhanced industry voice to tackle domestic policy for its members. For example, in 2011, TEOSA tabled the issues of taxation on packaging materials for locally processed products to parliament.

As a result, TEOSA and TASUPA in collaboration with the sunflower oil processing alliances of CEZOSOPA and UMAMBE, succeeded in getting taxes on imported packaging materials for locally processed products removed (Tanzania Financial Act, Schedule 44 (e) of 2011). In 2012, alliances of processors jointly lobbied parliament to increase duty on imported edible oil for the interest of encouraging increased local processing capacity. In addition, the alliances succeeded in claiming space in the Ministry of Industries and Trade-national task force for drawing up sunflower development strategy, for the first time in edible oilseeds history in Tanzania. Arguably, the establishment of edible oil alliances have improved the capacity of business associations to coordinate and advocate for change.

#### **4.7 Access to Finance**

The CEZOSOPA and UMAMBE alliances of enterprises created opportunities among processors for accessing finance from alternative financial institutions and developed closer relationships with producers under contract farming arrangements. Benefiting from SNV capacity building, UMAMBE engaged with the CRDB Bank, where they accessed a loan for succeeding their businesses. As alliance of enterprises, it was easier for the members to negotiate with financing institutions, like CRDB bank, for accessing loan, easier than single-handed processor. The loan enabled UMAMBE to increase their purchasing capacity from producers by 200%. In fact, Mhanga (2010, p3) acknowledges that “forty percent of CEZOSOPA members are now capable of preparing, keeping and managing financial database by using a modern computerized financial accounting system (Quick Books). Enabling these members to assess their financial performance and produce adequate and accurate financial reports to respond to needs of various users has been a tremendous step forward”.

#### **4.8 Partnerships and Development**

The series of MSD process resulted in SNV winning confidence in a number of partners. In the central corridor, SNV collaborated with the Rural Livelihoods Development Company (RLDC) and Concern Worldwide to support further the multi-stakeholder dialogues in the OMSF setting. In 2011, SNV entered into collaborative work with IFAD Funded MUVI programme to upscale TEOSA and CEZOSOPA Model in Iringa region. As a

result, succeeded in the establishment of TEOSA Regional Chapter (MUVI Iringa, 2011). During this period, IFAD through the Strengthening Capacity for Enhanced Market Access and Knowledge Management (SCAPEMA), SNV got considerable financial support in enhancing edible oilseeds actors reflect on the factors constraining the industry and do something about it (Shyers, 2009). In September 2011, DfID agreed to fund SNV in the wider application of accountability approaches in value chain development. In Mbeya region, SNV collaborated with VECO Tanzania and supported smallholder farmers groups in organizational capacity strengthening and market access. The outreach of this action resulted in the establishment of more than 86 sunflower Farmer Groups (SFGs) in Chunya district comprising of 2500 framers and 36 CFGs (PHEDEA, 2011, Malangalila, 2011). The process brought more attention to farmers in engaging in sunflower production as a business.

In Lindi and Mtwara, DESEMP, the Finnish funded program took up the challenge from the TEOSA Regional Chapter and launched a sunflower program with an outreach of 45,000 farmers. To scale up the process Aga Khan Foundation echoed TEOSA's mission and fully supported the development of sunflower sector in the two regions. As a result, the initiative triggered the private sector interest, took up the challenge and one of the investors installed a sunflower processing plant, Tenmar Processing Company, in Masasi, Mtwara region. The sunflower processing plant is pivotal to the sunflower smallholder farmers' household economy. In general, farmers in Lindi and Mtwara never used to grow sunflower. In fact, "traditionally, the major cash crops in the area are cashew nuts, sesame, coconuts and pigeon-peas, the crop whose export market has recently fallen due to changes in Indian pulses-import regulations" Daily News (2018, p1).

#### **4.9 Increased Sunflower Productivity**

In Singida Region, through Local Capacity Builders and in partnership with other actors such as RLDC, SNV engaged 50 sunflower producer groups and 8 processors in contract farming arrangement, as an alternative pro-poor market engagement. The initiative generated steady source of income for the farmers. Processors provided farmers with such embedded services as quality sunflower seeds of high yielding and high oil content variety. As a result, in 2010 the productivity of sunflower in Singida increased from 200 kg to 650 kg/acre. Price for a kilo of sunflower seeds increased to Tsh 800 in 2011 from Tsh 500 in 2009 (Songela Investment, 2010). This has translated to increase in producer income by 150%. In Manyara region, the apex of UMAMBE had more than 1,400 members, of which 280 are women in 2010. The SHIWABA is supporting its members in good farming practices and increased sunflower productivity from an average of 200 kgs per acre in 2007 to 700 kgs per acre. Implicitly, farmers' knowledge and skills for sunflower good agronomic practices has increased compared to the before 2005.

#### **4.10 Improved processors capacity**

In Dodoma, the CEZOSOPA processors developed marketing relation with over 3,500 sunflower producers. As part of the relationship, producers are able to access inputs and other embedded services for sunflower production. As part of market intelligence, the Tanzania Food and Drugs Authority (TFDA) and Tanzania Bureau of Standards certified over 17% of CEZOSOPA members' quality of sunflower oil and can now export their oil (Nyemo Investment Company, 2010). UMAMBE comprises of over forty processing units in Manyara region. MAI and UMAMBE aimed at an integrated approach to address edible oilseeds constraints in the region. Benefiting from SNV capacity strengthening, UMAMBE eventually was able to buy edible oilseeds from more than 20,000 farmers in the Northern Corridor in 2010. Furthermore, SNV capacity strengthening to the Manyara Agricultural Initiative resulted in the Manyara regional secretariat in adopting contract farming arrangement, a model considered to have helped UMAMBE members, on one hand, to have reliable sunflower supplies from farmers and on the other hand, farmers have reliable market.

#### **4.11 Sunflower Sector Development Strategy**

The alliances resulting from the MSDs process i.e TESOSA, TASUPA and CEZOSOPA instigated the government to take up the lead in developing a five years sunflower sector strategy. As a result, through the ministry of Industries, Trade and Investment in collaboration with the Ministry of Agriculture, Livestock, and Fisheries, with technical assistance from the International Trade Centre (ITC) of the World Trade Organization with funding from UK AID, took up the challenge and developed a 97 pages sunflower development strategy (URT, 2016). In fact, the ITC acknowledges active participation of TEOSA and TASUPA to have been essential to ensure the strategy document aligned to the sector's ambition. "The contributions of all sunflower sector stakeholders that participated in the consultations and particularly the members of the Tanzania Edible Oil Seeds Association (TEOSA) and Tanzania Sunflower Processors Association (TASUPA), have been essential to ensure this document is aligned to the sector's ambitions" (URT 2016, piii). The "document represents the ambitions of both private and public sector stakeholders for the development of their sector.

Stakeholders' commitment and comprehensive collaboration have helped build consensus around a



common vision that reflects the challenges and opportunities of this sector” (ibid, piii). The government of Tanzania has constructively come out with a strategy that provides clear road map on where the country wants the sunflower sector to go. From almost unsupported sector to highly recognized crop of economic importance is destined to contributing to country’s foreign exchange. Arguably, the MSD process, for the first time in Tanzania’s history, has emerged as a signature of good practice and blue print for sustaining the process in the country. In this respect, the alliances have increased coordination of the sector for private sector advocacy and managed to lobby the Government come up with a five-year strategic plan.

## 5. Conclusion

The case study has presented a flashback of SNV’s paths for change in transforming sunflower sector business and marketing in Tanzania. The case study has documented SNV’s experience in applying Multi-Stakeholders Dialogue (MSD) in the agriculture sector, with particular emphasis in the sunflower sector in Tanzania. The case study has shared findings that demonstrate virility of the MSD methodology in creating systemic changes along the sunflower value chain in the country. It is important to note in this case study that SNV main role in sunflower development has been to test the applicability of MSD approach. To that end, SNV served the main role as facilitator and acted as a neutral broker, bringing stakeholders together. The case study has noted that sunflower stakeholders were originally uncoordinated - on matters that affected them. The period before 2005, the case study has revealed sunflower received scanty development attention and was not part of priority crops that could benefit the smallholder farmers involved in the production and marketing of the crop.

The MSD approach has proven to be an effective way of enabling market actors to address the constraints in the sunflower value chain in Tanzania. The approach resulted in systemic changes along the sunflower value chain, spanning from establishment of active alliances of producers and processors, enabled farmers increase production and influenced the government come up with sunflower sector development strategy.

Moreover, by bringing actors together through MSD process served as a facility for increased stakeholders’ voice, with the capacity to enter into dialogue and negotiations with government. The establishment of TEOSA and TASUPA has enabled sunflower actors in the country change the way the government viewed sunflower crop for the benefit of the producers. Other alliances, such as CEZOSOPA and UMAMBE, have successfully promoted pro-poor contracts and market arrangements. In response to the MSD methodology opened up window for processors to access finance through alliances. Productivity of sunflower has increased considerably over the years with assured market through contractual arrangement. Sunflower sector is now in the front page, as an important economic crop in the country, with a high-powered sector development strategy. However, the question that still needs further research is whether the alliances established will be sustainable to create income opportunities to over 4 million smallholder sunflower farmers of which 60% are women in the country.

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