



**HARVARD Kennedy School**

*Corporate Social  
Responsibility Initiative*



## Mobilizing the Southern Agricultural Growth Corridor of Tanzania: A CASE STUDY

Beth Jenkins  
CSR Initiative, Harvard Kennedy School

Written by Beth Jenkins

Designed by Alison Beanland

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# Mobilizing the Southern Agricultural Growth Corridor of Tanzania

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# Foreword

Development challenges such as tackling poverty and unemployment, improving food, water and energy security, increasing access to education, health care and nutrition, and adapting to climate change are notoriously systemic. They have their roots in public awareness, regulatory and policy frameworks, market dynamics, institutional capacity, infrastructure, social and cultural norms, and many other factors that shape people's incentives and drive their behavior. And behind each of these factors is a set of interconnected, interdependent stakeholders.

The private sector is increasingly recognized by the development community as a crucial partner in helping to address these challenges. New technologies, products and services, and more inclusive business models are helping to improve livelihoods and quality of life for millions of low-income households while at the same time improving the efficiency of natural resource use and decreasing environmental degradation. Yet, with a few notable exceptions such as the development of mobile banking, most of these market-based solutions have not achieved business growth and development impact at scale. Many are impeded by a combination of market failures, governance gaps, insufficient financing and inadequate individual and institutional capacity. There is an enormous need for more collaborative solutions that leverage the combined resources and capabilities of business, government and civil society to overcome these barriers.

In this context, the CSR Initiative at the Harvard Kennedy School has undertaken research on the different strategies and structures that companies are using to strengthen the ecosystems around their inclusive business models. We have looked at three approaches that can help overcome barriers to scaling these business models:

- **Private initiative** by an individual company along its own value chain;
- **Project-based alliances** between a company and one or more other organizations; and

- **Platforms** that are formal networks of potentially large numbers of players, established for a common purpose.

These structures are complementary and companies often use them in combination, either sequentially or simultaneously. The following case study looks at an emerging platform initiative aimed at addressing the complex and integrated challenges of strengthening food security and improving rural livelihoods in a more environmentally sustainable way.

The World Economic Forum launched the New Vision for Agriculture initiative in 2009 with the aim of addressing three interdependent imperatives:

- Providing **food security** for all
- Increasing agricultural production in an **environmentally sustainable** manner, including meeting the challenges posed by climate change
- Generating **economic growth and opportunity**, including support for smallholder farmers.

These three imperatives have become a rallying cry bringing together individual leaders and leading institutions from different sectors and countries. They have driven innovation and experimentation with new products, processes, policies and programs by business, government, and the donor and investor community. And they have inspired a new generation of partnerships – many of which WEF and the New Vision for Agriculture network have helped to convene and catalyze.

The Southern Agricultural Growth Corridor of Tanzania (SAGCOT) is one example.

SAGCOT is a platform that allows a large network of stakeholders to coordinate their investments and interventions to address multiple bottlenecks in agriculture within a well-defined geographic area – enabling the whole system to work better, and thus laying the foundations for sustained impact on a

significant scale. The initiative is addressing the three pillars of the New Vision for Agriculture by:

- unlocking new levels of productivity by removing barriers to modern, commercial agricultural development;
- developing ways of measuring and reducing the environmental impact per unit produced and linking the initiative to an explicit green growth agenda; and
- empowering smallholders as viable, commercial farmers and valuable parts of the agricultural supply chain.

In addition to SAGCOT's contribution to addressing the goals of the New Vision for Agriculture, the SAGCOT Centre in Tanzania has played an important role in realizing a locally defined and locally led vision for implementation. Championed by the strong personal commitment and leadership of President Kikwete and the Government of Tanzania, SAGCOT illustrates how governments can convene formal networks of domestic and international investors alongside donors to address systemic national development challenges. It offers a useful example of 'country ownership' and multi-stakeholder engagement, which were key recommendations from the Busan High Level Forum on Aid Effectiveness in 2011. As the final 'Busan Partnership for Effective Development Cooperation' stated: "Partnerships for development can only succeed if they are led by developing countries, implementing approaches that are tailored to country-specific situations and needs."

Although still at an early stage of development, we believe that this platform offers an interesting model that has potential to be adapted in other countries and applied to other sectors. In 2011, a number of African leaders agreed to launch Grow Africa to support the Comprehensive African Agricultural Development Programme (CAADP). Building on SAGCOT and other models being piloted by the New Vision for Agriculture, this new partnership platform aims to play

a catalytic role in accelerating private sector investment, enabling multi-stakeholder partnerships, and expanding knowledge of best practices.

Since it was founded in 2003, the CSR Initiative at the Harvard Kennedy School has worked to bridge theory and practice in the field of multi-stakeholder partnership. This case is part of a series focused on collaboration between business and other sectors to drive systemic change. Our goal is to learn in "real time" how a new generation of collaborative initiatives designed for systemic change and scale are mobilized, and how they work. We hope others will benefit from the experiences of these initiatives and be able to accelerate their own progress in developing models that achieve both business benefit and development impact through tackling some of the world's most pressing development challenges.



**Jane Nelson**

Director, CSR Initiative  
Mossavar-Rahmani Center for Business and Government  
Harvard Kennedy School

## Case Study Background

This case study is part of a Harvard Kennedy School CSR Initiative workstream on systemic approaches to creating business opportunity and development impact at scale. An initial framing paper, *“Tackling Barriers to Scale: From Inclusive Business Models to Inclusive Business Ecosystems,”* was published in September 2011. This document is one of several in-depth case studies subsequently conducted to generate knowledge and provide practical guidance on what such systemic approaches look like and how to structure and implement them.

Inclusive business models include people living in poverty in the value chain as producers, consumers, employees, and business partners. Inclusive business ecosystems are the communities or networks of interconnected, interdependent players whose actions determine whether or not a particular company’s inclusive business model will succeed. These players typically include individuals, companies, governments, intermediaries, NGOs, public and private donors, and others.

Broadening the focus from developing inclusive business models to strengthening inclusive business ecosystems, the research suggests, helps companies deal more efficiently and effectively with the widespread challenges in the slums and villages where the poor reside. Companies use a variety of strategies to strengthen the ecosystems around their inclusive business models. These include BOP awareness-raising and capacity-building, research, information-sharing, public policy dialogue, and creating new organizations.

Companies execute these strategies using three structures to harness the necessary resources and capabilities and overcome the incentive problems that coordination and cooperation entail: private initiative, project-based alliances, and platforms.

Private initiative by an individual company is the default structure for firms seeking to strengthen their inclusive business ecosystems, because it enables them to move quickly with fewer transaction costs. It presumes sufficient resources and the necessary capabilities, and typically works best when incentive problems are limited to the company and its direct customers and suppliers – and can be addressed through payment and certification systems embedded in the business model.

Project-based alliances with one or more other organizations are employed when companies rely critically on the resources and/or capabilities of other players, and cannot simply purchase them on the market. These might include the expertise, on-the-ground networks, and catalytic financing of NGOs, donors, and development banks. Since the reputation and success of each partner is at stake if the other fails to comply with its commitment, formal alliance models, such as partnerships or joint ventures, are often required.

This case study explores the example of an emerging platform. A platform is a formal network structure in which potentially large numbers of stakeholders participate. While individual members may be more or less active at any given time, the network is generally dependent on the membership for strategic direction-setting, programming, and governance. Members often endorse certain principles and/or agree to comply with certain conditions, like paying membership fees or reporting periodically on their activities.

Platforms are employed when only many players acting collectively are capable of strengthening an inclusive business ecosystem. Platforms can help overcome free rider problems where public goods, such as basic research or joint infrastructure, need to be created. Platforms can also help catalyze collective action where players are interdependent, and none has an incentive to change unless the others do, too. This is commonplace in closely-knit, geographically-based inclusive business ecosystems, like agricultural value chains and health or education systems.

This case study was conducted between July and October 2011, including on-site interviews in Tanzania between September 4 and 14. Tanzania was selected as a site for field research because several examples of inclusive business ecosystem development were identified there. The research sought insight into questions such as:

- How can platforms strengthen inclusive business ecosystems? Where are the limitations?
- How can platforms be combined with other structures – such as private, core business initiative by companies – to strengthen inclusive business ecosystems?
- How are platforms mobilized, governed, and managed?

# Executive Summary

*“There’s still a lot of work to be done, but SAGCOT really is our best chance of success – our biggest opportunity to accomplish something and develop a model for other places.”*

## A Brief History

Tanzania has enormous agricultural potential, with 44 million hectares of arable land, good soils, ample water resources, and access to both regional and international markets. But only 24% of arable land is currently under production. And production is mostly small-scale, plagued by land tenure constraints, poor infrastructure, limited use of modern techniques, lack of access to finance, and low productivity.

In this context, a group of local and international players in business, government, and the donor community are rising to the challenge of modern agricultural development in Tanzania through an **agricultural growth corridor strategy** that:

- addresses **multiple bottlenecks** at once
- by **coordinating and targeting a range of** investments and interventions
- in a **defined geographic area** with backbone infrastructure and high agricultural potential
- thereby laying the foundations for **sustained impact** on a much **greater scale** than would be possible for individual players – or even project-based alliances of several players – to achieve on their own.

The corridor approach envisions major benefits for smallholder farmers, food security, and environmental sustainability. The players’ initial focus is Tanzania’s Southern Corridor, which covers about a third of the country in a swath running along the existing infrastructure backbone from Dar Es Salaam to

northern Malawi and Zambia. The initiative has been branded the Southern Agricultural Growth Corridor of Tanzania, or SAGCOT.

The players have taken a step-by-step approach to mobilizing around SAGCOT, with three major phases of work that built on one another, gradually bringing buy-in and support to a critical mass: developing the SAGCOT Concept Note, putting together a detailed Investment Blueprint, and building a new institution to help implement the Blueprint – the SAGCOT Centre. The SAGCOT Centre officially opened for business on October 17, 2011.

## SAGCOT Structure and Strategy

### The SAGCOT Centre

The SAGCOT Centre’s purpose is to coordinate investment and action by a range of players to address a range of opportunities and needs at once – thus kick-starting environmentally sustainable and socially beneficial commercial agricultural development in the Corridor. Key organizational design features include:

- **Independent legal status** unaffiliated with any individual stakeholder or sector, so it can serve many different parties objectively and credibly
- **Professional staffing** to ensure it can create value for all concerned
- **A Board of Directors** to oversee its work and receive and respond to any complaints (Directors’ organizations will not be eligible for funding mobilized by the Centre)

### Players Involved in the SAGCOT Initiative

AgDevCo | Agricultural Council of Tanzania | Alliance for a Green Revolution in Africa | Centre for Sustainable Development Initiatives | Confederation of Tanzania Industries | Diageo | DuPont | Food and Agriculture Organisation | General Mills | Government of Tanzania | Irish Ministry of Foreign Affairs | Korongo | Logistics Consulting Group | Monsanto | National Microfinance Bank | Norfund | Norwegian Ministry of Foreign Affairs | Prorustica | SABMiller | Syngenta | Standard Bank | Tanzania Agricultural Partnership | Tanzanian Sugarcane Growers’ Association | Unilever | US Agency for International Development | World Bank | World Economic Forum | Yara

- **Accountability for results**, including agribusiness investments and their impact on smallholders, food security, and other social and environmental issues

### SAGCOT Centre Strategy

The SAGCOT Centre will use three broad strategies:

- **Promoting shared vision:** Promoting a collaborative and responsible approach to commercial agricultural development in the corridor, and actively seeking to engage relevant stakeholders as partners.
- **Information-sharing:** Keeping track of who in the Corridor is doing what, in order to provide prospective investors with information about opportunities, gaps, potential partners, new projects in the pipeline, and more. The Centre will also commission research and provide tools, for example on public policy problems and solutions, smallholder aggregation models, and environmentally sustainable production techniques.
- **Mobilizing:** The SAGCOT Centre will not only provide information, but also work to mobilize players to fill the opportunities and needs identified – ranging from commercial investment to smallholder support to financing to infrastructure to policy reform. To the extent possible, the Centre will actively support players who take action, for example by assisting with grant applications or brokering partnerships.

Almost as important as understanding what the SAGCOT Centre will do is to understand what it will not do. For example, the Centre will not make investments or implement interventions in the Corridor. It will help others do their jobs better, not do their jobs for them. The Centre aims to avoid reinventing the wheel or crowding existing players out – on the contrary, it aims to crowd them in.

The SAGCOT Centre will also not enforce principles of social and environmental responsibility. It will promote such principles and help players comply by sharing best practices, providing tools, and facilitating partnerships. But it can provide limited disincentive for noncompliance compared to other key stakeholders, such as the government or the planned Catalytic Fund.

### The Catalytic Fund

The SAGCOT Centre will not provide financing – but innovative forms of financing that reduce the cost and risk of early-stage agricultural investment are key to the overall SAGCOT vision and approach, helping bring in private sector investors who might not have been able to make the business case otherwise. As envisioned in the Investment Blueprint, the players behind SAGCOT are now setting up a Catalytic Fund to meet this need. It will be institutionally independent of the SAGCOT Centre to reduce the potential for conflict of interest. Fund design, including choice of instruments, investment policy, and governance structure, is now underway.

### Lessons Learned

With the SAGCOT Centre now “open for business,” the initiative is shifting into action with strong momentum and high expectations behind it. It is therefore a good time to reflect on what has happened so far, and on what needs to happen going forward for SAGCOT to succeed.

### Mobilization Building Blocks

SAGCOT’s staged mobilization process offered multiple windows for partners to come on board, as they became ready. More fundamentally, the stages fulfilled a number of critical functions that helped those partners get ready – becoming clear about the vision, comfortable with the approach, and certain that they could contribute. These functions included:

- **Awareness-raising and positioning:** Explaining the agricultural growth corridor concept and positioning it on national and global leadership agendas in business, government, and the development community.
- **Building shared vision:** Inspiring and bringing a wide range of different stakeholders to the table around large-scale commercial agricultural development offering major benefits to smallholders, enhanced food security, and export potential.
- **Foreshadowing the need for “business unusual”:** Making it clear that those interested in SAGCOT



would need to think and act in new ways to make it happen – for example, thinking long-term and reducing risk through coordination and collaboration rather than complete confidentiality and control.

- **Making the vision concrete:** Getting specific about the opportunities and needs through research and modeling, which enabled prospective partners to see themselves participating (or not) in what had previously been a fairly theoretical vision.
- **Building implementation capacity:** Creating a new, independent organization to take on the burden of intermediation required to make SAGCOT work – ensuring that information flows, recruiting investors and partners, and enabling them to target their efforts in ways that fill gaps and make whole clusters work better.

The result was that many different stakeholders came to feel like owners and leaders in the initiative, and offered their support.

### **Mobilization Structure and Skills**

Mobilizing around SAGCOT has been the work of many hands. Some stakeholders have been central throughout the process; others have participated with different degrees of intensity at different times. There has not necessarily been a hard and fast division of labor.

This highlights the need for strong leadership and partnership facilitation to ensure that progress is made and milestones are met – which has been the role of the SAGCOT Executive Committee. The Executive Committee has identified, organized, and deployed a number of critical mobilization capabilities from within the SAGCOT stakeholder ranks in a coordinated and efficient fashion. Analyzing the roles those stakeholders have played, seven key capabilities emerge:

- **Conceptualization:** Developing the agricultural growth corridor approach, and articulating it in ways that resonated with stakeholders with diverse backgrounds and perspectives.

- **Promotion:** Sharing the agricultural growth corridor approach and the SAGCOT initiative, answering questions, and encouraging others to join in – directly as well as indirectly, by positioning it on relevant leadership agendas.
- **Administration:** Organizing Executive Committee meetings, receiving and administering seed funding for the mobilization process, and procuring services (e.g. research, consultancies).
- **Partnership Facilitation:** Working “behind the scenes” to facilitate dialogue, relationship-building, trust, and alignment among the players.
- **Seed Funding:** Deploying relatively small amounts of money on a flexible and timely basis to fuel the mobilization process.
- **Implementation Funding:** Committing, if not yet disbursing, money for the SAGCOT Centre and Catalytic Fund to build implementation capacity and provide a “stamp of approval” that helps to attract others.
- **Investment in the Corridor:** Making investments in the Corridor – for example, in a fertilizer terminal or irrigation program – could technically be considered part of the implementation phase. Nevertheless, early examples of partners who are “walking the talk” play a critical role in reassuring and mobilizing other investors.

The role of the SAGCOT Executive Committee has also gone beyond operational management and oversight. Not only has the Committee catalyzed the partnership process and created the SAGCOT Centre – it has also laid the foundations of an entrepreneurial, open, and highly collaborative partnership culture that will guide the Centre moving forward into the implementation phase.

SAGCOT Key Success Factors, Present and Future

Building on what went well in the  
**MOBILIZATION PHASE**

- Good Timing
- President- and CEO-Level Leadership
- Collaborative, Entrepreneurial Champions
- Vehicles for “Business Unusual”
- Building Momentum
- Communicating the Concept

*“SAGCOT has built legitimacy around a new, transformational idea where you have people approaching things in different ways than they are used to.”*

To succeed in the  
**IMPLEMENTATION PHASE**

- Targeted Outreach
- Local and Operational-Level Ownership
- Strong Institutional Driver
- Mainstream Capacity for “Business Unusual”
- Sustaining Momentum
- Learning by Doing

*“SAGCOT has a big brand and profile now. There are grand expectations!”*

**Key Success Factors**

A number of factors lie behind SAGCOT’s success mobilizing for action. According to the stakeholders interviewed for this case study, the initiative now needs to build on these moving forward to succeed in the implementation phase.

**From Good Timing to Targeted Outreach:** In the mobilization phase, good timing – with dialogue and commitment to agricultural development happening at the national and international levels in business, government, and the donor community – was key. There was already appetite for transformational change, and everyone could feel that SAGCOT was partly their idea. At the same time, not all important stakeholders are involved in high-profile forums, and there is a sense that the process so far has been somewhat top-down. Moving into implementation, it will be key to reach out to new groups, cultivate those connections, and shape their expectations.

**From Collaborative, Entrepreneurial Champions to a Strong Institutional Driver:** In the mobilization phase, collaborative, entrepreneurial champions within several partner organizations played critical roles in bringing others together and building alignment within the group – not least through leadership by example. Moving into implementation, it will be critical to avoid dependence on key individuals and build the capacity to add value at scale. Highly capable staff, a flexible, learning-oriented approach, and an unimpeachable governance structure will be key.

**From President- and CEO-Level Leadership to Local and Operational-Level Ownership:** In the mobilization phase, top leadership had a magnetic effect in attracting potential partners, and created the space for their staff to be involved. Moving into implementation, more and more decisions will happen further and further down the organization chart, and it will be critical that local and line managers buy in. They need to be engaged

actively, though communications and through demonstration effects – using early adopters’ successes to persuade laggards.

**From Vehicles for “Business Unusual” to a Mainstream Capacity for “Business Unusual”:** In the mobilization phase, it was key that leading companies and donors had special vehicles allowing them to support new, unproven, and therefore riskier and longer-term efforts. Now, local and line managers – the ones carrying out the day-to-day work – will have to act upon the SAGCOT vision. Moving into implementation, it will be critical that corporate headquarters and the central government remain engaged to support them, not only in spirit but also with the budgets, skillsets, and incentives their managers need.

**From Building Momentum to Sustaining Momentum:** In the mobilization phase, building momentum was key, with a staged process and strong facilitation helping to bring a diverse range of players on board and keep the process moving forward. Now, the players are facing a 20-year implementation period, and having to change long-standing mindsets and behaviors to do it – which in itself takes time. It will be critical to find ways of working that recognize this, and that keep those involved focused and energized along the way.

**From Communicating the Concept to Learning by Doing:** In the mobilization phase, making a complex, abstract concept relatively simple, concrete, and attractive was key, helping to engage and align a wide range of stakeholders with different backgrounds, perspectives, and tools and resources to bring to bear. Now, those stakeholders are eager to see whether the concept will work. Moving into implementation, it will be critical to take a “learning by doing” approach that recognizes not everything can be known in advance: trying things, measuring success, and adjusting course in response.

## Outlook

SAGCOT is now “live” – which means it is time for the many stakeholders that have supported and shown interest in the initiative to start making deals in the Corridor. Agribusiness investors need to start evaluating opportunities and running trials. Investors and donors need to commit money to the Catalytic Fund once key organizational design and management decisions have been taken. Donors also need to support local farmers’ groups, and NGOs need to help build those groups’ capacity to engage in the SAGCOT process. The Tanzanian government needs to put serious backing behind the Rufiji Basin Development Authority (RUBADA), its designated focal point for SAGCOT, and clarify its intended role, structure, and interface with the SAGCOT Centre. Banks need to make financing available for large projects and for associations of smallholders in the Corridor. The SAGCOT Centre will need to provide the information, coordination, facilitation, and support to help make it all happen, and to ensure that the whole is greater than the sum of the parts. A few “quick wins” will help prime the pump. But the need and overall goal is for scale. Soon, the pipeline of investment will need to grow and diversify. As one company put it, in agriculture, “you’re only as strong as the weakest link.”

All this will help make the SAGCOT vision a reality: illustratively, the partners believe they can bring up to 350,000 hectares under production, creating 420,000 jobs, generating annual farming revenues of \$1.2 billion, contributing to food security, and lifting more than two million people out of poverty by 2030. But the potential is even greater. The corridor approach lends itself to issue overlay, for example, and a focus on green growth is already emerging. Regionalizing the Corridor to neighboring Zambia and Malawi would be interesting, expanding markets for farmers and other agribusinesses. And finally, there is appetite to replicate the agricultural growth corridor approach within Tanzania, elsewhere in Africa, and around the world. As several stakeholders have expressed, with time and sustained effort, SAGCOT could eventually come to represent “a new paradigm for agricultural development.”

# 1 A Brief History

## 1.1. Context

Tanzania has enormous agricultural potential, with 44 million hectares of arable land, good soils, and ample water from rainfall, lakes, rivers, and underground reservoirs. 65% of arable land is irrigable, and only about a quarter of it is currently being utilized. Maize, rice, beans, livestock, tea, coffee, sugar, citrus, vegetables, and sunflower all flourish there. The country has a large domestic market and is ideally located for exports, with access to the Indian Ocean, an international port, and shared borders with eight other African countries.<sup>1</sup> And global food prices are projected to remain high, possibly increasing even further, for the medium to long term. The result is a huge opportunity for agribusiness and for the estimated 75-80% of Tanzanians who make their livelihoods in agriculture.

That is, the result is a huge opportunity *if* a number of serious challenges can be overcome. For example, the vast majority of land is either village land or has title problems, with little available for purchase or long-term lease, and there is no comprehensive land survey showing which is which.<sup>2</sup> It is difficult to register property – Tanzania ranked 151st out of 183 countries in that category in the World Bank's 2011 *Doing Business* rankings. Transportation and power infrastructure are poor. Storage, logistics, and processing are underdeveloped. Affordable, long-term financing is limited, with many banks asking 15-20% interest if they are willing to lend at all. Agriculture is perceived to be a high-risk sector due to weather dependence, lack of collateral as a result of land tenure issues, and historical non-payment of loans, rooted in the country's socialist era.

The challenges are particularly acute for Tanzania's smallholders, who farm the bulk of the land currently under production. With limited size, knowledge, and skills and limited access to information, markets, and financing to buy inputs and equipment, smallholder farming remains a way of life – not a business – and yields are low. Many smallholders earn in the realm of a dollar a day.

Cutting across this landscape is a difficult investment climate. Tanzania adopted socialism after independence in 1961 and only in the mid-1990s did it give up full government control over the economy. Policy is now much more conducive to private sector development, but implementation has been slow and there are important exceptions in the agriculture sector.

One reason is the transition from socialism, which takes time, requiring mindsets to change and behaviors to catch up. Another, potentially more serious, is that the market economy has failed to generate the results it was expected to achieve – including food security, economic opportunity, greater incomes and better standards of living. This has led to policy reversals in which the government has intervened to try to make sure that social goals are met. For example, to enhance food security, the government has instituted an export ban on maize. Unfortunately the ban has also taken away lucrative regional markets, flooded domestic markets, depressed prices, and removed farmers' incentives to invest. In another example, the Cereals and Other Produce Act of 2009 created a new Board empowered to buy, sell, clean, dry, weigh, grade, and package cereals such as maize and rice, essentially competing with the private sector. While such measures have laudable aims, they create uncertainty for business and make long-term planning and investment hard to do.

## 1.2. Origins

In the past 10 years, a number of efforts have either directly or indirectly set the stage for a new approach to agricultural development in Tanzania.

For its part, the Tanzanian government laid out an Agriculture Sector Development Strategy (ASDS) in 2001 with the goal of increasing the average agricultural growth rate to 5% a year. This would “require the existing subsistence-dominated agricultural sector to be transformed progressively into commercially profitable production systems.”<sup>3</sup> An Agricultural Sector Development Program (ASDP) operationalizes the

strategy, with the bulk of the implementation happening at the local level according to District Agricultural Development Plans (DADPs). Federal funding is channeled to the district level where specific spending decisions are made. Agricultural extension has been devolved to the district level as well.<sup>4</sup> This reflects a belief that local level players need to be able to make their own decisions for sustainable development to occur. Grant funding is provided to help build their capacity to implement those decisions.

The business community entered the dialogue through the Tanzania National Business Council (TNBC), a forum for business-government dialogue chaired by the President of Tanzania, with 20 members from the private sector and 20 from government. Over a two-year period, TNBC studied and hosted working group discussions on financing, technology, human resources, and other agricultural development issues. The result was a 10-pillar strategy called Kilimo Kwanza, or Agriculture First, which was adopted into government policy in 2009. Kilimo Kwanza roots agricultural development firmly in the private sector and makes it a priority for all sectors – including all ministries of government, not just the Ministry of Agriculture; all related industries, from agribusiness to banking to information and communications technology and more; and the donor community and non-governmental organizations (NGOs).

Against this backdrop, the sugar industry responded positively to the opportunity that liberalization offered, developing a successful outgrower model that demonstrated how linking up with larger, commercial agribusinesses could have strong income benefits for smallholder farmers. Farmers' associations were formed to interface with the recently-privatized sugar mills' new owners, who contracted the associations to supply a percentage of the volume needed to fully utilize their processing capacity. The associations, in turn, provide a range of services to help their members meet their volume targets and achieve economies of scale in production. For example, they have organized a subset of growers to provide services like land preparation,

cutting, loading, and hauling to other growers. And more recently, they have organized growers into blocks that functionally turn 15-30 small farms into a single, larger farm that can be managed efficiently by a contractor. Individual growers retain ownership of the land, and receive shares of the revenues in proportion to their holdings.

Success in the sugar industry grew out of a willingness by key players across sectors – including Illovo Sugar, the donor-funded Private Agricultural Sector Support program, CRDB Bank's Microfinance Services Company, and the local government authorities – to think and act differently. At the same time, the Norwegian fertilizer company Yara and the Agricultural Council of Tanzania (ACT) – a membership association of farmers and other agribusiness enterprises – were working on a new, coordinated approach to agricultural development at the district level which had begun to show results.

Yara had entered Tanzania in 2005, knowing it would have to develop the market in a different way than it was accustomed to. With funding from the Norwegian government and intellectual and methodological support from Prorustica, a consultancy, Yara and ACT set up the Tanzania Agricultural Input Partnership to find ways of bringing fertilizer to smallholders, enabling them to improve their yields. Soon, the partners realized that smallholders needed more reliable, higher-value markets to translate bigger yields into higher earnings – or there would be no market for fertilizer. As a result, they broadened the partnership to address both sides of the value chain, as well as other barriers. The initiative was rebranded the Tanzania Agricultural Partnership (TAP). TAP engages district stakeholders such as local government authorities, farmers, and other agribusinesses to analyze bottlenecks along particular commodity value chains and then attract and coordinate investment to remove them.

Developments at the international level were also setting the stage for a new approach to agricultural development. On one hand, within the donor

community, concerns about food security and the global economic crisis had catapulted agriculture back into the limelight. At the G8 Summit in L'Aquila, Italy, in 2009, participants committed to “decisive action” backed by \$20 billion for sustainable agricultural development over three years.<sup>5</sup> Within the business community, the World Economic Forum’s New Vision for Agriculture had engaged large multinational companies on the issue, highlighting agriculture’s potential to contribute to food security, environmental sustainability, and economic opportunity goals. The New Vision also provided a platform for them to develop and implement shared agendas for action together with donor, government, and civil society stakeholders at global and national levels.

#### The World Economic Forum’s New Vision for Agriculture

The World Economic Forum’s New Vision for Agriculture works “to develop a shared agenda for action and foster multi-stakeholder collaboration to achieve sustainable agricultural growth through market-based solutions.” To date, it has helped to foster major agricultural growth partnerships in Tanzania, Vietnam, Mexico, Indonesia, and regionally in Africa. The initiative is more than a program of the Forum, with an exceptional degree of participation and leadership from 24 global member companies including Agco Corporation, Archer Daniels Midland, BASF, Bayer AG, Bunge Limited, Cargill, The Coca-Cola Company, DuPont, General Mills, Heineken International, Kraft Foods, Metro AG, Monsanto Company, Nestlé, PepsiCo, SABMiller, Swiss Reinsurance Company, Syngenta, Teck Resources Limited, The Mosaic Company, Unilever, Vodafone Group, Wal-Mart Stores and Yara.

### 1.3. Vision

By 2008-2009, the Tanzanian government, local and international business, and the donor community had come to share a strong sense of frustration with the level of results their investments in agricultural development had achieved. They had also come to roughly the same place in their thinking with respect to what hadn’t worked: namely, a lack of private investment and a scattershot approach. As a local private sector representative put it, “There have been too many disconnected interventions, which confuse the farmer and don’t lead to sustained impact because they’re short term and don’t address the whole value chain.”

Agricultural development is a classic “weakest link” problem, in which each individual player depends on many others to succeed. None has an incentive to act if it cannot rest assured that the others will, too. For example, a fertilizer company will not invest in developing distribution channels targeting smallholder farmers if those farmers lack access to financing or to markets for the extra output they could produce. And in Tanzania, there were lots of weak links – in production, infrastructure, input and output markets, access to financing, transport, logistics, the regulatory environment, and more. It was time for an approach that treated the many interconnected, interdependent players with a role in agriculture as an ecosystem<sup>6</sup> – and strengthened their ability to work together, in coordination, so each individually could succeed.

In this context, Yara, Prorustica, and AgDevCo, an agriculture sector impact investor focused on sub-Saharan Africa, began socializing the concept of an agricultural growth corridor approach that would:

- address **multiple bottlenecks** at once
- by **coordinating and targeting a range** of investments and interventions
- in a **defined geographic area** with backbone infrastructure and high agricultural potential
- thereby laying the foundations for **sustained impact** on a much **greater scale** than would be possible for individual players – or even project-based alliances

of several players – to achieve on their own. The corridor approach envisions major benefits for smallholder farmers, food security, and environmental sustainability.

The agricultural growth corridor concept combined the well-established development corridor concept, in which the public sector invests in transport, power, and other critical infrastructure to stimulate production and trade, with private sector efforts to develop viable supply chains, distribution channels, and markets. The idea was that greater coordination would help reduce the risk and enhance the impact of action by any given player, public or private. What was needed was an organized network structure or platform<sup>7</sup> enabling all players with an interest in agriculture to work in ways that ensured that the whole would be greater than the sum of the parts.

#### 1.4. Mobilization

Yara introduced the agricultural growth corridor concept at the United Nations Private Sector Forum in New York in late 2008, where the company CEO headed a table with the leaders of the Food and Agriculture Organization (FAO), International Finance Corporation (IFC), Alliance for a Green Revolution in Africa (AGRA), and others. From there, a process unfolded that would see the concept launched first in Mozambique. In October 2009, with efforts in Mozambique gathering steam, key players in Tanzanian agriculture convened in Dar es Salaam to discuss what the agricultural growth corridor concept could mean for them. The meeting included the Tanzanian Prime Minister’s office, the Tanzanian Investment Center, TAP, Yara, the Norwegian Embassy, Norfund, the African Development Bank, and the World Bank. After subsequent discussion with the President, the decision was taken to mobilize, starting with Tanzania’s Southern Corridor.

The Southern Corridor encompasses one third of mainland Tanzania in a swath running along the central infrastructure backbone from Dar Es Salaam to northern Malawi, Zambia, and the Democratic Republic of Congo. Five out of six of the country’s “breadbaskets” are located in the corridor, an area the size of Italy. And its rail, road, and electrical infrastructure are in better shape than elsewhere in the country, though significant additional investments are needed. Some such investment is already underway. For example, the Tanzania-Zambia Railway Authority has received a \$39 million interest-free loan from the People’s Republic of China to rehabilitate the line. Road infrastructure is being improved with several hundred million from the African Development Bank, the US’ Millennium Challenge Corporation, the Japan International Cooperation Agency, and the Danish International Development Agency.

The working group branded their new initiative the Southern Agricultural Growth Corridor of Tanzania (SAGCOT). SAGCOT would be the “first child” of Kilimo Kwanza, providing an opportunity for business and government to implement the kind of private sector-led agricultural development they had called for – and demonstrate the results.

An ever-expanding group of partners took a step-by-step approach to mobilizing around SAGCOT, with three major phases of work: developing the SAGCOT Concept Note, putting together a detailed Investment Blueprint, and building a new institution to help implement the Blueprint – the SAGCOT Centre. Only when they had successfully completed one milestone did they move on to the next phase of work. Each phase built upon the last, gradually bringing buy-in and support to a critical mass.

Figure 1. SAGCOT Mobilization Process



### Phase 1: SAGCOT Concept Note

The first step was to prepare a concise, 30-page Concept Note articulating the SAGCOT vision, which could be used to generate interest and support – and pave the way for the development of a more detailed implementation plan. The partners decided to target the Concept Note for release at the World Economic Forum on Africa, where key leaders from business, government, and the donor community were scheduled to gather in Dar es Salaam in May 2010. Preparation of the Concept Note was led by Prorustica, TAP, and AgDevCo, with input from a range of public and private stakeholders and guidance from a SAGCOT working group including the Tanzanian Prime Minister’s office, the African Development Bank, the FAO, Yara, Norfund, and the Norwegian embassy – which provided the necessary funding.

### Phase 2: SAGCOT Investment Blueprint

The SAGCOT Concept Note was well-received at the World Economic Forum on Africa in Dar in May 2010. Tanzanian President Jakaya Kikwete decided then and there to move forward with the partnership, and mandated the partners to develop a more detailed implementation plan in time for him to present at the annual World Economic Forum in Davos in January 2011.

Whereas funding for the Concept Note had come primarily from the Norwegians, funding for the detailed plan – or Investment Blueprint, as it came to be known – came from a much broader array of sources. These included the Tanzanian government, the US Agency for International Development (USAID), AGRA, the Norwegian Embassy, and Norfund, as well as a larger group of companies adding their cumulative weight to the initiative: Yara, Dupont, Monsanto, General Mills, SABMiller, Syngenta, Standard Bank, and the National Microfinance Bank.

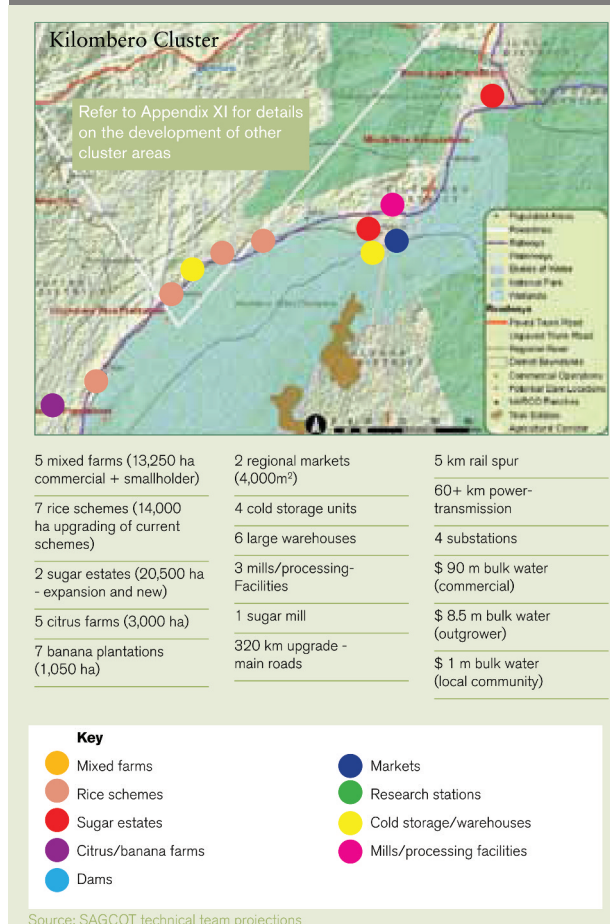
At this time, the partners established a SAGCOT Executive Committee to oversee the mobilization process. The Committee was co-chaired by Unilever and the Tanzanian Ministry of Agriculture, with other members including the Tanzanian Prime Minister’s office, ACT, the Confederation of Tanzania Industries (CTI), the Tanzania Sugarcane Growers Association (TASGA), Yara, AGRA, USAID, and the Irish Embassy (Syngenta joined the Executive Committee later on). As with the Concept Note, development of the Blueprint was led by Prorustica, AgDevCo, and TAP.

The SAGCOT Investment Blueprint covers the same conceptual ground as the Concept Note, in more depth. The Blueprint also estimates the investment required to transform agriculture in the Corridor. To do so, it identifies six clusters deemed representative of the opportunities and challenges facing agriculture there. For each cluster, it estimates the type and number of potential farm projects and the rate at which they could be developed. Then it calculates the cost of the infrastructure required to support those projects (see Figure 2).

Across the six clusters identified, the Blueprint estimates a total investment need of \$3.4 billion: \$650 million in backbone infrastructure, \$570 million in last-mile infrastructure, \$108 million for marketing, storage, and processing infrastructure, and \$2.1 billion in on-farm investment. Illustratively, this level of investment could bring more than 350,000 hectares under production over the next 20 years, increasing field crop production to 680,000 tons, rice to 630,000 tons, sugar cane to 4.4 million tons, red meat to 3,500 tons, and high-value fruits and vegetables to 32,000 tons. Exports could reach \$0.8 billion, and more than two million people could benefit.



Figure 2. Kilombero Cluster Investment Needs Identified in the SAGCOT Investment Blueprint



Finally, the Investment Blueprint describes in depth two institutions necessary to make the SAGCOT vision a reality: the SAGCOT Secretariat and Catalytic Fund. The Secretariat would fill a need for information and coordination, enabling investors – both public and private – to find opportunities and target their investments in ways that made whole clusters work better. The Catalytic Fund would provide innovative forms of financing to reduce the cost and risk of very early-stage agricultural investment, helping bring in private sector investors who might not have been able to make the business case otherwise.

Just as important as the Blueprint itself was the process of consultation and engagement behind it. Whereas AgDevCo took the lead developing the Blueprint

document, TAP and Prorustica took the lead subcontracting specialized consultancies as needed for specific bits of research and engaging key stakeholders – with help, as one of them put it, from “anyone who had the time, interest, and capability to contribute.” The SAGCOT Executive Committee played a key role. Committee members ACT, CTI, TASGA, and the Tanzanian Prime Minister’s office actively engaged stakeholders at the local level. At the international level, Yara, Unilever, and the World Economic Forum did. The Forum provided a vital platform and network for outreach to prospective investors, including multinationals and donors, and contributed staff time at the junior and senior levels to give strategic input, shape messaging, prepare communications materials, arrange press conferences and other events, and provide operational support to the SAGCOT Executive Committee. The Forum’s contributions were critical to the Committee, a relatively informal group with little funding and no support staff of its own.

The SAGCOT Investment Blueprint was presented by Tanzanian President Jakaya Kikwete and Unilever CEO Paul Polman at the World Economic Forum in Davos in January 2011. The Tanzanians took the lead, committing an initial \$1 million for the Catalytic Fund. USAID Administrator Raj Shah committed an additional \$2 million on the spot, a figure that has since been increased to \$13.75 million over five years (in addition, 80% of USAID’s Feed the Future funding for Tanzania will be used for activities within the corridor). The World Bank is planning an investment of \$60 million, of which \$45 million would be for the Catalytic Fund and \$15 million for institutions including RUBADA, the Tanzania Investment Centre, the Ministry of Lands and the SAGCOT Centre. Norway, the UK’s Department for International Development, and other donors have also expressed interest.

### Phase 3: The SAGCOT Centre and Catalytic Fund

With critical mass and momentum behind the initiative, the Executive Committee began to operationalize the SAGCOT concept, setting up the

## A BRIEF HISTORY

SAGCOT Secretariat and Catalytic Fund based on the thinking outlined in the Investment Blueprint. First the Executive Committee developed a Terms of Reference for the Secretariat, outlining its role, functions, anticipated staff needs, and year one start-up costs. The Secretariat was incorporated in Tanzania in May 2011 under the name SAGCOT Centre Ltd. It officially opened for business in October with the announcement of its first two staff appointments: Chief Executive

Officer Dunstan Mrutu, former head of the Tanzania National Business Council, and Deputy CEO Jennifer Baarn, former associate director at the World Economic Forum. Its structure and strategy are discussed in greater depth in the following section. Now, the SAGCOT Executive Committee has turned its attention to setting up the Catalytic Fund, a process that is still underway.

## 2 SAGCOT Structure and Strategy

A functioning agricultural sector is a complex combination of actors and activities. It involves farmers and other agribusinesses up and down the value chain investing, negotiating, making deals, buying and selling high-quality products in the necessary volumes. It involves logistics companies making sure what is bought and sold reaches its destination in good condition. It involves banks and other investors providing financing, and technology companies offering access to information and management tools. It depends on access to water and energy and on a supportive public policy environment from the government.

Agricultural development is therefore a systemic process. All of these actors must be involved, and donors must often come in to grease the wheels – providing concessional financing to help other actors take well-calculated risks in the early stages, and helping to build smallholders' capacity to participate in and benefit from the process.

As a result, companies cannot drive agricultural development alone. Even project-based alliances of several companies and/or cross-sector partners are not usually enough; they cannot address all of the bottlenecks along an agricultural value chain, at sufficient scale, for the length of time that agricultural transformation takes.

SAGCOT has instead opted for a formal network or platform structure in which large numbers of stakeholders can participate. At the heart of this structure is the SAGCOT Centre.

### 2.1. The SAGCOT Centre

#### **Purpose**

The SAGCOT Centre's purpose is to coordinate investment and action by a range of players to address a range of bottlenecks at once – thus kick-starting environmentally sustainable and socially beneficial commercial agricultural development in the Southern Corridor. In a situation of interdependence, where

many players are interested in the Corridor but are waiting to see if others will move before putting their money at risk, active intermediation is needed to break the impasse. This is the Centre's role. It is modeled, at least in part, on TAP, which has helped unlock progress for specific commodities and value chains at the district level. The Centre will play a similar role on a larger scale, focusing on clusters spanning multiple districts and incorporating larger companies and the national government.

#### **Organizational Independence**

The Centre has been incorporated as a new and independent legal entity. Part of the rationale for setting up a new organization had to do with the volume of intermediation work required in an approach involving so many different stakeholders in a geographic area the size of Italy. Part of it had to do with the need to receive funds from both public and private sector organizations. However, an even bigger part of the rationale was a need for objectivity and institutional neutrality. To serve so many different stakeholders credibly, the Centre could not be perceived to be affiliated with any one or even group of them – whether in business, government, civil society, or the donor community. Of course, legal status is only one factor influencing stakeholder perceptions, and the Centre will also have to demonstrate its neutrality and ability to create value for all concerned.

#### **Professional Staffing**

The SAGCOT Centre is gearing up to demonstrate its neutrality and create value through extremely selective recruiting. With more than 25 years of experience, CEO Dunstan Mrutu, former head of the Tanzania National Business Council, was also the first executive director of the Tanzania Private Sector Foundation and an investment advisor to the Tanzania Development Finance Company. He serves on several boards, including the Tanzania Ports Authority Board, the Export Processing Zone Board, and the Private Sector Agriculture Support Trust's Board. He also owns a commercial farm. Deputy CEO Jennifer Baarn was previously an associate director at the World Economic

Forum, where she helped develop the New Vision for Agriculture initiative (see box on page 14). She also spent a number of years in the financial services sector at Rabobank International.

While additional needs are currently being met through part-time consultants, a critical part of the plan is to fill additional full-time staff positions. These will include staff with specialized functions (such as communications and accounting) and domain expertise (for example, in agribusiness and infrastructure). There will also be field-based positions responsible for coordination around specific clusters.

### Governance

Mr. Mrutu and Ms. Baarn report to a Board of Directors headed by Salum Shamte, who is also chairman of the Agricultural Council of Tanzania and the National Ranching Company. Among other duties, the Board will be responsible for reviewing and approving the Centre’s annual budget, workplans, progress reports, and membership applications, and for receiving and responding to any complaints. Directors and their organizations will not be eligible to receive any funding mobilized by the Centre.

The SAGCOT Centre will also have an Advisory Board made up of leading members, likely to include many of those currently serving on the SAGCOT Executive Committee – which is expected to dissolve once the Catalytic Fund has been launched (see Section 2.3 below).

#### SAGCOT Centre Board of Directors

- Roshan Abdallah**, Director of Technical Services, Tropical Pesticides Research Institute
- Sophia Kaduma**, Deputy Permanent Secretary, Tanzanian Ministry of Agriculture, Food Security and Cooperatives
- Elsie Kanza**, Head of Africa, World Economic Forum
- Salum Shamte**, Managing Director, Katani Ltd.
- Andrew Temu**, Associate Professor, Sokoine University of Agriculture

### Membership

SAGCOT members will include central and local Tanzanian government agencies, a wide range of local and international private sector players of all sizes, non-governmental organizations, and donors. Prospective members must apply for admission to the SAGCOT Centre Board, and agree to abide by the SAGCOT Partnership Principles (see box).

In return, members gain full access to the information and services provided or facilitated by the SAGCOT Centre. In addition, members will be invited to twice-yearly SAGCOT Partnership Forums to share information, concerns, lessons learned, and new opportunities, as well as provide feedback to the SAGCOT Centre.

#### SAGCOT Partnership Principles

1. Agreement on SAGCOT objectives of responsible commercial growth and poverty reduction
2. Agreement to work with other members to promote a harmonized approach and strategy
3. Agreement to engage with the partnership, maintain communication and support the SAGCOT Centre
4. Agreement to contribute to the resolution of policy and infrastructure constraints by identifying impediments to local and national agricultural development
5. Agreement to consider new and innovative financing mechanisms

### Funding Model

The SAGCOT Centre will be primarily donor-funded, consistent with its mandate to share information and mobilize relevant stakeholders as broadly as possible. Initial commitments include \$250,000 a year for five years from USAID. Eventually, the Centre will also charge membership fees, but these are expected to be largely symbolic – from \$2,000 a year for organizations with annual turnover greater than \$10 million, to \$100 a year for farmers’ associations.

### Accountability for Results

In the coming months, the SAGCOT Centre will establish a monitoring and evaluation framework to track results like the number and size of agribusiness investments made and their impact on smallholder farmers, food security, and other social and environmental issues. The Centre will also contract a third party to measure its own effectiveness: the extent to which its intermediation helps catalyze investment, build partnership, and foster social and environmental responsibility.

## 2.2. SAGCOT Centre Strategy

The SAGCOT Centre will focus its activities first on three clusters where rapid progress is possible: Kilombero, Ithemi, and Mbarali. In these clusters, some modern farming is already underway, public irrigation schemes are in place, there is relatively good backbone infrastructure, and small-scale farmers are positioned to benefit in the short term. The Centre will use four broad strategies in these clusters and, eventually, elsewhere in the Corridor:

**1. Promoting shared vision.** The SAGCOT Centre will promote its vision of socially and environmentally responsible commercial agricultural development in the Corridor among local, national, regional, and global audiences, actively seeking to engage relevant stakeholders as partners in its collaborative approach.

**2. Information-sharing.** As it engages relevant stakeholders, the Centre will keep track of who is doing what, so it can provide current and prospective members with information about opportunities, gaps, potential partners, new projects in the pipeline, and more. For example, a commercial farmer considering a new investment, worried that transportation infrastructure might not be good enough, could approach the Centre to find out where donors had committed funding for road improvements and the government's construction schedule. He could also find out what other

commercial farmers were in the area, get their contact details, and explore opportunities to join together to achieve economies of scale in storage, processing, or transport that would affect his cost and revenue projections.

The Centre will also commission research and provide tools its members can use – for example on public policy problems and solutions, smallholder aggregation models, environmentally sustainable production techniques, and social and environmental footprinting.

**3. Mobilizing.** The SAGCOT Centre will not only provide information, but also actively work to mobilize partners and other players to fill investment needs in the Corridor. Say the commercial farmer from the example above had found a promising site, and wanted to use outgrowers to supplement his volumes – but local smallholders were not sufficiently organized to participate in a way that was both efficient for the nucleus farm and beneficial for them. The SAGCOT Centre could mobilize donors and civil society organizations to organize and strengthen local smallholder farmers' groups, and build their capacity to meet any quality or quantity concerns the commercial farmer might have.

The Centre will mobilize public and private players not only to provide smallholder support services, but also to:

- provide different types of financing;
- make complementary investments in a variety of agribusinesses;
- pilot and adopt “green growth” strategies and best practices;
- build infrastructure; and
- reform policies.

For example, a key function will be to identify policy constraints that partners working in the Corridor face and facilitate business-government dialogue on solutions. The biannual SAGCOT

Partnership Forum will be a key venue for this kind of dialogue. Individual SAGCOT members like ACT, CTI, and TNBC will also be key allies, facilitating business-government dialogue on an ongoing basis throughout the year.

Another key function for the SAGCOT Centre will be to support members experimenting on the environmental front and to promote the lessons and best practices that emerge. One early example may be the Environment and Climate Compatible Agriculture Framework that Yara and Syngenta are developing – cataloguing farming’s environmental impacts and testing measures to improve them while raising productivity at the same time.

To the extent possible, the SAGCOT Centre will provide hands-on support to partners it mobilizes to explore opportunities and fill needs within the Corridor. For example, the Centre will help partners make connections, prepare grant applications, and broker partnerships.

Almost as important as understanding what the SAGCOT Centre will do is to understand what it will not do. For example, the Centre will not implement smallholder support programs, provide financing, or make investments. As the organization’s Terms of Reference make clear, “All partners need to understand that the Centre will not do their job for them; rather it will help them do their job better.”<sup>9</sup> Entrepreneurs, donors, financial institutions, and NGOs already exist, and for SAGCOT to succeed, they will need to act. The SAGCOT Centre aims not to reinvent the wheel or crowd anybody out – on the contrary, it aims to crowd them in. The market needs it addresses are coordination and connection. As the Investment Blueprint states, “These are actions and services that neither public nor private sector organizations have been able to provide.”<sup>10</sup>

Another thing the SAGCOT Centre will not do is enforce principles of social and environmental responsibility. It will promote such principles through dialogue, engagement, and positive social pressure –

leveraging players’ desire to be part of a useful, dynamic, and high-profile network. It will also enable players to comply by sharing best practices, providing tools, and facilitating partnerships. But the SAGCOT Centre can provide very limited disincentive for players to cut social or environmental corners. It can refuse or withdraw membership for players who do so, preventing them from using the SAGCOT name or branding. But it has little authority or concrete leverage compared to other key stakeholders. The government, for example, could make land leases conditional on social and environmental impact. Similarly, the Catalytic Fund could predicate its investment on compliance with social and environmental principles or anticipated levels of impact.

### 2.3. The Catalytic Fund

As indicated above, the SAGCOT Centre will not provide financing – but innovative forms of financing that reduce the cost and risk of very early-stage agricultural investment are key to the overall SAGCOT vision and approach, helping to bring in private sector investors who might not have been able to make the business case otherwise.

As envisioned in the Investment Blueprint, the players behind SAGCOT are setting up a Catalytic Fund to meet this need. It will be institutionally independent of the SAGCOT Centre, with a separate Board, to reduce the potential for conflict of interest. Fund design, including choice of instruments, investment policy, and governance structure, is now underway. The Tanzanian government made the first commitment to the fund, with \$1 million. USAID subsequently committed \$2.5 million a year for five years, and the World Bank is now planning an investment of \$45 million, which would be channeled through the Tanzanian government as part of an overall \$60 million package for SAGCOT. Norway and the UK’s Department for International Development have also expressed interest.

# 3 Lessons Learned

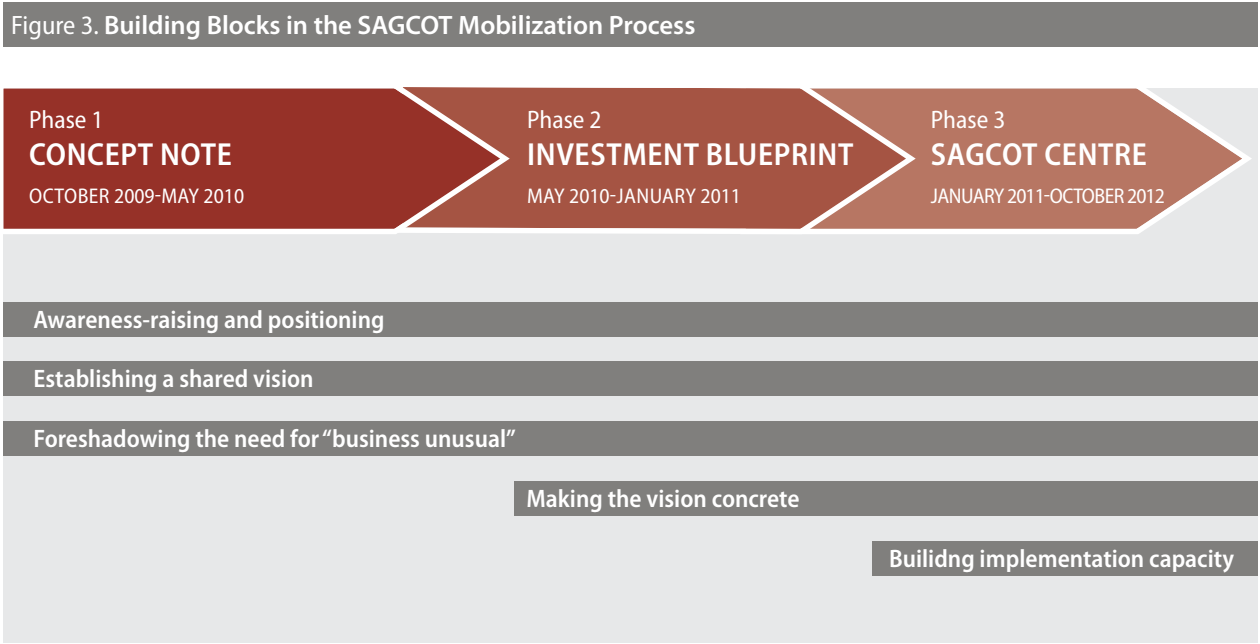
SAGCOT stands at the critical turning point between mobilization and implementation. The initiative has managed to attract a considerable number of stakeholders, all with critical roles to play in driving and removing the bottlenecks to agricultural development in the Corridor. The institutional infrastructure to coordinate and target their investments is coming into place.

Now, with the SAGCOT Centre “open for business,” the initiative is shifting into action with strong momentum and high expectations behind it. As one partner put it, “There’s still a lot of work to be done, but SAGCOT really is our best chance of success – our biggest opportunity to accomplish something and develop a model for other places.” It is therefore a good time to reflect on what has happened so far, and on what needs to happen going forward for the initiative to succeed.

## 3.1. Mobilization Building Blocks

SAGCOT’s staged mobilization process offered multiple windows for partners to come on board, as they became ready to do so. More fundamentally, the stages fulfilled a number of critical functions that helped them get ready – becoming clear about the vision, comfortable with the approach, and certain that they could contribute.

The result was that many different stakeholders came to feel like owners and leaders in the initiative, and offered their support. These functions or building blocks of the SAGCOT mobilization process are depicted in Figure 3 below.



**Awareness-raising and positioning.** The SAGCOT Concept Note and Investment Blueprint explained the agricultural growth corridor concept and positioned it in the context of Kilimo Kwanza. They also set forth the rationale for choosing to start with the Southern Corridor (there are three other corridors in Tanzania). Stakeholder engagement and outreach throughout the mobilization process also helped raise awareness and position the initiative on national and global leadership agendas in both the business and development communities.

**Building shared vision.** The Concept Note and Blueprint laid out a compelling vision with broad-based appeal, helping to inspire and bring a wide range of different stakeholders to the table. Key elements of that vision include large-scale agricultural development in clusters of agribusinesses offering one another economies of scale, major benefits to smallholder farmers, enhanced food security, and export potential.

**Foreshadowing the need for “business unusual.”** The Concept Note and Blueprint made clear that achieving the vision would not be easy. They suggested a number of mechanisms that would be needed, including smallholder aggregation models like nucleus farm-outgrower systems and commercial farm blocks; patient capital and other innovative forms of financing; public policy reform; and a dedicated partnership organization or coordinating body. The documents also suggest the need for a different philosophy on agricultural development in the Corridor – one that:

- Recognizes that economic sustainability (i.e., profitability) is essential
- Prioritizes smallholders, but not through handouts – with a view to helping them grow in scale or productivity
- Takes a long-term view
- Tolerates a non-negligible level risk stemming from the many variables involved
- And acknowledges that the risk can only be reduced through coordination and collaboration with others – whereas most organizations generally prefer greater confidentiality and control.

The implication was that those interested in SAGCOT would need to think and act in new ways to make it happen. By suggesting what some of those ways might be, starting right at the beginning with the Concept Note, the mobilization process surfaced at an early stage issues that many prospective partners would need time to discuss and get used to.

**Making the vision concrete.** The Investment Blueprint used research and modeling to show how targeted, coordinated public and private investment could transform agriculture in the Southern Corridor. It also laid out potential structures, functions, staff roles, and governance systems for the SAGCOT Centre and Catalytic Fund.

By getting specific, the Blueprint enabled prospective partners to see themselves (or not) in what had been a fairly theoretical vision. Of course, the six clusters discussed in the Blueprint are not the only ones in the Corridor and SAGCOT will not focus on them exclusively. But providing examples gave readers ideas about how they could plug in. And it enabled the initiative to illustrate – in quantitative terms – both what would be required and what could be achieved. The specifics help prospective participants determine whether it is feasible and worthwhile for their organizations, with their particular resources, capabilities, and goals, to get involved.

**Building implementation capacity.** As the Investment Blueprint describes, making the agricultural growth corridor approach work requires extensive communication and coordination – ensuring that information flows, recruiting investors and partners, and enabling them to target their efforts in ways that fill gaps and make whole clusters work better. In SAGCOT’s case, the Executive Committee considered the need for intermediation significant enough to warrant the creation of a new organization to fill it. Moreover, it was felt that to be credible, the intermediary had to be neutral: unaffiliated with business, government, civil society, or the donor community but accountable to all.



### 3.2. Mobilization Structure and Skills

Mobilizing around SAGCOT – awareness-raising and positioning, building shared vision, foreshadowing the need for “business unusual,” making the vision concrete, and finally building implementation capacity – has been the work of many hands.

Some stakeholders have been central throughout the process; others have participated with different degrees of intensity at different times. There has not necessarily been a hard and fast division of labor. A number of players have described the mobilization process as “all hands on deck,” with each organization contributing whatever it could to push the agenda forward as it evolved.

This relatively open, organic modus operandi suits an undertaking that is at once highly collaborative and highly entrepreneurial. At the same time, it highlights the need for strong leadership and partnership facilitation to ensure that progress is made and milestones are met on time – as SAGCOT has done. Here the SAGCOT Executive Committee has played a key role identifying, organizing, and deploying a number of critical mobilization capabilities from within the SAGCOT stakeholder ranks in a coordinated and efficient fashion. Analyzing the roles those stakeholders have played, seven key capabilities emerge:

1. **Conceptualization:** Developing the agricultural growth corridor approach, and articulating it in ways that resonated with stakeholders with diverse backgrounds and perspectives.
2. **Promotion:** Sharing the agricultural growth corridor approach and the SAGCOT initiative, answering questions, and encouraging others to join in – both directly and indirectly, by positioning it on relevant leadership agendas.
3. **Administration:** Organizing Executive Committee meetings, receiving and administering seed funding for the mobilization process, and procuring services (e.g. research, consultancies) as needed.
4. **Partnership Facilitation:** Facilitating dialogue, relationship-building, trust, and alignment among the players “behind the scenes.”
5. **Seed Funding:** Deploying relatively small amounts of money on a flexible and timely basis to fuel the mobilization process.
6. **Implementation Funding:** Committing, if not yet disbursing, money for the SAGCOT Centre and Catalytic Fund has helped build implementation capacity and provided a “stamp of approval” that attracts others.
7. **Investment in the Corridor:** Making investments in the Corridor – for example, in a fertilizer terminal or irrigation program – could technically be considered part of the implementation phase. Nevertheless, early examples of partners who are “walking the talk” play a critical role in reassuring and mobilizing others.

Figure 4 depicts the primary contributions of the primary players involved in the SAGCOT mobilization process. Given the “all hands on deck” nature of the process, as described above, this has been distilled significantly for analytical purposes. The chart does not attempt to capture all the contributions of all the stakeholders that have been involved in SAGCOT to date. Rather, it aims to capture the essence of the roles the stakeholders have played so others can learn from them.

Finally, it should be noted that the role of the SAGCOT Executive Committee has gone beyond operational management and oversight. Not only has the Committee catalyzed the partnership process and created the SAGCOT Centre – it has also laid the foundations of an entrepreneurial, open, and highly collaborative partnership culture that will guide the Centre moving forward into the implementation phase. For example, Executive Committee meetings were open to essentially all interested parties, rather than closed and confidential, which encouraged broad participation and a shared sense of ownership that the SAGCOT Centre is committed to maintaining. In addition, while the SAGCOT Centre’s primary role will be coordination and facilitation among members, it will continue to play a leadership role in developing new ideas and proposals.

Figure 4. Primary Contributions of the Primary Players in SAGCOT\*

	Conceptualization	Promotion	Administration	Partnership Facilitation	Seed Funding	Implementation Funding	Own Investment in the Corridor
Yara							
AgDevCo							
Prorustica							
Government of Tanzania							
Agricultural Council of Tanzania (ACT)							
Confederation of Tanzania Industries (CTI)							
Tanzanian Sugarcane Growers' Association (TASGA)							
Unilever	(1)						
Norwegian Ministry of Foreign Affairs							
Irish Ministry of Foreign Affairs							
World Economic Forum							
Tanzania Agricultural Partnership (TAP)							
Syngenta	(2)						
US Agency for International Development (USAID)							
Alliance for a Green Revolution in Africa (AGRA)							
Dupont							
General Mills							
Monsanto							
National Microfinance Bank (NMB)							
Norfund							
SABMiller							
Standard Bank							
World Bank	(3)					(4)	

\* This chart is a distillation for analytical purposes, and does not capture all the contributions of all the stakeholders that have been involved in SAGCOT to date; rather, it aims to capture the essence.

(1) SAGCOT Center and Catalytic Fund design, particularly with respect to governance

(2) Green growth aspects of the corridor concept

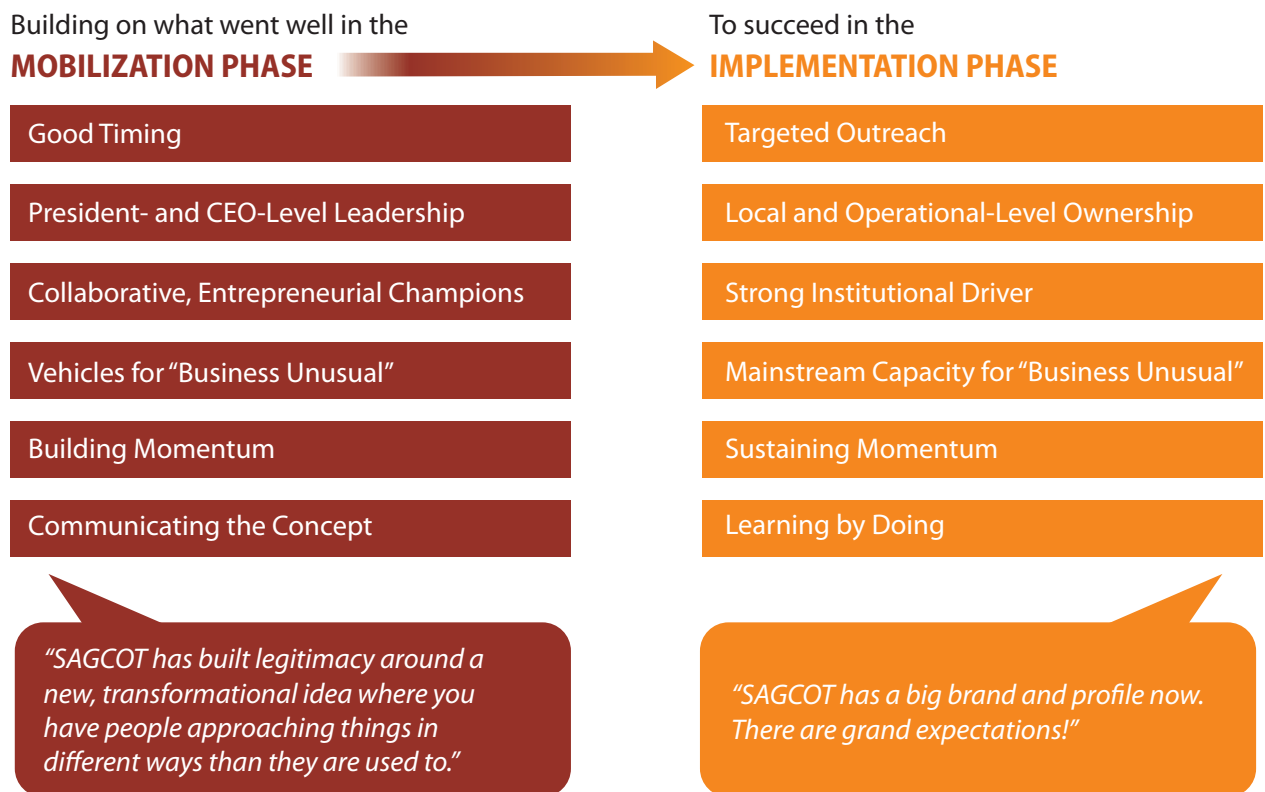
(3) Catalytic Fund design

(4) Pending approval

### 3.3 Key Success Factors, Present and Future

A number of factors lie behind SAGCOT’s success mobilizing for action. According to the stakeholders interviewed for this case study, the initiative now needs to build on these moving forward to succeed in the implementation phase, as depicted in Figure 5. These six pairs of key success factors are discussed in the pages that follow.

Figure 5. SAGCOT Key Success Factors



**From Good Timing to Targeted Outreach:** In the mobilization phase, good timing – with dialogue and commitment to agricultural development happening at the national and international levels in business, government, and the donor community – was key. There was already appetite for transformational change, and everyone could feel that SAGCOT was partly their idea. At the same time, not all important stakeholders are involved in high-profile forums, and there is a sense that the process so far has been somewhat top-down. Moving into implementation, it will be key to maintain the joint sharing of ideas that characterized the mobilization phase and to involve new groups.

**Good Timing**

**What happened:**

- Tanzanian business and government had engaged in two years of dialogue to develop Kilimo Kwanza
- WEF's New Vision for Agriculture had raised awareness and engaged companies on "transformational partnerships"
- Donors had renewed their commitment to agriculture and food security at LAquila (\$20 billion)
- General sense of frustration with so many failed interventions in the Tanzanian agriculture sector
- Yet TAP and the sugar industry had shown proof-of-concept on a smaller scale

**Why it was important:**

- There was an appetite for something dramatically new, different, and transformational
- Everyone could claim some ownership over the concept; it's "everyone's idea"
- Precedents made it easier to communicate about scaled-up efforts

“  
Everybody really felt that repeating the past, the 'shotgun approach,' was not going to work. SAGCOT is about coordination and scale.”

**Targeted Outreach**

**Why it's important:**

- Not all important stakeholders are involved in high-level forums like Kilimo Kwanza, the World Economic Forum, LAquila
- The presence of big international players and perceptions of a "top-down" process trigger fears
- Perceived exclusion can be a source of risk
- Misunderstanding of the initiative creates unrealistic expectations which, if (and when) unfulfilled, could lead to disappointment and disengagement
- SAGCOT needs broader networks in some areas to fulfill its mission

**How to go about it:**

- Clarify messaging on what SAGCOT will do and not do as an initiative aiming to make markets work for and in the Corridor – as well as what it means and does not mean to be a member
- Seek out connections with key stakeholder groups, including farmers' associations, district governments, additional federal government agencies like the Ministry of Works and the Ministry of Industry and Trade, and NGOs
- Find ways to cultivate those connections, even if they cannot be activated right away

“  
This program is first and foremost oriented toward smallholder development – but not in the traditional way of handouts.”

**From Collaborative, Entrepreneurial Champions to a Strong Institutional Driver:** In the mobilization phase, collaborative, entrepreneurial champions within several partner organizations played critical roles in bringing others together and building alignment within the group – not least through leadership by example. Moving into implementation, it will be critical to avoid dependence on key individuals and build the capacity to add value at scale. Highly capable staff, a flexible, learning-oriented approach, and an unimpeachable governance structure will be key.

### Collaborative, Entrepreneurial Champions

#### What happened:

- Key individuals had the passion, collaborative personalities, and persistence required to start up a new and (very) multi-stakeholder venture with few exact precedents
- Key individuals dedicated significant time – for them, SAGCOT blurred the lines between job and personal mission

#### Why it was important:

- Champions brought together a diverse range of players with distinct but interdependent interests
- They built alignment around a new vision that requires the players to work differently than they are accustomed to
- It wouldn't have been possible for them to get others to be collaborative and entrepreneurial if they didn't embody those qualities themselves



*I told my family I would devote 20% of my time to SAGCOT, and 80% to our business. It's ended up being the reverse!*



### Strong Institutional Driver

#### Why it's important:

- Dependence on key individuals creates continuity and delivery risk
- SAGCOT requires the capacity to add value at scale
- SAGCOT needs to sustain a sense of balance and alignment of interests within the group as individuals players begin to move (at different paces)
- But its approach is still new and SAGCOT needs to stay entrepreneurial, even with so many players involved

#### How to go about it:

- Hire adequate staff support for SAGCOT Centre leaders
- Articulate and ensure an active role for the SAGCOT Board, going beyond "sitting sessions"
- Resist the urge to over-design the organization; allow Centre leaders to evolve it based on experience
- Define what accountability means for SAGCOT and go overboard to demonstrate it
- Ensure that the SAGCOT Centre's relationship to the Catalytic Fund is clear and conflict-of-interest free



*There is a real risk that particular interests will run away with SAGCOT, yet to succeed, it has to provide specific, tangible benefits to all.*



**From President- and CEO-Level Leadership to Local and Operational-Level Ownership:** In the mobilization phase, top leadership had a magnetic effect in attracting potential partners, and created the space for their staff to be involved. Moving into implementation, more and more decisions will happen further and further down the organization chart, and it will be critical that local and line managers buy in. They need to be engaged actively, through communications and through demonstration efforts – using early adopters’ successes to persuade laggards.

**President- and CEO-Level Leadership**

**What happened:**

- The Tanzanian President and Prime Minister personally reached out to bilateral and multilateral donor agencies
- The Tanzanian government committed the first \$1 million to the Catalytic Fund
- The CEOs of Unilever, Yara, Syngenta, and other companies took visible stances at the World Economic Forum and gave their staff the space to get involved

**Why it was important:**

- Top-level involvement (and financial commitment) signaled that the Tanzanian government was serious – which was key to obtaining bilateral and multilateral donor funding
- The involvement of the Tanzanian President and CEOs has a magnetic effect in attracting others
- Their support also enables ministers and managers to think longer-term and accept higher risk
- And it provides a powerful incentive to show progress

“  
*What you don't see elsewhere is the direct Presidential leadership, sending signals that this is very important. Kikwete is engaging and listening to feedback. He can tell you the details of what is happening.*  
 ”

**Local and Operational-Level Ownership**

**Why it's important:**

- In the implementation phase, many key decisions will happen at the operational level – for example district-level business licensing, land use planning, and spending
- Operational-level decisions and actions are more likely to align with the SAGCOT vision if local officials and middle managers themselves buy into that vision and approach
- Smallholders cannot be productive parts of the value chain unless they are willing and equal ones, able to negotiate, make decisions, buy, and sell for themselves

**How to go about it:**

- Targeted outreach and communication
- Invoke top leadership carefully – it's a strong driver, but a poor substitute for a sense of ownership
- Focus on early adopters and use their success to persuade laggards
- Ensure that the fundamental building blocks and relationships key to SAGCOT's success are in place prior to the 2015 elections

“  
*District functionaries won't implement a paradigm shift through command-and-control.*  
 ”

**From Vehicles for “Business Unusual” to a Mainstream Capacity for “Business Unusual”:** In the mobilization phase, it was key that leading companies and donors had special vehicles allowing them to support new, unproven, and therefore riskier and longer-term efforts. Now, local and line managers – the ones carrying out the day-to-day work – will have to act upon the SAGCOT vision. Moving into implementation, it will be critical that corporate headquarters and the central government remain engaged to support them, not only in spirit but also with the budgets, skillsets, and incentives their managers need.

### Vehicles for “Business Unusual”

#### What happened:

- Donors are increasingly geared up to support private sector-led growth (e.g. through funding themes, public-private partnership and “making markets work for the poor” programs, and challenge funds)
- Key multinational companies have portfolio-based, learning-oriented, long-term business development processes at the corporate level

#### Why it was important:

- These structures and processes allowed donors and companies to dedicate money and staff time to catalyzing a new and unproven approach, where the potential payoff is big but long-term



*Within established priority areas, we can make decisions at delegated levels – we don’t have to go up as many layers for approval. This helps us make quick decisions and be catalytic.*



### Mainstream Capacity for “Business Unusual”

#### Why it’s important:

- In the implementation phase, alignment will be a function of the many day-to-day decisions and actions that local and ministerial officials and middle managers take
- They may lack the budgets, mindsets, skillsets, and/or key performance indicators needed to take risk or think long-term

#### How to go about it:

- Sustain strong corporate, Presidential, and Prime Ministerial-level support for local and ministerial officials and middle managers taking action
- Ask what each partner is doing internally to create the institutional capacity to engage in something innovative and long-term like SAGCOT
- Design the Catalytic Fund to help create that capacity within the private sector, by addressing specific barriers and challenges that partners face in doing “business unusual”
- Consider equivalent mechanisms to support “government unusual,” including existing and new forms of donor coordination
- Build capacity within RUBADA, the designated Tanzanian government focal point for SAGCOT
- Do not forget about other relevant ministries, such as the Ministry of Works and the Ministry of Industry and Trade



*We’ve committed money to the Catalytic Fund. Our people ask, ‘What if we can’t show progress because they’re being slow?’ We have an internal change process underway, looking at incentives and obstacles and how we can give our people space to take risk. The long-term potential is more important than this short-term number here.*



**From Building Momentum to Sustaining Momentum:** In the mobilization phase, building momentum was key, with a staged process and strong facilitation helping to bring a diverse range of players on board and keep the process moving forward. Now, the players are facing a 20-year implementation period, and having to change long-standing mindsets and behaviors to do it – which in itself takes time. It will be critical to find ways of working that recognize this, and that keep those involved focused and energized along the way.

**Building Momentum**

**What happened:**

- A staged mobilization process spanning the development of the Concept Note, Investment Blueprint, SAGCOT Centre Business Plan, and now the Catalytic Fund design
- Major milestones timed to coincide with high-profile World Economic Forum events
- Active communication and facilitation by partners at both the global and local levels

**Why it was important:**

- High visibility provided a strong incentive to keep the process moving forward, and helped bring new players in
- Multiple stages offered multiple windows for players to get involved as visibility and interest grew – and to see their perspectives reflected in each successive deliverable

“  
*Leadership isn't enough on its own. Linking this to a series of time-bound deliverables has been powerful translation of the leadership agenda to action on the ground.*  
 ”

**Sustaining Momentum**

**Why it's important:**

- The Investment Blueprint has a 20-year time horizon
- SAGCOT's success depends on mindset and behavior change among many players, a process that takes time and experience
- New institutions like the SAGCOT Centre and eventual Catalytic Fund also take time to develop and mature
- Yet many players need short-term results to justify continued participation in the SAGCOT initiative
- And visible progress helps keep people energized when they are working hard now for results expected to materialize fully only in the long term

**How to go about it:**

- Accept that mindset and behavior change will be gradual, and that it will happen faster for some players than for others
- Make room and create roles for players at different stages of the mindset and behavior change process
- Target meaningful “quick wins,” especially in the field, and celebrate them when they are achieved

“  
*SAGCOT has captured the imagination because they keep setting milestones and reaching them. We have to keep doing that, to have different things we celebrate along the way. This is a long, hard process and we have to keep people motivated and focused.*  
 ”



**From Communicating the Concept to Learning by Doing:** In the mobilization phase, making a complex, abstract concept relatively simple, concrete, and attractive was key, helping to engage and align a wide range of stakeholders with different backgrounds, perspectives, and tools and resources to bring to bear. Now, those stakeholders are eager to see whether the concept will work. Moving into implementation, it will be critical to take a “learning by doing” approach that recognizes not everything can be known in advance: taking well-calculated risks, sharing results (good and bad), and adjusting course in response. It is important that field-based activities begin right away to preempt the perception that SAGCOT is “all talk” or, as one stakeholder put it, as “yet another failed program.”

### Communicating the Concept

#### What happened:

- Packaged a complex concept (coordinating and targeting diverse investments in specific geographic areas to remove multiple bottlenecks at once – strengthening the entire agricultural value chain so each individual link can succeed) in a simple way (corridor, cluster, catalytic financing)
- Positioned the concept globally as part of a cross-sector leadership agenda, utilizing especially the World Economic Forum’s New Vision for Agriculture platform

#### Why it was important:

- Helped bring a range of key players on board, all with critical, complementary roles to play if the SAGCOT concept is to succeed
- Aligned the players around a common vision of market-driven, private sector-led agricultural growth that engages and lifts smallholders out of poverty



*Our administrator now sees this as a test case for agricultural transformation and a potential new model for a lot of other countries.*



### Learning by Doing

#### Why it’s important:

- SAGCOT is a new approach and it is impossible to figure everything out ahead of time
- Many players are wondering whether the others will take action – it’s time to try something and find out
- Smallholders have heard lots of ideas and gotten lots of unmet promises over the years; action must quickly follow any communication with them
- SAGCOT needs to prove it can deliver shared benefits in order to sustain broad-based interest and participation

#### How to go about it:

- Develop active facilitation and support mechanisms that counteract the “wait and see” attitude
- More individual partners must take the lead, step out in front and “walk the talk”
- Rigorous monitoring and evaluation mechanisms must be put in place early on – and the SAGCOT Centre and its partners must demonstrate continuous improvement in response



*When we have specific requests based on concrete proposals – this project requires that – then the partners can prove their commitment. It’s difficult to say now whether they will or they won’t.*



## 4 Outlook

SAGCOT is now “live” – which means it is time for the many stakeholders that have supported and shown interest in the initiative to start making deals in the Corridor. Agribusiness investors need to start evaluating opportunities, conducting feasibility studies, and running trials. Investors and donors need to commit money to the Catalytic Fund once key organizational design and management decisions have been taken. Donors also need to support local farmers’ groups, and NGOs need to help build those groups’ capacity to engage in the SAGCOT process. The Tanzanian government needs to put serious backing behind the Rufiji Basin Development Authority (RUBADA), its designated focal point for SAGCOT, and clarify its intended role, structure, and interface with the SAGCOT Centre. Banks need to make financing available for large projects and for associations of smallholders in the Corridor. The SAGCOT Centre will need to provide information, coordination, facilitation, and support to help make it all happen, and to ensure that the whole is greater than the sum of the parts.

A few “quick wins” in SAGCOT’s priority clusters will help prime the pump. High-value export crops like mangos and avocados offer near-term potential, as do opportunities to build outgrower schemes into existing commercial farming operations. But the need and overall goal is for scale. Soon, the pipeline of investment will need to grow and diversify – to different kinds of crops, beyond horticulture, and from production to value addition and other agriculture-related business activities. Public and donor investment, for example in infrastructure and the capacity of smallholders and their representative bodies, will also need to be part of the mix. As one company put it, in agriculture, “you’re only as strong as the weakest link.”

All this will help make the SAGCOT vision a reality: illustratively, the partners believe they can bring up to 350,000 hectares under production, creating 420,000 jobs, generating annual farming revenues of \$1.2 billion, contributing to food security, and lifting more than two million people out of poverty by 2030. But the potential is even greater. The corridor approach lends itself to issue overlay, for example, and a focus on green growth is already emerging. Regionalizing the Corridor to neighboring Zambia and Malawi would be interesting, expanding markets for farmers and other agribusinesses. And finally, there is appetite to replicate the agricultural growth corridor approach within Tanzania, elsewhere in Africa, and around the world. As several stakeholders have expressed, with time and sustained effort, SAGCOT could eventually come to represent “a new paradigm for agricultural development.”

## Appendix A: List of Stakeholders Consulted

*in alphabetical order by last name*

Thais Affonso, Syngenta  
Jennifer Baarn, World Economic Forum/SAGCOT Centre  
Robert Berendes, Syngenta  
Frank Braeken, Unilever  
Arne Cartridge, World Economic Forum  
Sean de Cleene, Yara  
Giulia di Tommaso, Unilever  
Patrick Guyver, Prorustica  
Anne Kristin Hermansen, Norwegian Ministry of Foreign Affairs  
Thomas Hobgood, US Agency for International Development  
Jeffrey Lewis, Korongo  
Abel Lyimo, Rural-Urban Development Initiatives  
Peniel Lyimo, Government of Tanzania  
Mark Magila, Tanzania Agricultural Partnership  
Tjada McKenna, US Agency for International Development  
Maha Misbah, Unilever  
George Mlingwa, Tanzanian Sugarcane Growers Association  
Felix Mosha, Confederation of Tanzania Industries  
Dunstan Mrutu, Tanzania National Business Council/SAGCOT Centre  
Keith Palmer, AgDevCo  
Kavita Prakash-Mani, Syngenta  
Anna Riley, africapractice  
David Rohrbach, World Bank  
Dianne Rudo, Rudo International  
Fidelis Rutatina, Novel Development Tanzania Ltd  
Salum Shamte, Agricultural Council of Tanzania  
Jerry Steiner, Monsanto  
Henry Surtees, Sasumua Holdings  
Andrew Temu, Sokoine University of Agriculture  
Kees Verbeek, National Microfinance Bank (*via email*)

## Appendix B: List of Documents Consulted

- Agricultural Council of Tanzania/Tanzania Agricultural Partnership (2010). "Value Chain Analysis of Rice and Maize in Selected Districts in Tanzania." Study conducted by Match Maker Associates and funded by the European Union-European Commission Food Facility.
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- World Bank/Food and Agriculture Organization of the United Nations (2008). "United Republic of Tanzania Agricultural Sector Development Programme (ASDP) Private Sector Development Mapping: Final Report." A Report for the World Bank/FAO Cooperative Programme.

## Appendix C: Endnotes

1. Kenya, Uganda, Rwanda, Burundi, Congo, Zambia, Malawi, and Mozambique.
2. US Agency for International Development (USAID) (2010). "AgCLR Tanzania: Commercial Legal and Institutional Reform in Tanzania's Agriculture Sector." Washington, DC: USAID, page 10; also see SAGCOT (2010). "Southern Agricultural Growth Corridor of Tanzania: Concept Note." Online at [http://www.africacorridors.com/sagcot/pdfs/SAGCOT\\_Concept\\_Note.pdf](http://www.africacorridors.com/sagcot/pdfs/SAGCOT_Concept_Note.pdf) (accessed November 18, 2011). Page 13.
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6. For an overview of approaches to strengthening inclusive business ecosystems, please see Gradl, Christina and Beth Jenkins (2011). "Tackling Barriers to Scale: From Inclusive Business Models to Inclusive Business Ecosystems." CSR Initiative Report No. 47. Cambridge, MA: Harvard Kennedy School.
7. According to CSR Initiative research, platforms are one of three structures companies commonly use to strengthen the ecosystems around their inclusive business models – i.e., business models that offer goods, services, and/or livelihood opportunities to the poor. The other two structures are project-based alliances and individual companies. See note 6.
8. Specifically, a company limited by guarantee.
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## About the Author

**Beth Jenkins** has spent more than 10 years researching and advising companies on inclusive or base-of-the-pyramid business models and cross-sector partnerships. She is a fellow of the Corporate Social Responsibility Initiative at the Harvard Kennedy School and a consultant to the International Finance Corporation's Inclusive Business Models Group.

Before becoming a fellow, Beth directed the CSR Initiative's Economic Opportunity Program, analyzing, documenting, and disseminating inclusive business activity together with partners such as the International Finance Corporation, United Nations Development Programme, World Business Council for Sustainable Development, and NGOs and companies around the world. She authored and edited eight reports in the CSR Initiative's Economic Opportunity Series, including a cross-cutting analysis and seven industry studies in the extractives, financial services, food and beverage, information and communications technology, health care, tourism, and utilities sectors. She has developed six inclusive business reports with IFC and co-authored the UNDP publication "Creating Value for All: Strategies for Doing Business with the Poor" with Christina Gradl.

Earlier in her career, Beth was responsible for developing and disseminating risk management concepts and capabilities at Booz | Allen | Hamilton, with special emphasis on the strategic risks companies face as a result of social, environmental, and international development issues. She also spent five years working on base-of-the-pyramid business models in the information and communications technology and housing sectors at the World Resources Institute and Ashoka. She is a graduate of Yale University and the Harvard Kennedy School.

## About the CSR Initiative at the Harvard Kennedy School

The Corporate Social Responsibility Initiative (CSRI) at the Harvard Kennedy School's Mossavar-Rahmani Center for Business and Government (M-RCBG) is a multi-disciplinary and multi-stakeholder program that seeks to study and enhance the public contributions of private enterprise. The initiative explores the intersection of corporate responsibility, corporate governance, and public policy, with a focus on analyzing institutional innovations that enhance governance and accountability and help to achieve key international development goals. It bridges theory and practice, builds leadership skills, and supports constructive dialogue and collaboration among business, government, civil society and academics. Founded in 2004, the CSR Initiative works with a small Corporate Leadership Group consisting of global companies that are leaders in the fields of corporate responsibility, sustainability or creating shared value. The group currently consists of the following companies: Abbott Laboratories; Chevron; The Coca-Cola Company; ExxonMobil; Intercontinental Hotels Group; Microsoft; Nestlé; SAP; and Unilever. The Initiative also works with other leading CSR and sustainability organizations, government bodies, non-governmental organizations and companies to leverage innovative policy research and examples of good practice in this field.

## Related CSR Initiative Reports

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Beth Jenkins and Eriko Eshikawa (CSRI with IFC)

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#### Supporting Entrepreneurship at the Base of the Pyramid through Business Linkages

Beth Jenkins, Eriko Ishikawa, Marisol Giacomelli, and Emma Barthes (CSRI with IFC and IBLF)

#### Developing Mobile Money Ecosystems

Beth Jenkins (CSRI with IFC)

### 2007

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Beth Jenkins

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#### The Role of the Food and Beverage Sector in Expanding Economic Opportunity

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#### Business Linkages: Lessons, Opportunities, and Challenges

Beth Jenkins, Anna Akhalkatsi, Brad Roberts, and Amanda Gardiner (CSRI with IFC and IBLF)

#### Building Linkages for Competitive and Responsible Entrepreneurship: Innovative Partnerships to Foster Small Enterprise, Promote Economic Growth, and Reduce Poverty in Developing Countries

Jane Nelson

### 2006

#### Tanzania: Lessons in Building Linkages for Competitive and Responsible Entrepreneurship

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#### Viet Nam: Lessons in Building Linkages for Competitive and Responsible Entrepreneurship

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**HARVARD Kennedy School**

*Corporate Social  
Responsibility Initiative*

CSR Initiative  
Harvard Kennedy School  
79 John F. Kennedy Street  
Cambridge, MA 02138  
USA  
[www.hks.harvard.edu/m-rcbg/CSRI/](http://www.hks.harvard.edu/m-rcbg/CSRI/)