



Growing Sustainable Business for Poverty Reduction in Tanzania



GSB Coordinating Group

Brief note on the outcome of the 6th meeting (22 February 2005, 14.00 – 16.00) Tanzania Global Development Learning Center

The sixth meeting of the GSB Coordinating Group was held at Tanzania Global Development Learning Center (DLC) to discuss specific GSB projects in the pipeline as well as to discuss the way forward for the projects. The attached agenda was adopted to guide the meeting, which was attended by 20 members (see attached list of attendees), including members from Ericsson Sweden and Tetra Pak who participated through videoconference from Stockholm. Participants were provided with the following documentation for the meeting:

- q Proposed agenda
- q Meeting note from 5th meeting
- q Project Brief from Ericsson and Unilever
- q Revised Project Document of the Integrated Dairy Development Project led by Tetra Pak
- q Terms of Reference for a Value-Chain Analysis and Socio-economic assessment.
- q Presentation by Tetra Pak
- q Presentation on GSB Clearinghouse Project

Opening

Mr. John Hendra, UNDP Resident Representative & UN Resident Coordinator, opened the meeting at 14:00 followed by self-introduction of members. Participants endorsed the minutes from the 5th meeting. The change on the agenda was made to move up the GSB clearinghouse project presentation before the special discussion on GSB pipeline projects. Below is a brief account of the main points discussed in the meeting as well as suggested action points.

Matters arising from the 5th meeting

1. GSB Clearinghouse Project is being set up by GSB clearinghouse consultant and UNV.
2. GSB Investment Forum will be combined with TCRA's Rural ICT Forum on the 2nd and 3rd of March. GSB will have a session on Business Models and Money Transfer Services in the afternoon of 2nd of March.
3. Please also refer to later items on the agenda.

GSB Clearinghouse Project Presentation (Item 7)

The presentation was made to present rationale for GSB Clearinghouse (Investment Intelligence "I2" Network) and its functions. The three main functions



Growing Sustainable Business for Poverty Reduction in Tanzania



of I2Net include Partner Network, Content and Information Management and Web Distribution. I2Network is to address information as the missing link – sustainable development requires access to capital, capital flow prefers predictability, no information means no predictability, no predictability leads to no investment.

The five main partners in the partner network include GSB, TIC, BET, MIT, and TCCIA. Those partners are mechanical partners ensuring the sustainability and construction of the I2Network. All the partners in the partner network have budget for database and web portal development. GSB I2Net will ensure that all those portal are compatible and avoid duplication. In addition to main key partners, member partnerships who will be contributing contents/documents/information will be established with NGOs, Donor Agencies, Government Agencies, and private sector. Web base function of I2Net was also presented.

It was suggested to include Ministry of Agriculture, Ministry of Livestock and Water, President's Office – Planning and Privatization, World Bank – Global Gateway, CTI, PSI, etc. Those organizations will be involved as valuable members to the I2Net, including PoPP providing information on privatisation projects, CTI on manufacturing and productive sectors, and Global Gateway providing a number of relevant studies. NGO Policy Network is also recommended to be a member of the I2Network.

Action Points: Further engage suggested members in the Content and Information Management. Proceed with procurement for web development.
Responsible: GSB Clearinghouse Team

Special Discussions (Item 4)

The criteria for GSB support for research activities were presented to ensure the common understanding with regard to the fund available for such activities. The criteria include that the research to be on the public record, serve the public interest, and ToR to be agreed upon by GSB Coordinating Group members. It also includes that the corporate partner provides 40% of the research budget in cash or added value kind, and the maximum support per research activity is \$50,000.

Integrated Dairy Development Project:

Tetra Pak has revised the project document, incorporated comments received from Dairy Alliance Team and discussions with local dairy companies. A summary of consumer survey conducted by Tetra Pak and Land O'Lakes was also provided as an annex to the document. The presentation was made to introduce Tetra Pak, Food for Development Office, its activities and experience, the background of GSB project, analysis of value-chain of dairy industry in Tanzania, benefits of aseptic technology and a way forward. As a next step, a value-chain analysis and socio-economic assessment of the dairy industry in Tanzania was proposed.



Growing Sustainable Business for Poverty Reduction in Tanzania



A number of comments were made on the project and a proposed study. The concern was raised with regard to the project focusing on UHT technology that Tanzania may not be ready for UHT technology and that we need to proceed with caution. In the past, UHT technology was introduced to Tanzania, however, it has not worked in the context of Tanzania. The issues include lack of supply of milk catered for UHT plant, costing of UHT technology, and affordability of packed milk. On the other hand, advantages and benefits of UHT technology are clear, including cost-effective distribution and reducing seasonable imbalances. It was felt that UHT plants may not be viable at a moment, however, within the context of Public-Private Partnership, this can be facilitated. It was also suggested that culture and habit of drinking milk be looked at in developing the dairy industry to ensure the demand for milk. In addition, it was felt that some analysis that dairy farming is better alternative from the nutrition aspect would be essential in the project document, if nutrition is the key argument to be involved. As the project involves in the production of a consumer product, an environmental impact study including production, processing, distribution and waste management was also suggested. Further, it was recommended that the project also looks at regional economic integration aspects, including export potential, potential competitiveness in the context of global market.

Generally, it was agreed that the study would enable us to make informed decisions, and the study is needed urgently, looking at financial, economic and technical aspects of value-chain. The study is proposed to look at sector as such to provide information to make decisions on investment, business models, etc. It was also suggested that the study includes analysis on expected income above current average as part of socio-economic assessment, environment assessment, and regional trade aspects.

It was also discussed that the synergies and linkages with WFP/UNICEF feeding programme as well as a National Feeding Programme in the context of National Strategy for Growth and Reduction of Poverty. In that context, it was also recommended that the project links up with Vice President's Office and Ministry of Livestock and Water. Tetra Pak is working with Tanzania Dairy Development Board in advocating a national feeding programme.

Action Points: Revise a ToR for the value-chain analysis and socio-economic assessment and share with GSB members for electronic endorsement. After the endorsement, go through the procurement process to commission a study.
Responsible: Tetra Pak, GSB Dairy Alliance, and GSB Secretariat.

GSB Project Briefs (item #5)

Rural ICT:

The socio-economic study is being finalized. The study will be presented at the Rural ICT Workshop organized by TCRA in partnership with Sida and GSB/UNDP. GSB will have a session on Business Models and Money Transfer Services in the



Growing Sustainable Business for Poverty Reduction in Tanzania



afternoon of 2nd of March, where Ericsson's Communication for All and money transfer services will be presented. In addition to Ericsson, there will be several panel presentations made by financial sector and telecom service providers in their money transfer services. With new regulatory regime in ICT sector, the aim of the workshop is to generate private sector investment in rural ICT. GSB session will address the need for new business models in rural areas for ICT services and money transfer services as an example as well as an integral part of a business model.

Unilever Novella Project:

Novella Project is proceeding well with collection, buying and transportation of seeds. In this season so far, about 80 tons of seeds are bought, while 60 tons have been transported into Dar es Salaam. Processing of seeds is on-going, finishing up with processing of seeds from last year. The partnership between Unilever and SNV was officially launched. Tree nursery work is on-going in Kenya.

The issues of ownership of the development of the value-chain have come up in the discussion of ensuring ownership in the value-chain. Unilever currently continues supporting the operation of partners. With Novella 2 introducing domestication of AB trees, the issues of ownership of tree become critical. Potentially, it was suggested that the primary cooperatives/associations as an institution can access to raw materials, gain legal access to collateral financing, etc. More on this aspect could be discussed further.

Action Points: Proceed with the procurement of consultants. Further discussion on issues related to ownership, etc.

Responsible: Novella Project Alliance, GSB Secretariat

Updates on GSB Prospects:

TechnoServe Artimesia Project: With funding from WHO, TechnoServe will be engaged in cultivation of Artimesia, starting in Northern area, followed by Southern Highland. TechnoServe is in discussion with private sector. More details can be presented at the next meeting.

IFC Africa Agribusiness Linkage (AAL) Programme: IFC's Africa Agrobusiness Linkage Programme was formally started in November 2004, and currently looking at three potential projects. As it is still premature to be discussed in details, more details can hopefully be provided at the next meeting.

AOB (Item #7)

National GSB Advisor/Coordinator: Being recruited currently.

In Conclusion

A next meeting will be held in late April/early March.

The meeting was closed at 16:10.



Growing Sustainable Business for Poverty Reduction in Tanzania



GSB Coordinating Group

**6th meeting: 22 February 14.00 – 16.00
at Tanzania Global Development Learning Center**

AGENDA

1. Welcome by John Hendra, UNDP Resident Representative,
followed by Introduction of New Members
2. Approval of Agenda & Minutes from the 5th meeting
3. Matters arising from the 5th meeting
4. GSB projects in pipeline – special discussions
 - a. Dairy Development Project
5. GSB Project Briefs – For Questions/Comments Only
 - a. Rural ICT Project
 - b. Novella Project
6. Updates on GSB Project Prospects
7. Presentation on GSB Clearinghouse
8. Any Other Business
 - i. GSB National Advisor
 - ii. GSB Global Update
9. Way forward & next meeting

Growing Sustainable Business for Poverty Reduction in Tanzania

Participants at the 5th GSB meeting

Participants at the 6th meeting of the GSB Coordinating Group, 22/02/05, 14.00-16.00, Tanzania Global DLC							
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