



Strengthening MSME Capacity to Improve Competitiveness in Domestic, Regional and International Markets for Selected Value Chains.

Improving productivity, value addition and competitiveness of Tanzania's MSMEs, particularly women and youth entrepreneurs

KEY INFORMATION

Sector: Trade

Lead Partners: UNDP, Enhanced Integrated Framework (EIF) and United Republic of Tanzania (URT)

Implementing Partners: Ministry of Trade and Industry (MTI), Revolutionary Government of Zanzibar (RGoZ), Local Government Authorities (LGAs), TANTRADE, Small Industries Development Organization (SIDO) and Small and Medium Industrial Development Agency (SMIDA).

Budget: USD 2,840,000

Duration: 2020 - 2022

BACKGROUND

Tanzania has implemented the Capacity Development for Mainstreaming Trade (CDMT) Project from August 2013 to February 2017. The project was co-funded by UNDP and EIF through the Tier 1 window, which generally seeks to build the capacity of Least Developed Countries (LDCs) to mainstream trade and coordinate trade related assistance.

The main objective of the CDMT Project was to build capacities of the Ministry of Industry and Trade (MITI) and Ministry of Trade Industry and Marketing (MTIM)-Zanzibar, Trade Related Ministries and Private Sector to mainstream trade in their policies, strategies, and programmes.

Amongst the many achievements include improved inter-ministerial coordination of trade issues, Diagnostic Trade Integration Study (DTIS) Update and the various value chain analysis conducted to facilitate the formulation of trade development programmes and projects.



Sizya Hafidh, Program Manager of Cagz Arts located in Zanzibar. The facility provides training to young people on arts, crafts, and entrepreneurship. The program received funding from UNDP.

PROJECT DETAILS

Despite the significant results achieved through the CDMT project, there are some gaps which needed to be addressed to consolidate the results of the 1st phase of the project such as Local Government not being adequately covered in the project, lack of mechanism that will encourage frequent strategic trade analysis that will inform policy decisions and actions on emerging trade issues.

The gaps identified above called for the second phase of CDMT to consolidate results achieved in the first phase as well as to ensure sustainability of the results. The Strengthening MSMEs Capacity to Improve Competitiveness in Domestic, Regional and International Markets for Selected Value Chains project aims at improving productivity, value addition and competitiveness of Tanzania's MSMEs, particularly women and youth entrepreneurs, and increasing their sales to domestic and export markets.

This is expected to contribute increased incomes and employment, as well as to reduction of poverty, in particular in the rural areas and amongst women and the continuously growing youth population entering the workforce. Most project volume is on the tangibles of MSMEs access to financing, new technologies and other inputs, innovations, and skills, as well as in assisting them to penetrate new markets on a sustainable basis.

These activities comprise the Tier 2 component of the proposed project. The project also seeks to build capacities of the Local Government Authorities and the Lead Trade Ministries and Agencies to continue to support the MSMEs even after the project ends for sustainability; to include wider sets of constituencies into trade capacity building and coordination; and to provide resources for making the most of Tanzania's participation in trade and leveraging for more support to the MSMEs. These activities form the smaller, supportive Tier 1 component.

KEY ACTIVITIES

By the end of the project, the following are the main results expected to be achieved.

- Strengthened capacity of Tanzanian institutions and stakeholders to mainstream trade and formulate and implement pro-poor trade policies and Programmes.
- Trade mainstreamed into National Development and Strategies and Plans.
- Coordinated trade related resources by Donors.
- Resources secured to support initiatives that address DTIS Action Matrix Priorities.

EXPECTED RESULTS

- Increased sales and exports by MSMEs with prioritized focus on women and youth entrepreneurs. The proposed value chains and their locations are Palm Oil (Kigoma), Horticulture (Simiyu and Mara), Honey (Singida), Anchovies (North Unguja), and Seaweed (Pemba).
- Improved MSME productivity in Palm Oil, Horticulture, Honey, Anchovies, and Seaweed value chains for increased competitiveness.
- Improved MSME's market penetration in the selected value chains.
- Implementation of evidence-based policy and regulatory frameworks for trade and investment.
- Strengthened institutional coordination for trade and industrial development and investment, including at LGAs level.
- Enhanced National capacities for evidence-based trade, industrial and investment policy formulation, and implementation.
- Leverage additional resources for implementation of activities to assist MSMEs access to markets.

BENEFICIARIES

- Youth and Women MSME's.

PARTNERS



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