
A Review of National Fertilizer Regulatory Authorities in Tanzania

PREPARED BY THE AFRICAN FERTILIZER AND AGRIBUSINESS PARTNERSHIP
(AFAP) FOR THE ALLIANCE FOR A GREEN REVOLUTION IN AFRICA (AGRA)'S
SCALING SEEDS AND TECHNOLOGIES PARTNERSHIPS (SSTP)



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This report forms part of a set of studies covering 4 countries (Mozambique, Malawi, Tanzania and Ethiopia) in Eastern and Southern Africa in Support for the Establishment of a Regional Fertilizer Policy and Regulatory Framework for East and Southern Africa.

AFAP extends its gratitude to all institutions and individuals which were interviewed and shared their experiences.

ACRONYMS

AGRA	Alliance for a Green Revolution in Africa
AFAP	African Fertilizer and Agribusiness Partnership
ACTESA	Alliance for Commodity Trade in East and Southern Africa
AMOFERT	Mozambican Association for Fertilizers
COMESA	Common Market for East and Southern Africa
FAK	Fertilizer Association of Kenya
FAO	Food and Agriculture Organisation
IFA	International Fertilizer Association
IFDC	International Fertilizer Development Centre
IFPRI	the International Food Production Research Institute
MAFC	Ministry of Food Security and Cooperatives
MTI	Ministry of Trade and Industry
NEMC	National Environment Management Council
SGS	Societe Generale de Surveillance
SSTP	Scaling Seeds and Technologies Partnerships
TABIRA	Fertilizer Association Burundi
TBS	Tanzania Bureau of Standards
TFC	Tanzania Fertilizer Company
TFDA	Tanzania Food and Drugs Authority
TPA	Tanzania Port Authorities
TFRA	Tanzania Fertilizer Regulatory Authority
TFTA	Tanzania Fertilizer Trade Association

EXECUTIVE SUMMARY

An assessment of the national fertilizer regulatory authorities in Tanzania reveals that fertilizer production/importation, distribution, marketing and trade is regulated and controlled by multiple institutions. These institutions are established under different Acts of the Laws of Tanzania. In carrying out their mandates, these institutions also draw from their specific Acts, policies and regulations. This often leads to conflicts and/or overlaps and replication making it difficult to reach consensus on certain issues. Further, there is no national fertilizer-specific coordinating institution that guides and coordinates efforts of the various institutions to avoid overlaps and/or replication of efforts. The weak regulatory legal instruments and harmonization standards undermine comprehensive and effective coordination in fertilizer production, marketing and distribution.

In order to address these challenges, improve agricultural production and food security and establish a means through which government and the private sector oversee the functioning of the fertilizer sector, this report makes the following recommendations:

- a) **Strengthen the TFRA:** In order to effectively coordinate the efforts of the various institutions that are involved in fertilizer regulation there is need for improved funding and training of TFRA officials. In addition to avoid unnecessary red tape TFRA should adopt the one-stop shop model.
- b) **Train and gazette fertilizer analysts and inspectors:** Like other COMESA member states, Tanzania does not have an adequate pool of qualified and gazetted fertilizer analysts and inspectors. To effectively enforce fertilizer rules and regulations, there is need for trained and gazetted fertilizer analysts and inspectors with knowledge and understanding of regulatory. These officers should be gazetted to give them the power to take to court all those who do not comply with the rules and procedures for fertilizer testing.
- c) **Refurbish and equip testing laboratories:** TFRA needs support to construct its own laboratories. To date the agency has been depending on the laboratories at Tanzania Bureau of Standards. In constructing these labs attention should be given to establishment of microbiological laboratories for testing bio-fertilizer products in the Tanzanian market.

- d) Creating awareness and linkages with national and regional fertilizer regulatory authorities:** There is need for the government to conduct campaigns to create awareness and educate agrodealers, farmers and the general public on different fertilizers in the market, and the benefits and safe use of fertilizers. Priority should also be given to working with private sector stakeholders in the fertilizer sector, building the capacity of fertilizer regulators and creating linkages with national and regional fertilizer associations. An annual meeting of national fertilizer regulators to share experiences and emerging issues and working with regional fertilizer associations, and private sector forums such as the East and Southern Africa Fertilizer Trade Platform (ESAF), is also recommended. In addition the on-going project on installation of an e-portal to improve ICT infrastructure in general is crucial; this will help to optimize TFRA's efficiency and provide a link to traders and other relevant stakeholders to apply for various licenses and permits from a single platform. Computers will be needed to enable networking with inspectors in the districts.
- e) Capacity building of fertilizer inspectors and law enforcers at district and national levels;** To enable effective enforcement, regular training of inspectors and other law enforcers including legal officers in the districts should be introduced.

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SECTION 1: INTRODUCTION

1.1 BACKGROUND

The economies of eastern and southern Africa are heavily dependent on agriculture. It is estimated that more than 70% of the population in this region is involved in agriculture and the majority of these producers are smallholders farming less than two hectares. Agriculture contributes on average 35% of GDP and employs 65% of the population. Therefore, agriculture is a critical driver of the future economic development of the region. However, while economies in many Africa countries have exhibited healthy growth - real GDP in sub-Saharan Africa grew at an average rate of 5% between 2003 and 2009 - this growth has not emanated from the agriculture sector (Camara and Edeme, 2013).

Despite its importance to the economy, the performance of the agriculture sector is poor. Cereal yields in sub-Saharan Africa are the lowest in the world, having stagnated at around 1 ton/ha for the past 50 years compared to 4 tons/ha in developing countries. The key reasons for the poor performance of the agriculture sector are the continued reliance on traditional agricultural practices in the region and the low adoption of modern productivity enhancing technologies such as mineral fertilizers and quality seeds of superior varieties which severely constrain increased yields in East and Southern Africa.

Farmers in the region use on average 10 kg of fertilizer per hectare, compared to their counterparts in Asia who consume on average 209 kg/ha. The result is severe soil nutrient depletion; the rates of soil nutrient depletion exceed 60 kg/ha (Wanzala and Groot, 2013). This low rate of usage is due to a number of reasons including a thin network of agrodealers; lack of technical knowledge on appropriate fertilizers; lack of access to finance all along the value chain which prohibits the purchases of sufficient quantities to capture economies of scale; and high transport costs due to inadequate ports, rail and road networks. These factors result in high costs, putting fertilizer beyond the reach of most farmers.

The policy environment often exacerbates the situation. Government subsidy programs crowd out commercial demand and introduce uncertainty into the system, which creates disincentives for private companies to invest in distribution networks. Government's lack enforcement capacity to oversee quality control, which increases the risk of adulterated fertilizers, fosters distrust of fertilizer and discourages honest businesspeople from participating in the fertilizer trade. Outdated fertilizer recommendations in many African countries are outdated due to defunct or non-existent research and extension systems.

Similarly, government subsidy programs often do not involve the private sector in planning and distribution. Hence the private sector has no incentive to identify which nutrients farmers need for their crops and soils and provide the appropriate blends. Moreover, government policy in many of these countries discourages blending. Many countries have a list of approved fertilizers. If the private sector wants to introduce a new fertilizer it must undergo efficacy testing, which can take three years thus imposing costs the private sector cannot afford. The list of approved fertilizer products also discourages cross-border trade and the development of regional markets. Countries have very strict specifications for approved fertilizers, and although often there are very minor differences in nutrient content these differences can result in the entry of a new fertilizer product being delayed or even denied.

The outcome of these constraints is that fertilizer markets in eastern and southern Africa have failed to reliably provide the right type of quality fertilizers to small-scale farmers in the rural interior in a timely manner and at an affordable price. If agriculture in the region is to become competitive, the performance of the fertilizer markets in the region needs to be improved.

Clearly no single intervention will address these constraints effectively. Rather, a number of interventions are required and many must be implemented simultaneously. These include: investments in ports, roads and rail infrastructure to reduce transport costs; provision of technical and business training to agro dealers; improving access to finance all along the fertilizer value chain; and development of market information systems. However, an

overarching factor to foster the growth of fertilizer markets is a stable and transparent policy and regulatory environment that is conducive to private sector investment.

This study support SSTP's mission and foster the creation of stable and conducive fertilizer policy and regulatory environment in the region by doing the following:

- 1) Develop a regional policy and regulatory framework that can be used as a guide by countries in East and Southern Africa to embark on a policy reform agenda for the fertilizer sector that will result in higher levels of fertilizer use and concomitant higher levels of agricultural productivity and food security;
- 2) Prepare/revise draft fertilizer legislation for Tanzania - which is compatible with open markets and are harmonized with each other;
- 3) Review and critique of Tanzania's trade policies that impact fertilizer and recommendations for common trade policies; and
- 4) Establish Tanzania's action plans that also detail the requirements for establishing fertilizer regulatory systems in each country.

1.2 OBJECTIVES OF THE ASSESSMENT

This report presents a review of national fertilizer regulatory institutions in Tanzania. Specifically the report attempts to do the following;

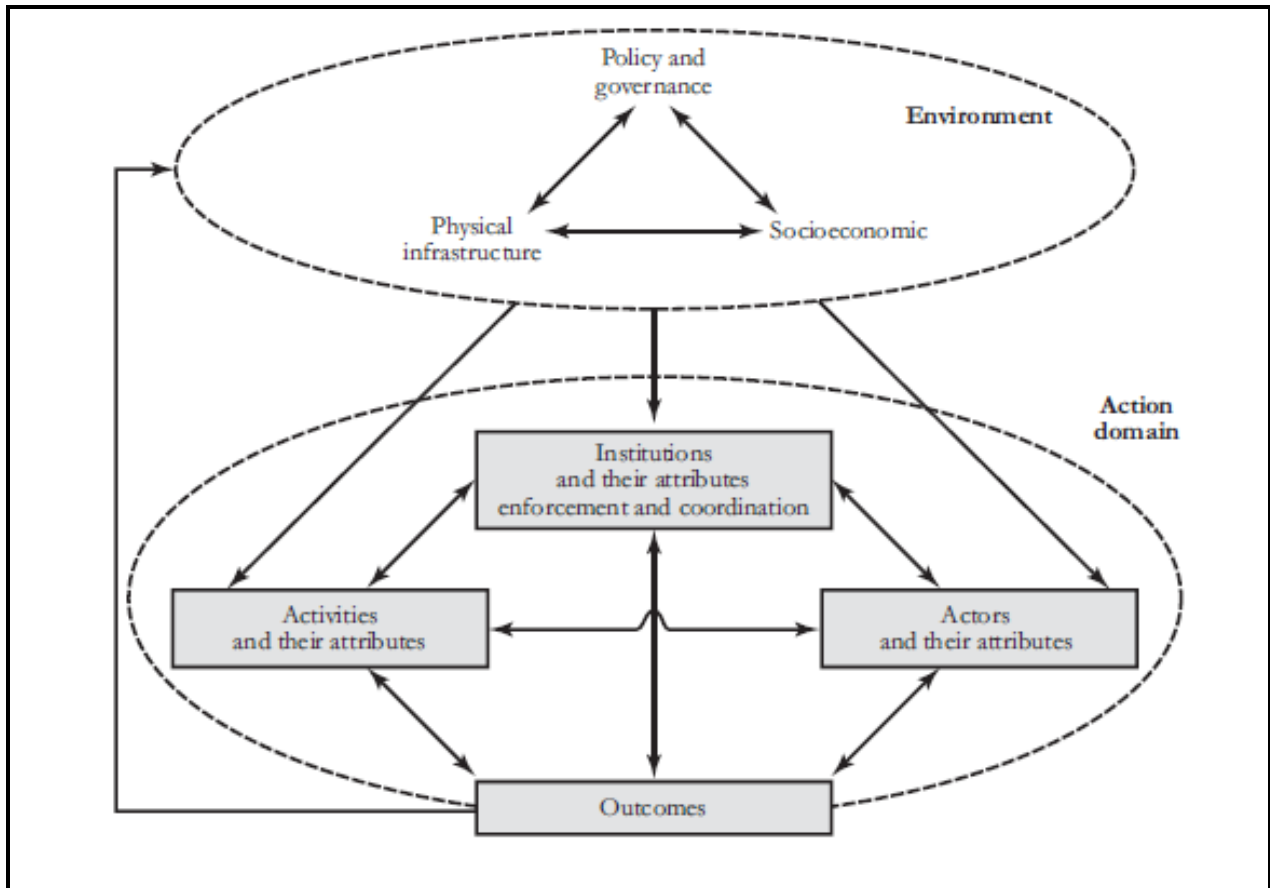
- a) Identify the presence of national fertilizer regulatory authorities in Tanzania and their inherent characteristics
- b) Recommend ways of strengthening these institutions for fertilizer regulation in Tanzania
- c) Recommend ways of facilitating linkages between these institutions in the fertilizer domain.

1.3 METHODOLOGY

Both primary and secondary data collection techniques were employed. Secondary data was gathered through literature review on fertilizer policies in Tanzania. A number of literature were consulted which includes previous work done by IFDC, AFAP, ACTESA, IFA, FAO in Tanzania. In addition to this, National fertilizer policies and regulations were also reviewed.

Primary data collection was done through interviews with key informants within the Tanzania fertilizer action domain. In particular the report identifies the relevant players in the Tanzanian fertilizer domain and their attributes which have bearing on the fertilizer policy outcome consequently influencing the environment. Figure 1 indicates the schematic relationships and interaction of the environment and the fertilizer action domain of Tanzania.

Figure 1: A conceptual framework for institutional analysis



Adapted from: *Institutional Economics Perspective on African Agricultural Development, 2009; Kirsten et al*

SECTION 2: FERTILIZER LAWS AND REGULATIONS IN THE COMESA REGION

Over 80 percent of COMESA member states have legislations that regulate the production, importation, distribution and use of fertilisers. These are administered through one or more Ministries which include Ministries of Agriculture, Ministries of Trade, and Treasury. The Ministry of Agriculture has vested interests in the production, importation, marketing, distribution, standards and use of fertilizer. The Ministry of Trade is concerned issues related to the importation, distribution and export of fertilizers, including setting and enforcing standards and the issuance of trade licenses while the Treasury has interest on revenues (fertilizer taxes and duties). Coordination of such activities requires the presence of strong institutions to avoid corruption and rent seeking behaviour among regulatory authorities.

According to a study undertaken by the International Food Production Research Institute (IFPRI, 2012) the countries that have promulgated specific legislations on fertiliser included Burundi, Kenya, Uganda Zambia, and Zimbabwe. Those that have fertiliser policies or strategies (drafts/final) include Ethiopia, Malawi, Kenya, Uganda, and Zimbabwe.

Table 1 indicates COMESA member states which have established national fertilizer specific regulatory authorities, national fertilizer laws and national fertilizer associations. Out of a total of 22 countries, only six (6) have established national fertilizer-specific regulatory authorities; and only five (5) have established national fertilizer associations.

Table 1: Presence of national fertilizer-specific regulatory Authorities (including fertilizer Laws) in COMESA member states

Country	National Fertilizer Specific Regulatory Authority	National Fertilizer Specific Law	National Fertilizer Trade Association
Burundi	NO	YES	YES (TABIRA)
Comoros			
Djibouti	NO	NO	NO
DRC	NO	NO	NO
Egypt			
Eritrea			
Ethiopia	YES	YES	NO
Kenya	NO	NO	YES (FAK)

Libya			
Madagascar	NO	NO	NO
Malawi	NO	NO	YES
Mauritius	YES	YES	NO
Mozambique	YES	YES	NO
Seychelles	NO	NO	NO
Swaziland	NO	NO	NO
Rwanda	YES	YES	NO
South Sudan	NO	NO	NO
Sudan	YES	YES	NO
Tanzania	YES (TAFRA)	YES	YES
Uganda	NO	NO	NO
Zambia	NO	NO	YES
Zimbabwe	YES	YES	YES (Informal)

Source: “Towards a framework for harmonization of fertilizer policies and regulations: A national and regional synthesis report”, 2014

2.1 FERTILIZER REGULATIONS

Most COMESA member states have some form of fertiliser regulations in place particularly the two elements that pertain to registration of fertiliser operations and inspections. Regulations usually comprise of 6 distinct areas which include:

- (i) Registration of businesses and/or their products ;
 - (ii) Inspection of fertilizer premises, products and records by authorized inspectors(taking samples, noting the legality of the labels, checking bag weights, inspecting records, etc.);
 - (iii) Analysis of samples taken by inspectors;
 - (iv) Financing of the regulatory program through registration and inspection fees;
 - (v) Administration, enforcement, and assessment of penalties by a designated authority;
- and,
- (vi) Publication of findings.

The challenge in fertilizer regulation, however, is that there are some omissions of some of the elements within these regulations rendering them *incomplete*. The most common missing element is that of publications of results of fertiliser analysis, findings of inspections and court verdicts. Secondly, there are no inter-country standard procedures or guidelines for inspecting premises, sampling, penalization and appointing inspectors. This may compromise

transparency. As such the theory of *incomplete contracts, moral hazards, shirking* and *adverse selection* may come into play in most fertilizer markets within the region. It is for this reason that little progress has been made in the coordination and harmonization of these activities at the regional level.

2.2 FERTILIZER REGULATORY AUTHORITIES

Institutions vested with the authority to administer the regulations vary from country to country. Nonetheless the Ministry of Agriculture plays a central role in fertilizer regulations in COMESA region. Apart from the Ministry of Agriculture (overall regulator), there are also a number of institutions which can undertake the inspections and/or analysis which include Bureaux of Standards and international bodies such as SGS etc. There is therefore, the question of whose inspection or analysis carries recognition – national bureaux or international bodies. Further, the documentation and inspections required of fertilizer trans-shipments within the region varies from country to country. There are also no clear policies or guidelines that ensure that revenue levied on inspections, registration and analysis is channelled back into enforcing the regulations. In some countries it goes to Treasury in others it is put in a pool of revolving funds within the Ministry that administers the regulation. Its use for strengthening the enforcement of the regulation cannot therefore be guaranteed.

2.3 FERTILISER REGULATIONS ENFORCEMENT CAPACITY

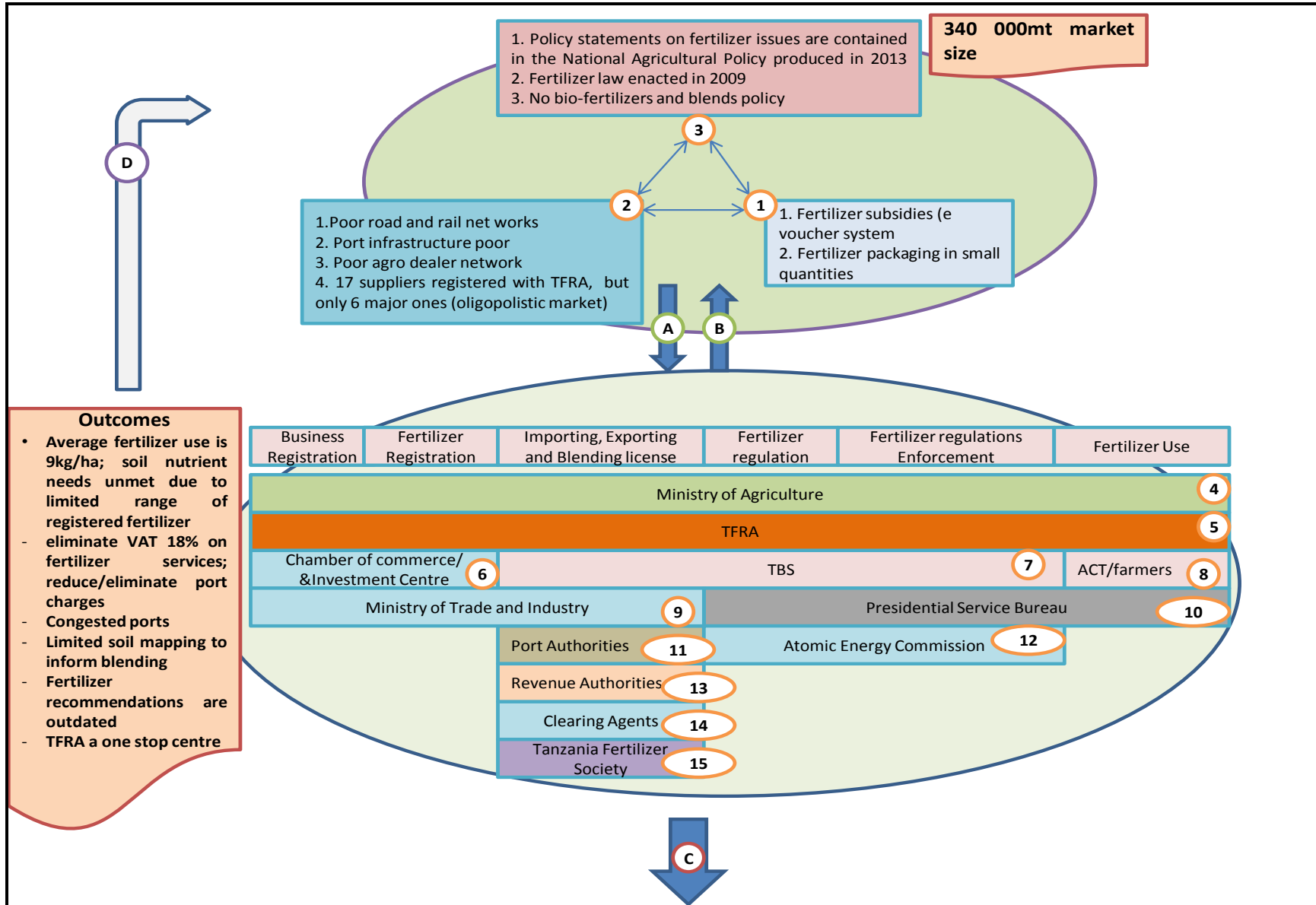
Although a large number of COMESA member states have regulations on fertiliser registration and inspection only about 50 per cent of these are carrying out inspections. This is due to inadequate manpower and financial resources to undertake this task. For example, Kenya has about 70 inspectors against 6200 agro-dealers, importers and wholesalers of fertilisers; Uganda has about 50 inspectors against over 1000 agro- dealers and importers; Burundi has about 4 inspectors; Zimbabwe has about 8 and, Egypt has slightly over 60 inspectors despite its large consumption of fertilisers of over 10 million metric tonnes. In addition there is limited infrastructure to aid the inspection work. In particular most analytical laboratories are in

adequately equipped to fully facilitate for analytical work. (COMESA/ACTESA Proposal on fertilizer harmonization, 2014). The following section outlines institutions for fertilizer regulations and legislation in Tanzania

SECTION 3: TANZANIA'S FERTILIZER INSTITUTIONAL FRAMEWORK

Unlike most of the COMESA member states, Tanzania does have a national fertilizer law which regulates the fertilizer industry. The Fertilizer Act (2009) gives the Tanzania Fertilizer Regulatory Authority (TFRA) the powers to govern the industry. Nonetheless the Ministry of Agriculture and other quasi-governmental organisation are active in the regulation of fertilizer. A number of government Ministries administer different aspects of fertilizer regulations/ legislation. These include: Ministry of Agriculture which plays the central role of national regulatory authority with responsibility for registration, production, importation, distribution and use of fertilizers (including, inspection, testing of imported fertilizer under the government subsidy), the Ministry of Commerce, Trade and Industry, which has interests in aspects of importation and distribution including setting and enforcing standards, issuance of trade licences; and the Port authorities. In addition to the Ministry of Agriculture, other statutory bodies also handle different aspects of fertilizer regulation. These quasi-government institutions include; the Tanzania Bureau of Standards (TBS) and the Atomic Energy Commission.

Figure 2: Tanzania's fertilizer institutional framework



3.1 MINISTRY OF FOOD SECURITY AND COOPERATIVES (MAFC)

The Ministry of Food Security and Cooperatives still plays a central role in the regulation of fertilizers in the country. Despite the provision of the 2009 Act which gives powers to the Tanzania Fertilizer Regulatory Authority (TFRA) to register and license fertilizer dealers, issue import permits, undertake training of inspectors, and collect and maintain data on fertilizer imports and use, these functions are still performed by MAFC. Furthermore, the Agriculture Inputs Section of the Ministry of Food Security and Cooperatives (MAFC) functions as a regulatory body for the fertilizer sector. Fertilizer importers are registered and require a permit from this Unit.

3.2 TANZANIA FERTILIZER REGULATORY AUTHORITY (TFRA)

Under the new act the TRFA is responsible for the issuance of business licences. For one to be a fertilizer trader one has to obtain a business license from TFRA as a fertilizer trader and also obtain a trading license from local authorities for business premises. For one to register as a fertilizer trader one also needs to have reliable storage facilities. The licensing process with the TFRA and local authorities takes a maximum period of two months. These licenses are valid for a year and have to be renewed annually. On paper the Tanzania Fertilizer Regulatory Authority (TFRA) remains the main fertilizer regulatory and enforcement authority in Tanzania. This agency is responsible for the bulk of regulatory work including:

- Regulate and control importation, production, transportation, trading storage, disposal and exportation of fertilizers including issuance of permits;
- Registration of new and approved fertilizers;
- Issue permits for importation and exportation of fertilizers;
- Registration and licensing of all fertilizer and supplement traders;
- Maintain a register of fertilizers, supplements and sterilizing plants (sterilizing plants apply to fertilizer production, blending, storage and sales facilities);

- Quality control enforcement and regulation of all matters relating to quality of fertilizers, fertilizer supplements and sterilizing plants;
- Publish fertilizer statistics and a list of registered dealers;
- Promote safe and effective use of fertilizer (public and stakeholder awareness).

TFRA enforces the Fertilizer Act of 2009 which states that no fertilizer or fertilizer supplement shall be used in Tanzania unless it has been sampled, tested, analysed, evaluated and recommended for use. All imports have to conform to these standards. In addition TFRA performs surprise random checks, sampling and other controls periodically along the fertilizer supply channel. TFRA has the jurisdictional powers of revoking licences for non-conformity with the provisions of the Act. For instance, Greenbelt, a Zambian blender, was producing tailored blends in Tanzania based on soil testing in 2012. It was shut down by TFRA for not meeting the three seasons testing requirement.

Although equipped with the Fertilizer Act of 2009, TFRA remains under-funded with few professional staff, and hence poor staff motivation. It depends on 100 “inspectors” in the districts whose salaries are paid by the Ministry of Local Government and who report to local district governments. These inspectors do not provide reliable inspection (and testing) services to TFRA, as they have multiple responsibilities and lack the resources (transport, testing equipment) and technical skill (proper taking of samples) to do their job properly. TFRA has to pay supplemental allowances for these inspectors to do site inspections. What should be an important regulatory body is, therefore, quite weak due to a lack of institutional and human resource capacity. TFRA is also mandated by the fertilizer law to provide indicative fertilizer prices.

3.3 TANZANIA BUREAU OF STANDARDS (TBS)

Most fertilizer imports into Tanzania come through the port of Dar es Salaam, where the Tanzania Bureau of Standards (TBS) is mandated to conduct sample testing for quality control of fertilizer on arrival. Imported fertilizer has been designated for destination inspection in

Tanzania (not pre-shipment inspection whereby fertilizers are inspected at source and then TBS would just certify that documentation to this effect is authentic). This is because fertilizer is considered a high risk commodity by TBS. In terms of process, importers should apply for testing of their sample two weeks before arrival of the cargo. On arrival of the product a sample is taken to one of the laboratories (TBS has 9 laboratories) and tested against the set standard to ascertain compliance. It normally takes 3 days for the results to be released. If the sample does not comply with the set standards it is rejected and the importer can decide whether the product is to be destroyed or sent back. No re-exporting is allowed.

The monitoring of fertilizer quality once it leaves the port falls under the jurisdiction of the TFRA. In carrying out its duties TFRA is guided by bagging and labelling instructions issued by TBS. These instructions call for product identification, macro-nutrient percentages, the name and contact details of the producer/importer, weight, the manufacturer's expiration date, the batch number, and the country of origin.

3.4 MINISTRY OF TRADE AND INDUSTRY

Import and export licences are issued by the Ministry of Trade and Industry. Agrodealers and transporters are also required to register their business with the Ministry of Trade and Industry. There are no laws and regulations that limit the registration of fertilizer import businesses. In addition, the import license is free and it is usually issued within three days if fully supported for each consignment of registered product, and is issued for two consecutive years. There is neither limitation on the amount of fertilizer to be imported nor import quotas that apply. There are no restrictions on foreign exchange availability to import fertilizer and the currency is stable.

3.5 TANZANIA PORT AUTHORITIES

Tanzania Port Authorities deal with all imports and exports to and from the country. The port has limited fertilizer handling terminals and storage. This is exacerbated by poor road and rail infrastructure which causes unnecessary delays in hauling fertilizers inland. A number of port

charges are levied on fertilizer imports which include among others: wharfage charges at 1.6% of Cost Insurance Freight (CIF), handling charge of \$4 per tonne, re bagging charges at \$8-16 per tonne, transport to the warehouse at \$5 per tonne, port corridor levies at 0.3% of CIF and rail development levies of 1.5% of the CIF. These costs add up and increase the farm gate price of fertilizer.

3.6 TANZANIA FERTILIZER SOCIETY (TFC)

The Tanzania Fertilizer Association was established in 1996 so it about 10 years old. It was established to represent the needs and concerns of importers to the Government of Tanzania. Its main objective is to present one voice on fertilizer issues to the Government, particularly vis-à-vis policies and regulations that impact the industry. It is comprised of fertilizer importers and manufacturers, so does not include agrodealers. TFS has a good relationship with the Ministry of Agriculture. It regularly participates in policy and regulatory fora such as workshops and conferences, and meets with the Ministry of Agriculture and the TFRA frequently to provide their input on policy and regulations (it contributed to the Fertilizer Act 2009 and regulations) and keep the Government apprised on the status of fertilizer supply (current stocks and imports in the pipeline), as well as the key policy issues affecting its operations where they are seeking redress.

3.7 ATOMIC ENERGY COMMISSION (ATC)

Importers have to submit samples of each consignment to the Atomic Energy Commission so they can be tested for radioactive material, and to the Weight and Measures Agency which makes sure that fertilizer packaging meets the set standards.

3.8 TANZANIA REVENUE AUTHORITIES

The Tanzania Revenue Authority (TRA) is a semi-autonomous governmental body that operates in conjunction with the Ministry of Finance and Economic Affairs. The TRA is responsible for the impartial administration of all taxes imposed by the central Government and the management, assessment and collection of the revenue generated.

Fertilizer imports are exempt from VAT (18%) but taxes are imposed on services related to fertilizer importation and distribution such as transport and port services such as storage. Moreover, as is the case for any company that operates as an importer, fertilizer importers incur 30% corporate tax on profits regardless of the size of the company. There is also VAT levied on the raw materials imported to manufacture fertilizer and fertilizer supplements. Nonetheless, fertilizer exports are zero-rated. Therefore in the case of fertilizer that has been imported but is now being re-exported the portion of fertilizer that is being re-exported is zero-rated and the exporter will be entitled to a VAT refund on value addition services rendered to that portion of fertilizer.

3.9 PRESIDENTIAL SERVICE DELIVERY BUREAU

This is a quasi-governmental institution tasked to accelerate agricultural productivity in the country by the Presidency Ministry of Tanzania through developing and implementing key priority focus areas of national development. To date it has been in the fore front of developing a number of agricultural productivity frameworks which includes among others; the legal framework of irrigation, fertilizer regulations amendment, the legal framework for contract farming, the legal framework of land management, legal aid clinics and the cooperatives act. In addition it also plays a crucial role in the development of the soil map for Tanzania (TANSIS).

3.10 AGRICULTURAL COUNCIL OF TANZANIA

This is a farmer organisation institution linked to the Ministry of Agriculture which lobbies for pro farmer policies. For instance, it has been lobbying for investment in port facilities which will result in the reduction of port charges and hence a lower price for fertilizer. In addition the organisation is working to develop a portal trade platform where both inputs and output can be traded reducing transaction cost for both parties (sellers and buyers). The organisation also plays the advisory role to the Tanzanian government on inputs subsidies. It is currently implementing a pilot study on e-vouchers in collaboration with NORAD.

3.11 CHAMBER OF COMMERCE & INVESTMENT CENTRE

These are the two private sector driven national institutions which are instrumental in attracting investments into the country. Nonetheless they are crippled by outdated policies, laws and regulations. For instance, the National Investment Promotion Policy was last reviewed in 1996 and it does not suit the current investment environment.

SECTION 4: FACTORS AFFECTING FERTILIZER LEGISLATION IN TANZANIA

4.1 PROLIFERATION OF NATIONAL INSTITUTIONS REGULATING FERTILIZER

Although the 2009 Act gives powers to TFRA to register and license fertilizer dealers, issue import permits, undertake training of inspectors, and collect and maintain data on fertilizer imports and use, these functions are still performed by the Ministry of Food Security and Cooperatives and the Agriculture Inputs Section of the MAFC functions as a regulatory body for the fertilizer sector.

There is also a multiplicity of institutions involved during the clearing of fertilizer imports. This has implications for fees charged and the time taken to complete the clearing process. During clearing process, importers are required to go through the following regulatory institutions: i) Tanzania fertilizer regulatory authority (TFRA), ii) Tanzania Bureau of Standard (TBS), iii) Radiation Commission, iv) Chief chemists, v) Weight & Measure Agency and vi) SUMATRA. Once the importer clears the product with the above institutions, the importer can lodge with Tanzania Revenue Authority and the Port Authority.

4.2 LIMITED CAPACITY TO ENFORCE REGULATIONS

To date TFRA has just about 100 inspectors who are ill equipped and ill trained. Moreover, the enforcement authority lacks capital and is understaffed with only three staff, the director, assistant and one officer. This constrained organizational structure clearly impacts its ability to perform at required levels and keep pace with to the numerous approvals the authority has to

deal with. Capacity for enforcement should be strengthened, with a focus on regular quality inspections at the retail level.

4.3 INADEQUATE FACILITIES FOR TESTING AND ANALYSIS OF FERTILIZERS

The TFRA does not have laboratory facilities of its own and relies on facilities at the TBS and the National Soil Testing laboratory which is about 450 km away. There are 4 (four) testing laboratories in the country which are in good working condition and these are at the Sokoine University of Agriculture (SUA) at Morogoro, the Tanzania Bureau of Standards, the Mlingano Agricultural Research Institute at Mlingano in Muheza, Tanga Region and the Government Chemist in Dar es Salaam. While these units are said to be doing a good job of testing fertilizer, they are first and foremost soil and not fertilizer laboratories. Secondly they are distances apart and in different parts of the country hence if they all had to be involved in testing a particular item the exercise could easily take a long time. Third, these laboratories are severely underfunded and as a result their test results vary from each other and are inaccurate (MIRA 2014).

SECTION 5: CONCLUSIONS AND RECOMMENDATIONS

An assessment of the national fertilizer regulatory authorities in Tanzania reveals that fertilizer production/importation, distribution, marketing and trade is regulated and controlled by multiple institutions. These institutions are established under different Acts of the Laws of Tanzania. In carrying out their mandates, these institutions also draw from their specific Acts, policies and regulations. This often leads to conflicts and/or overlaps and replication making it difficult to reach consensus on certain issues. Further, there is no national fertilizer-specific coordinating institution that guides and coordinates efforts of the various institutions to avoid overlaps and/or replication of efforts. The weak regulatory legal instruments and harmonization standards undermine comprehensive and effective coordination in fertilizer production, marking and distribution.

In order to address these challenges, improve agricultural production and food security and establish a means through which government and the private sector oversee the functioning of the fertilizer sector, this report makes the following recommendations:

- f) Strengthening the TFRA:** In order to effectively coordinate the efforts of the various institutions that are involved in fertilizer regulation there is need for improved funding and training of TFRA officials. In addition to avoid unnecessary red tape TFRA can also adopt the one stop shop model.
- g) Training and gazettement of fertilizer analysts and inspectors:** Like other COMESA member states, Tanzania does not have an adequate pool of qualified and gazetted fertilizer analysts and inspectors. To effectively enforce fertilizer rules and regulations, there is need for trained and gazetted fertilizer analysts and inspectors with knowledge and understanding of regulatory
- h) Gazette trained Ministry of Agriculture Fertilizer Analysts:** To give them the power to take to court all those who do not comply with laid down rules and procedures for fertilizer testing – litigation powers.
- i) Refurbishing and equipping testing laboratories:** TFRA still needs support for constructing its own laboratories. To date the agency is depending on TBS laboratory. In constructing these labs cognisance should be also placed on microbiological laboratories for testing bio-fertilizer products in the Tanzanian market
- j) Creating awareness and linkages with national and regional fertilizer regulatory authorities:** There is need for the government of TFRA to conduct campaigns to create awareness and educate agrodealers, farmers and the general public on different fertilizers in the market, benefits and safe use of fertilizers, etc. Priority should also be given to working with other private sector stakeholders in the fertilizer sector, building the capacity of fertilizer regulators and creating linkages with national and regional

fertilizer associations. An annual meeting of national fertilizer regulators to share experiences and emerging issues and working with regional fertilizer associations, and private sector forums such as the East and Southern Africa Fertilizer Trade Platform (ESAF), is also recommended. In addition the on-going project on installation of an e-portal to improve ICT infrastructure in general is crucial; this will help to optimize TFRA's efficiency and provide a link to traders and other relevant stakeholders to apply for various licenses and permits from a single platform. Computers will be needed to enable networking with inspectors in the districts.

- k) Capacity building of fertilizer inspectors and law enforcers at district and national levels;** To enable effective enforcement, regular training of inspectors and other law enforcers including legal officers in the districts should be introduced.

6 REFERENCES

1. Camara, O.M., and Edeme, J., 2013, Making Regional Fertilizer Markets Work for Smallholder Farmers in Africa
2. Wanzala, M. and Groot, R., 2013, Fertilizer Market Development in Sub-Saharan Africa. Paper presented to the International Fertiliser Society at a Conference in Windsor, UK, on 24th May 2013
3. Kirsten, J.F., Dorward, A.R., Poulton, C., and Vink, N., 2009, Institutional Economics Perspectives on African Agricultural Development, International Food Policy Research Institute

7 ANNEXURES

7.1 ANNEXURE 1: LIST OF INTERVIEWED KEY INFORMANTS

Table 2: List of interviewed key informants

Name	Institution	Date
Mr Lazaro W Kitandu	Tanzania Fertilizer Regulatory Authority	18-07-2016
Mrs Beatus Nchota, Mr Abdul B Zuberi	Tanzania Revenue Authority	18-07-2016
Mrs Latiffa A Kigoda	Tanzania Investment Centre	18-07-2016
Mr Salum K Mkumba	Fertilizer Society of Tanzania/TFC	18-07-2016
Mr Shenal S Nyoni, Mrs Nkuvililwa J Simkanga	Ministry of Agriculture, Livestock and Fisheries	19-07-2016
	Ministry of Industries and Trade	19-07-2016
Mrs Mauree Kwilasa	One Acre Fund	19-07-2016
	Joint meeting between Fertilizer Society of Tanzania/TFC and Ministry of Agriculture for presentation	20-07-2016
Dr Elizabeth Maeda	USAID	20-07-2016
Mr Geoffrey Kirenga & Mr Emmanuely D Lyimo	SAGCOT	20-07-2016
Mr Tesfaye Legesse Obole	Presidential Delivery Bureau	20-07-2016
Mr Lazaro Henry Msalaga	Tanzania Bureau of Standards	20-07-2016
Mr Mark K Magila & Mrs Janet F Bitegeko	Agricultural Council of Tanzania	21-07-2016
Mrs Magdalene Mkocho	Tanzania Chamber of Commerce, Industries and Agriculture	21-07-2016