

## **Tanzania**

### **Southern Agricultural Growth Corridor of Tanzania (SAGCOT) Investment Project**

#### **Chair Summary\***

**March 10, 2016**

Executive Directors considered the President's Memorandum and Recommendation and approved the proposed credit to the United Republic of Tanzania in the amount of SDR50.8 million (US\$70 million equivalent) for the Southern Agricultural Growth Corridor of Tanzania (SAGCOT) Investment Project. Directors also approved a waiver to the application of the Bank's Operational Policy 4.10 on Indigenous Peoples. The minutes will reflect that Mr. McGuire wishes to be recorded as abstaining.

Directors underscored the pivotal role of agricultural development for Tanzania's economic growth as well as its central role to the World Bank's poverty reduction mission. In this regard, they noted that the SAGCOT Project supports an innovative agriculture transformation agenda. Directors welcomed its focus on the adoption of new technologies and marketing practices by smallholder farmers through partnerships between smallholder farmers and agribusinesses and linking farmers to agricultural value chains. They encouraged linkages between the Bank-financed project and the larger National Program sponsored by government and other development partners.

Directors noted that the project is a high risk operation which is tackling important land issues and emphasized the need for close monitoring during implementation. They urged careful supervision to ensure that the level of protection extended to project-affected persons is equivalent to that provided to Indigenous Peoples under the Bank's Operational Policy 4.10. Directors also noted the importance of effective implementation of recommendations from Tanzania's Vulnerable Groups Planning Framework, particularly impacts on and benefits to all vulnerable groups.

Directors recognized that the project involves complex land and institutional arrangements among public and private sector and encouraged World Bank to continue to support risky transformational and climate smart projects. Directors supported the use of extensive social and environmental assessments and plans under the project. They stressed the importance of capacity building for the two new implementing institutions' roles in due diligence, risk management, and technical assistance and communication, especially for safeguards implementation. They also highlighted the importance of having a results framework that measures productivity and the social impact and stressed more involvement by IFC and the private sector. Directors noted the importance of policies and laws on land use and encouraged continued Bank engagement with Tanzanian authorities to address risks and capacity constraints. They encouraged feedback mechanisms and continuous learning to inform an adaptive approach to implementation.

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\*This summary is not an approved record.