

Review and development of a new strategy and business process re-engineering for TADB

Tanzania is battling with limited financing available to agriculture, especially for the smallholder farmers and agri MSMEs. To facilitate this, Agence Française de Développement (AFD) and the Tanzanian Ministry of Finance and Planning signed multiple agreements, in Feb 2022, towards sovereign loan and grant for technical assistance for strengthening of their cooperation for more inclusion and sustainability in the agricultural and urban transport sectors. One of these agreements was aimed at strengthening the Tanzania Agricultural Development Bank (TADB) in its role as a catalyst for financing the agricultural sector. With this background, in April 2022, NABCONS bagged an international assignment for Development of a New Strategy and Re-Engineering of Business Processes for TADB through AFD.

Under the assignment, NABCONS engaged intensively with the TADB officials to gain a good understanding of TADB's operations, human resources, organization and procedures in order to do an institutional diagnosis of the bank. Review of key documents of establishment, strategy and operations; to gain a thorough understanding of the TADB's mandate and its strategic position within the Government's overall strategic policy framework for the development of the agricultural sector in Tanzania; carry out market and business analysis; for understanding the external and internal operating environment affecting TADB operations; propose a new TADB Strategy; lastly, to develop an appropriate operating model to support the proposed strategy.

Based on the understanding of the aforesaid, NABCONS proposed a new TADB Strategy, in line with the Vision-2035 document and one that is in accord with Government of Tanzania's strategies and plans. With the strategies and models suggested by NABCONS, that encompass Integrated Value Chain Financing (IVCF), capacity building, ICT, R&D, greater partnerships & collaborations along with promotion of climate smart agriculture, the TADB would be able to: Reduce the risks associated with agricultural practices; Reduce the costs associated with serving a predominantly rural clientele; Enhance the capacities & capabilities of small-scale farmers and farmers' cooperatives, SMEs and other stakeholders to sustainably respond to the challenges of climate change through adaptation and mitigation; Enhance access to finance, productive assets and markets for the small-scale farmers, women and youth in agriculture and agri-business; Enhance the institutions capacity including commercial banks, to deliver by continuously investing in people, knowledge, innovation, systems and technology.