TANZANIA COTTON BOARD

SECOND CORPORATE STRATEGIC PLAN: 2010/11- 2012/13

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ACRONYMS

AIDS	Acquired Immune Deficiency Syndrome
CDTF	Cotton Development Trust Fund
CFA	Cooperation Financiére en Afrique Centrale (Franc Zone West African Countries)
CMT	Cotton Monitoring Team
CSDS	Cotton Sector Development Programme
CSP	Corporate Strategic Plan
DCPP	District Cotton Production Programme
DICPT	District Indicative Cotton Production Targets
ECGA	Eastern Cotton Growing Area
EU	European Union
FBG	Farmers Business Groups
FFS	Farmers Field Schools
GDP	Gross Domestic Product
GOT	Ginning – Out – Turn
HIV	Human Immune Virus
IARI	Ilonga Agricultural Research Institute
ICA	International Cotton Association
LGA	Local Government Authorities
LZARDI	Lake Zone Agricultural Research Development Institute
MDG	Millenium Development Goals
MKUKUTA	Mkakati wa Kukuza Uchumi na Kupunguza Umaskini Tanzania
NEMC	National Environment Council
NSGRD	National Strategy for Growth and Reduction of Poverty
PPP	Public Private Partnership
SCITC	Standardisation of Commercial Instrument Testing of Cotton
SWOC	Strengths Weaknesses Opportunities Challenges
TACRA	Tanzania Cotton Research Association
TAGEA	Tanzania Ginners and Exporters Association
TBS	Tanzania Bureau of Standards
TCA	Tanzania Cotton Association
TCB	Tanzania Cotton Board
TACOGA	Tanzania Cotton Growers Association
TEXTMAT	Textiles Manufacturing Association of Tanzania
TOSCI	Tanzania Official Seed Certification Institute
TPAWU	Tanzania Plantation Association Workers Union
TPRI	Tropical Pesticides Research Institute
TRA	Tanzania Revenue Authority
URT	United Republic of Tanzania
WCGA	Western Cotton Growing Area

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FOREWORD

The Tanzania Cotton Board (TCB) began to prepare three- year Corporate Strategic Plans (CSP) in 2007/08. The 2010/11- 2012/13 CSP is, therefore, the second corporate strategic plan. The corporate strategic plan has been instrumental in providing clear guidance to stakeholders in their operations, TCB's capacity strengthening, as well as providing strong back up support to the implementation of the first Cotton Sector Development Strategy; (2007 - 2010).

As a framework for implementing TCB's mandated functions the first CSP, 2007/08- 2009/10, assisted in guiding the operations of the cotton industry as a whole. However, following Government assumption in the financing of development activities of crop boards, performance of TCB has been adversely affected. Actual disbursements are often far below requirements. This negatively affects regulatory functions and staff morale. Financing is availed very late, compromising the operations of the TCB which run more or less on commercial principles.

Overall, therefore, Government subventions to TCB need to be enhanced in order to overcome the above shortcomings and address new challenges. The added challenges include monitoring and close follow- up of the operations of cotton contract farming, coordinating the implementation of the US$ 1.2billion medium- term Cotton and Textiles Development Programme, supervising the expansion of cotton cultivation in new areas, particularly in the eastern cotton growing area, and supervising the implementation of additional new initiatives entailed in the second Cotton Sector Development Strategy, 2010/11- 2014/15; such as establishment of **MKULIMA**, a monthly tabloid on cotton and agriculture, staging **Textiles Week**, an annual national event to showcase and advertise Tanzania cotton and textiles, implementation of **The Cotton Quality Standards Award** scheme and other awards for the best performers in the cotton industry each year.

It is my earnest hope that the lessons in the implementation of TCB's first CSP provide a good backdrop in successful implementation of the second CSP. We must push the cotton industry to higher levels and thus all stakeholders need to play their parties earnestly, diligently and in unity.

Hon. Dr. Festus Bulugu Limbu (MP)
Chairman
TANZANIA COTTON BOARD

EXECUTIVE SUMMARY

0.1 Introduction

The preparation of the second Tanzania Cotton Board's Corporate Strategic Plan, TCB's CSP II, comes in the wake of the adoption by the stakeholders of the second Cotton Sector Development Strategy, CSDS II, 2010/11 - 2014/15, which outlines the key challenges and opportunities in the cotton sector; and describes the strategies to make the sector a sustainable source of income creation and income generation. CSP II builds on the experience of implementing CSP I; situates itself in meeting new challenges and maximizing on emerging opportunities in the cotton sector.

0.2 Self Assessment

The Tanzania Cotton Board's capacity to deliver its regulatory and promotional functions in the cotton sector is influenced by opportunities and challenges. While the challenges have to be addressed systematically and coherently, likewise, opportunities have to be maximized to ensure the Board succeeds in its operations.

Opportunities:

- The cotton sector has unique primary producers - the farmers - who are dedicated, hardworking and only get betrayed by bad weather;
- Perpetual demand for cotton fabrics and textiles due to rising populations and increasing incomes everywhere; and changing consumer patterns in preference for cotton fabrics;
- Government policies recognise the potential multiplier impacts of cotton in employment creation and income generation throughout the value chain - primary production; procurement and marketing; ginning; spinning, weaving and textile milling; exporting; and retailing;
- Existence of large tracts of fertile soils; numerous and large permanent water bodies suitable for increased acreage and irrigation cotton farming;
- Currently, more than 90% of income generated on cotton and attendant jobs are earned and created abroad as 70% of cotton is exported in lint form. Opportunities exit to retain up to 60 -100% of such incomes and related jobs if the lint is spinned, weaved and processed into textiles and apparel locally;
- Compared with CFA, Tanzanian cotton fairs better - ginning costs are much lower; GOT is higher; transportation and freight rates are lower due to proximity to the largest cotton consuming countries of the Far East and the Indian sub-continent; and it is available to the markets much earlier- between July and September; and
- Recent Government decision for TCB to retain strategic fixed assets, e.g. Kurasini Godowns, and some of the regional Pamba House

Offices, gives the Board a sustainable source for internal resources generation.

Challenges:

- Persistent droughts;
- Numerous small - scale farmers with limited access to and knowledge in application of new and improved technologies on the farm;
- Poor infrastructure for inputs distribution and crop procurement;
- Inadequate research and extension services;
- Rampant seed cotton and lint contamination reduce the quality of lint, and lower prices and competitiveness of the crop;
- Low yields and output volume of the crop;
- Expanding acreage, increasing yields and falling production costs in major producing and consuming countries reduce prices and markets for Tanzania cotton;
- Production and export subsidies in developed cotton producing countries lead to overproduction, unfair competition and lower cotton prices;
- Competition from man-made fibres reduces the market share for cotton;
- A historical tendency for cotton prices to decline leads to further reduced prices;
- Stakeholders are not properly organised to defend interests of cotton in a unified way;
- Conflict of interest and political interference in regulatory and monitoring role of TCB;
- Limited funding for cotton development activities;
- High commodity taxes and utility tariffs impinge on the operations of the cotton sector;
- Poor incentive and remunerative packages for employees;
- The emergence of alternative cash crops, especially green grams, which are cheaper to grow, but fetch higher returns than cotton in the major cotton growing districts (e.g. Bariadi, Magu, Maswa and Meatu).

0.3 Vision, Mission and Objectives

With the above opportunities and challenges, TCB's vision, mission and objectives are as follows;

0.3.1 Vision

A pioneering institution in promoting an internationally competitive Tanzanian cotton industry in quality, production and productivity.

0.3.2 Mission

To raise the efficiency of the cotton sector through improved production, productivity and profitability by maximizing on the compliance to rules and regulations that safeguard the quality of cotton sold both locally and abroad; by facilitating the provision of effective and efficient services to cotton stakeholders; by enhancing strong stakeholder relationships in order to boost self-regulation, and by promoting the production, processing and consumption of cotton.

0.3.3 Development Objective

To promote wealth creation and employment generation in the cotton sub- sector through sustainable methods of agricultural production and local value addition throughout the cotton value chain; thereby contribute to economic growth and development.

0.3.4 Core Values

In order to realise its vision and fulfil its mission, TCB will be guided by the following cores values;

- Efficiency enhancement of cotton sector operations
- Wealth creation
- Creation of industrial linkages
- Professionalism
- Innovation and creativity
- Sustainability

0.3.5 Corporate Governance

It will be a central objective for TCB to uphold good corporate governance.

0.4 Strategic objectives

The planned goals and TCB's vision will be achieved through effective implementation of the following set of objectives;

- Enhancing sustainable production and productivity in the cotton industry;
- Improving the quality of cotton by strengthening policies, strategies and regulatory framework of the cotton industry;
- Enhancing the capacity of TCB to carry out its operations efficiently and effectively;
- Increasing domestic spinning, weaving and textile milling;
- Empowering stakeholder organizations; and
- Linking and internalizing cross- cutting issues.

0.5 Financing

Successful implementation of TCB's three- year CSP II is estimated to cost sh. 11.3 billion.

0.6 Implementation approach

TCB will abide by the requirements of the established chain of command by preparing annual operational plans; submitting them to the Board for approval; implement them; prepare and submit periodic performance reports to the Board and the Government, as appropriate.

0.7 Monitoring and evaluation

Continuous monitoring and evaluation will be done to ensure the implementation is on track. Service delivery effectiveness will be tracked by observing the following performance indicators;

- Rising cotton production volumes;
- Increasing cotton yields;
- Improving cotton quality;
- Rising jobs;
- Increasing incomes;
- Increasing cotton export earnings;
- Increasing manufacturing industrialisation;
- Improving quality of life.

1. INTRODUCTION

Background

The preparation of the second Tanzania Cotton Board's Corporate Strategic Plan, TCB's CSP II, comes in the wake of the adoption by the stakeholders of the second Cotton Sector Development Strategy, CSDS II, 2010/11 - 2014/15, which outlines the key challenges and opportunities in the cotton sector; and describes the strategies to make the sector a sustainable source of income creation and income generation. CSP II succeeds CSP I: 2007/08- 2009/10 which has expired. CSP II builds on the experience of implementing CSP I; situates itself in meeting new challenges and maximizing on emerging opportunities in the cotton sector.

The process of preparing CSP II started by seeking comments and lessons in the implementation of CSP I. It involved consultations through field visits to collect inputs and to start building consensus on the exercise from key stakeholders and other experiences from literature reviews. A Draft CSP II Report was submitted to TCB Management for views and comments. These were later consolidated in a further Draft which was presented to the TCB Board of Directors for final review and approval.

Rationale and Justification

CSP II is TCB's operational instrument for CSDS II in the Board's capacity as regulator, monitor, protector and promoter of the cotton sector. CSP II seeks to strengthen TCB's role in regulating, development and promotion of the cotton sector, as it gears itself to successfully implement the aims, objectives and targets of CSDS II.

Establishment of TCB

The Tanzania Cotton Board (TCB) was established under the Cotton Industry Act No.2 of 2001 which came into effect on 1st July 2004 as per Government Notice No. 180 of 4th June 2004, as amended by Miscellaneous Act No. 20 of 2009.

The functions of the Board are provided under Section 5 (1) of the Act. In a nutshell, the activities include regulation, promotion, monitoring, advisory, protection, facilitation, coordination and representation of stakeholders in the cotton sub-sector.

Mandate

The main functions of the Board, among others, include the following:-

(a) To advise the government on the policies and strategies for the development of the cotton industry;

(b) To regulate and control the quality of cotton and cotton by-products;
(c) To collect, refine, maintain, use or disseminate information or data relating to the cotton industry; monitor the production and exportation of cotton;
(d) To make regulations for processing, exportation, and storage of cotton and cotton by- products;
(e) To promote and protect the interests of farmers against syndicates of buyers which may be formed through associations;
(f) To monitor consumption of cotton lint in local textile industries;
(g) To promote the development of the cotton industry;
(h) To represent the government in local and international fora in matters relating to the cotton industry.

Role of TCB

In particular, the Board has the following specific roles:

(a) Permit or license buyers and exporters of seed cotton, cotton lint, operators of ginneries;
(b) Issue export permits for cotton seed, cotton lint and other cotton by-products;
(c) Establish quality standards for cotton seed, seed cotton and cotton lint and to ensure the compliance of such standards by persons licensed hereunder;
(d) Provide for a forum for discussions and negotiations among various stakeholders in the sector;
(e) Determine the manner and quality of cotton seed which any ginner or owner of seed cotton shall retain for the purpose of the planting having regard to geographical locations;
(f) Do anything or enter into any transaction which in the opinion of the Board is calculated to facilitate the proper and efficient carrying out of its activities and the proper exercise of its functions under the provisions of the Act establishing the Board.

Layout of Plan

CSP II is organized in six chapters. Chapter one is the Introduction, providing the background, rationale and justification of CSP II. Chapter two, the Situation Analysis, describes the operational environment through analysis of internal and external situations which identify unfolding opportunities and challenges leading to strategic issues. Chapter three presents the vision, mission, development objectives, core values and corporate governance for CSP II. Chapter four describes the objectives and targets of CSP II. Chapter five presents the detailed estimated financing for CSP II. Chapter six outlines the monitoring and evaluation arrangements for the Plan.

2. SITUATION ANALYSIS

2.1 Socio - economic Context of Cotton

Cotton has been grown in Tanzania for more than 120 years. It is one of the major traditional crops; others are coffee, tea, tobacco, cashew nuts, and sisal. Over the last five years, 2005- 2009, among the traditional cash crops, cotton generated the highest foreign exchange earnings, averaging US$ 92.0m per annum, compared with US$ 89.7m (tobacco), US$ 88.6m (coffee), US$ 42.2m (cashew nuts) and US$ 32.m (tea)[1].

Cotton is a source of employment and livelihood to about 40% of the population; basis for considerable national fixed capital formation, and significant agricultural growth and earnings.

Overall, cotton can be a hub for forward and backward linkages in agro- processing industrialization; further employment creation and value addition; and, generally in creating a sustainable manufacturing industrial base.

2.1.1 Cotton Production and Productivity

Cotton is grown in 42 districts of 13 regions, respectively out of 127 districts and 21 regions of Mainland Tanzania. More than 99 percent of the crop is produced in WCGA, around Lake Victoria, covering Shinyanga Mwanza, Mara, Tabora, Kigoma, Kagera and Singida regions. The rest is grown in ECGA.

ECGA comprises of Iringa, Kilimanjaro, Morogoro, Tanga, Manyara and Coast regions. Though this area currently produces less than 1 percent of the entire crop, it has greater potential for increased cotton production than WCGA which, due to continued cultivation, coupled with inadequate use of fertilizers, has generally become exhausted to support a more productive crop.

Current domestic cotton production averages 700,000 bales per annum, equivalent to 126,000 MT of cotton lint; with yields at around 760kg/ha of seed cotton, or 260 kg/ha of lint cotton.

Table 2.1 shows the cotton production and yield trends between 2001/02 and 2008/09.

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[1] URT**: 2009 Economic Survey;** Dar es Salaam; June 2009.

Table 2.1: Cotton Production and Yield Trends: 2001/02- 2008/09

Period	Acreage ('000 Hectares)	Yield Kg/ Ha	Production ('000 MT)
2001/02	392	161	63
2002/03	291	172	50
2003/04	459	257	117
2004/05	471	212	100
2005/06	450	214	96
2006/07	459	215	99
2007/08	410	163	67
2008/09	485	256	124

Source: Tanzania Cotton Board; **Cotton World Statistics** in: Bulletin of the International Cotton Advisory Committee; September, 2009.

2.1.2 Export of Textiles and Apparel

Tanzania leads the East African countries in the export of textiles and apparel to the European Union, with annual average exports worth €14m over the nine year period, 2000- 08. However, the leading Eastern and Southern African country exporters of textiles and apparel to the EU market are respectively Mauritius, Madagascar and South Africa, with such exports worth respectively €456m., 229m., and 170m. in 2008. On the other hand Tanzania's textiles and apparel exports to the USA market amounted to a paltry USA$ 2m; compared with USA$ 340m for Lesotho, US$ 279m for Madagascar, and USA$ 247m for Kenya.

As promoters of the cotton sector, the Board will continue to monitor these developments in order to ensure emerging opportunities in the export market are maximized.

2.1.3 Characteristics of Tanzania Cotton

The cultivated cotton is of the American Upland type (***Gossypium hirsutum L).*** Tanzania cotton is sold on the basis of Grade, together with the corresponding staple length known as Type. Accordingly, there are seven (7) grades of cotton out of which five (5) are physical and two (2) are descriptive. The basic selling grade is **Gany,** as adopted by the International Cotton Association (ICA).

The cotton grades are indicated in Table 2.2 below.

Table 2.2: Tanzania Cotton Grades

Tanzania Grade	Universal grades	% of total crop	Remarks
Tang	Good middling	1.4	Physical
Gany	Strict middling	41.63	Physical
Gany	Middling	39.73	Physical
Gany	Strict low middling	13.81	Descriptive
Gany	Low middling	1.80	Physical
Gany	Strict Good Ordinary	0.40	Descriptive
Yika	Good ordinary	0.32	Physical
Under grade (UG)	Below grade (BG)	0.91	No grade

There are three types of cotton as shown in Table2.3 below.

Table 2.3: Tanzania Cotton Types

Type	Millimetre	Code	% of the total
Type 1 – staple length $1^1/_{18}$"	28.2 - 28.7	36	36.17
Type 2 – staple length $1^3/_{32}$"	27.4 - 27.9	35	50.56
Type 3 – staple length $1^1/_{16}$"	26.7 - 27.2	34	13.27

Generally, therefore, Tanzania's cotton is characterized as follows;

- Staple length ranges between $1^1/_{16}$" and $1^1/_8$";
- Over 82% of the grade is middling and above;
- More than 50% is roller ginned with low nep and short fibre content;
- Over 95% is within the prime micronaire range of 3.5 – 4.9;
- High uniformity ratio of 81 - 85% which is ideal for high speed spinning technology; and
- Fibre strength ranges between 25 and 29 gms/tex which is also ideal for high speed spinning technology.

2.1.4 Organic Cotton Production

Organic cotton is grown in certain areas of WCGA, particularly in Meatu District on a project- like basis under BioRe Tanzania Ltd supervision; with more frequent extension services provisioning; better crop and farm management practices applied. Yields are, however, comparatively lower than on non-organic cotton farms. Being a unique niche market product, organic cotton fetches, on average, sh. 200/kg higher than traditional strains in the market for seed cotton. Notwithstanding, this premium price does not fully compensate for the resulting low yields. Another recurring challenge in organic cotton farming is that it has few players; it tends to be monopolistic; and, is essentially a buyers market.

2.2 Stakeholder Analysis

The cotton sector comprises of various stakeholders as analysed below.

2.2.1 The Cotton Farmers

Cotton is grown by 350,000 – 500,000 mostly small – scale farmers located in 42 districts of 13 regions. The number of farmers varies depending on weather conditions and cotton market price trends. Droughts and downward shifts in cotton prices in the international market place compel some of the farmers to switch to alternative crops; adversely affecting production volumes of both seed and lint cotton.

2.2.2 Tanzania Cotton Board

The Tanzania Cotton Board was established on July 1, 2004 following the coming into effect of the Cotton Industry Act No. 2 of 2001 to replace the Tanzania Cotton Lint and Seed Board as set out by Act No. 19 of 1984 and as amended in 1993. TCB major roles are regulation, promotion, monitoring, advisory, facilitation, coordination, development and representation in the cotton sector.

2.2.3 Cotton Research Institutes

Currently, there are two institutes which directly deal with cotton research - the Lake Zone Agricultural Research Development Institute (LZARDI); and the Ilonga Agricultural Research Institute (IARI). Both are government owned. LZARDI is in WCGA; while IARI is in ECGA.

These institutes are constrained by limited funding for research and training; poor research infrastructure and other facilities; a staff ageing problem which is accentuated by difficulties in recruitment and retention of Researchers due to poor remuneration and inadequate other incentive packages.

2.2.4 Tanzania Cotton Association

While TCA was formed in 1997 as an apex association of cotton stakeholders to articulate and promote the interests of the sector in a unified approach, in practice it has remained largely an association of ginners, traders, exporters; and Tanzania Cotton Growers Association – TACOGA.

In WCGA there are a total of 62 ginneries equipped with 1,193 roller gins, and 85 saw gins. 21 of the ginneries are owned and operated by cooperatives, while the remaining 41 are owned by private companies. In ECGA there are 8 ginneries; 7 out of which are old and 1 is new.

55% of the cotton is saw- ginned; while roller- ginned cotton accounts for 45%. Average GOT is 33.8.

2.2.5 Cooperatives

Currently, there are four area- based cooperatives with multifaceted problems which make them unable to compete effectively in the liberalized procurement, processing and marketing of cotton. Their market share which was 100% before liberalization in the early 1990s progressively dwindled and currently accounts for less than 3.0% of the market share for seed cotton.

2.2.6 Cotton Oil Millers

Most ginners have oil mills as important integral components of their cotton business operations. Currently 32 ginners have installed oil mills at their business premises, capable of processing 16,121MT of cotton oil; representing only 14% of installed capacity which stands at 115,150MT p.a. These oil mills also produce around 52,000MT, in total, of cotton cake annually.

2.2.7 Cotton Spinners, Weavers and Textile Millers

Comprise of 21 mills- both old and new. All are privately owned; annually producing 110m sq. m of exclusively fabrics- khanga and vitenge; dyed drill; linen and bed sheets. They utilize only about 20% of domestic lint, preferring to import the rest due to unfavourable prices and unacceptable quality levels of local fibres. They operate at 40 -50% of installed capacity; and employ around 18,000 workers.

2.2.8 The Government

The cotton sub-sector is under the Ministry of Agriculture Food Security and Cooperatives. This is the parent body that has the ultimate responsibility of ensuring the cotton sub- sector is a success and contributes well to GDP. The Government provides subsidies for procuring cotton inputs and for funding the promotional and regulatory functions of TCB. Together with the Farmers and Private Cotton Processors, it co- finances the operations of the Cotton Development Trust Fund.

Other ministries whose work contributes to the cotton sub sector through cross- cutting issues include the Vice President’s Office, the Prime Ministers’ Office, Ministry of Finance, Ministry of Infrastructure Development, the Ministry of Lands and Human Settlements, the President’s Office- Planning Commission, the Ministry of Industries, Trade and Marketing and the Ministry of Internal Affairs. The list also includes Local Government Authorities (LGAs) which play a key role in the implementation stage at the district level.

2.2.9 Government Institutions

A number of Government institutions in the agricultural sector, which play a critical public role in various sectors, including the cotton sub sector, include the Tanzania Official Seed Certification Institute (TOSCI), Tropical Pesticides Research Institute (TPRI) and others like the National Environment Management Council (NEMC) and Tanzania Bureau of Standards (TBS).

2.2.10 Development Partners

The development partners include multilateral and bilateral organizations and agencies that support Government and community in the agricultural sector, in general, and cotton sub- sector, in particular, through grants and soft loans. Development partners also provide technical support in the implementation of agreed programmes.

2.3 Policy, Strategy and Programme Context

CSP II is led by policy, strategy and programme components of ongoing programmes for macroeconomic and structural reforms being implemented by the Government. These include;

2.3.1 The Tanzania Development Vision (Vision 2025)

Aims at improving crop production and productivity levels; promoting wealth creation for the benefit of all stakeholders; and spearheading increased domestic processing to enhance value addition and manufacturing industrialization.

2.3.2 The Agricultural and Livestock Policy and Cooperative Development Policy

Both these policies delineate the roles of various institutions in dealing with crops; as well as in advocating for enhancing stakeholder organizations.

2.3.3 The National Strategy for Growth and Reduction of Poverty - NSGRP (MKUKUTA)

MKUKUTA seeks to address constraints to rural growth, improving productivity on the farm and enhancing human capacities and efficiency.

2.3.4 The Agricultural Sector Development Strategy and Programme

The Agricultural Sector Development Strategy and Agricultural Sector Development Programme laid down the framework for sustainable agricultural production by defining obtaining opportunities and advocating for enhanced incremental key programmes financing.

2.3.5 Millennium Development Goals, MDGs

MDGs focused on eradication of poverty and hunger; achieving universal primary education; promoting gender equality and women empowerment; improving child and maternal health; and promoting global partnerships for development.

2.3.6 Kilimo Kwanza

Kilimo Kwanza spearheads agricultural infrastructural development; application of new technologies; promotion of higher yields and larger crop production volumes; commercial farming, as well as contract farming; and establishment of forward and backward agro-processing industries.

2.4 Challenges of the Cotton Sector

The cotton sector is facing deep-rooted challenges which need to be addressed meaningfully and consistently in order to realise its potential. The challenges of cotton whose ultimate manifestation is persistent poverty, particularly amongst its primary producers, i.e. the smallholder cotton growers, can be put into two groups, domestic and external.

2.4.1 Domestic Challenges

Domestic challenges include poor farm and crop management practices; poor infrastructure, as well as high taxes and utility tariffs which escalate production costs; limited domestic processing for maximum value addition in the total production and processing chain; rampant contamination with deleterious effects on farm gate prices and fibre competitiveness; limited extension services and research services; budgetary constraints; and droughts.

2.4.2 External Challenges

These include the following;

- expanding acreage, increasing yields and falling production costs in major producing and consuming countries, inducing a fall in prices for small producers and exporters in developing countries;
- imposition of production and marketing subsidies in developed cotton producing countries**,** which lead to artificial over - production and a decline in market prices for cotton;
- competition from man-made fibres such as polyester, viscose, acrylic and polyamide (nylon) is another real threat to cotton use. Made from chemicals, their production technology results in lower costs than cotton fibres; have generally superior quality on length, denier, tenacity, elongation, and crimp;
- durable tendency towards a decline in the price of cotton from about US ¢400 in 1950 to around US ¢ 70 in 2010/11.

2.5 Review of TCB's Corporate Strategic Plan I: 2007/08 – 2009/10

2.5.1 Introduction

The first Tanzania Cotton Board's Corporate Strategic Plan, 2007/08-2009/10, was prepared amidst the vibrant optimism of the Fourth Phase Government which had assumed office a year earlier. Against the backdrop of "new will, new momentum, and new energy", in its quest to increase the pace of poverty alleviation and enhance people's welfare, the Government defined the major development benchmarks to be achieved in the strategic sectors over the 2005-2015 period. In this context, as well as in the context of encouraging outcomes in implementing the first Cotton Sector Development Strategy, 2000/01- 2005/06; and amid growing stakeholder collaborative approaches in addressing the challenges of the cotton sector (such as in coming up with the 2000 Mwanza Resolution), TCB, through CSP I, was tasked to coordinate the raising of cotton production output levels from their 2007/08 levels of around 700,000 bales (126,000 tons) to 1,500,000 bales (271,500 tons); and increasing productivity from 750 kg/ ha to 1,500 kg/ ha of seed cotton; or from 260kg /ha to 510 kg/ha of cotton lint by 2009/10.

In order to achieve the targets on cotton production and productivity, CSP I aimed to implement six strategic objectives, including; enhancing sustainable production and productivity; and strengthening policies, strategies and regulatory framework in the cotton industry; enhancing capacity of TCB to carry out its operations efficiently and effectively; increasing domestic spinning, weaving and textile milling; linking and internalising cross-cutting issues; and empowering private sector organisations.

Successful implementation of CSP was predicated on sustaining a 30% annual cotton output growth through a combination of expanding acreage, enhanced application of modern farm and crop management practices; particularly, in addressing the following challenges;

- Primary production: undertake irrigation cotton farming and integrated cotton cultivation or contract farming schemes; increase the application of new technologies on the farm, such as subsidised industrial fertilisers;
- Cotton research and seed production: improve incentives for Researchers; and establish a durable, integrated system for the production, multiplication, processing and distribution of cotton seeds;

- Marketing and ginning: **i**mprove the marketing infrastructure through the construction and rehabilitation of rural roads, and commercial warehouses/ market yards;
- Spinning, weaving and textile milling: increase cotton processing locally;
- Private sector: form strong stakeholder associations;
- District level: prepare district indicative cotton production targets – DICPT and district cotton production programmes - DCPP; form cotton monitoring teams-CMTs-at village, ward and district levels; and set aside 20% of cotton cess to finance the above activities.

2.5.2 Performance Evaluation

A general assessment in the implementation of CSP I shows that achievements were mixed;

- The 30% annual growth in cotton production was not attained. Both cotton output and productivity levels either stagnated at the pre-estimated records or fell due to droughts, inadequate Government subventions in financing TCB's promotional and regulatory functions, limited acreage put to cotton, limited usage of inputs on the farm, poor extension services;
- No cotton irrigation farming was undertaken due to budgetary constraints to put up the infrastructure for irrigation; as well as lack of appropriate land and water policies in support of potential investors on the farm;
- Contract cotton farming was initiated on pilot basis in Mara region over the remaining two years of CSP I with great success;
- Increased utilization of new technologies on the farm; (e.g. industrial fertilisers, required insecticides spray frequencies and increasing use of tractors and animal- drawn ploughs instead of the hand hoe), did not occur partly due to prohibitive costs in the acquisition of the same, poor farmer attitude on the adoption of such technologies and lack of Government support in the acquisition of these technologies;
- With respect to research activities, although new seed varieties are expected to be released soon, under- funding and minimal incentives resulted in poor coordination and low competencies at the two premier cotton research institutes;
- Lack of funding and delays in decision making pushed forward the target of establishing a durable system for the production, multiplication, processing and distribution of improved seed varieties to 2011 with Quton Company Ltd of Zimbabwe contracted to carry out this activity;
- The objective of increasing the processing of domestic cotton into fabrics and textile materials locally has as yet to materialize. Prevailing fiscal policies militate against the establishment and sustainable operation of domestic textile mills; e.g. high taxes on

textile goods resulting from high utility costs, rendering domestically produced textile materials uncompetitive; low protection from second-hand clothes imports which dominate the market for all dressing materials except for khanga and vitenge; importation of low quality, cheap grey cloth and semi- finished goods also discourage the use of domestically- processed materials; and obsolete technologies in existing textile mills.

- The envisaged formation of strong stakeholder associations for promoting the interests of the cotton sector was hampered by lack of cohesion (textiles), poor coordination (TCA) and generally little exposure on the cotton industry business chain;
- Relevant District Council Authorities have yet to commit themselves to the development of the cotton sector by internalising cotton-related development activities in their District Agricultural Development Plans, DADPs, and allow setting aside a certain percentage of their cotton cess in support of these activities.

2.5.3 General Observations

As a framework for implementing TCB's mandated functions CSP I assisted in guiding the operations of the cotton industry as a whole. However, following Government assumption in the financing of development activities of crop boards, their performance has been adversely affected. Actual disbursements are often far below requirements. This negatively affects regulatory functions and staff morale. Financing is availed very late, compromising the operations of institutions which run more or less on commercial principles. The combined impact of this situation is as follows;

- Impaired developmental, promotional and regulatory functions;
- Difficult procurement of equipment;
- Large staff turnover due to low pay and low incentives;
- Human resources development cannot take place.

Overall, therefore, Government subventions to crop boards need to be enhanced in order to overcome the above shortcomings and address new challenges. For TCB, in particular, the added challenges include;

- Monitoring and close follow- up of the operations of cotton contract farming;
- Coordinating the implementation of the US$ 1.2b medium- term Cotton and Textiles Development Programme;
- Supervising the expansion of cotton cultivation in new areas, particularly in ECGA;
- Supervising the implementation of additional new initiatives entailed in the Second Cotton Sector Development Strategy, 2010/11- 2014/15; e.g. establishment of **MKULIMA**, a monthly tabloid on cotton and agriculture; staging **Textiles Week**, an annual national event to showcase and advertise Tanzania cotton

and textiles; implementation of **Cotton Quality Standards Award** and other awards for the best performers in the cotton industry each year.

2.6 SWOC Analysis

A Strengths, Weaknesses, Opportunities and Challenges/Threats, SWOC, analysis was conducted in order to establish strengths that TCB has in implementing its activities; weaknesses that have been preventing it from fulfilling its mandate; opportunities which the Board can capitalise on in order to improve the performance of the cotton sector; and challenges/threats which are currently adversely affecting such performance or are likely to do so in the medium term. Results of the SWOC analysis were used in conjunction with outputs from other analyses to formulate key result areas and strategies for the Board for the next three years.

STRENGHTS	WEAKNESSES
1. It has a small, organised staff; with the required qualifications and skills; wide knowledge and experience in the cotton sector	1. Limited capacity to monitor cotton quality levels
2. TCB is the only institution charged with promoting, developing, facilitating, regulating and monitoring the cotton sector	2. Staffing levels have limited capacities to monitor and regulate an overly liberalised sector.
3. TCB has developed experience in implementing CSP I	3. Limited internal capacities for planning
4. TCB is creative and innovative in developing the cotton sector	4. TCB's funding sources are narrow and do not ensure better success in its operations.
5. TCB has established a permanent stakeholder forum for better articu-lation of cotton sector interests.	5. Inability to access potential external resources for development and trade - related activities.
	6. Training and retraining; and succession replacement programming in TCB are constrained by thin departmental staffing.

OPPORTUNITIES	CHALLENGES/THREATS
1. The cotton sector has unique primary producers - the farmers - who are dedicated, hardworking and only get betrayed by bad weather.	1. Persistent droughts
	2. Numerous small - scale farmers with limited access to and knowledge in application of new and improved technologies on the farm
	3. Poor infrastructure for inputs distribution and crop procurement.
2. Perpetual demand for cotton fabrics	4. Inadequate research and extension

and textiles due to rising populations and increasing incomes everywhere; and changing consumer patterns in preference for cotton fabrics.	5. Rampant seed cotton and lint contamination reduce the quality of lint, and lower prices and competitiveness of the crop 6. Low output volumes and yields of the crop
3. Government policies recognise the potential multiplier impacts of cotton in employment creation and income generation throughout the value chain - primary production; procurement and marketing; ginning; spinning, weaving and textile milling; exporting; and retailing.	7. Expanding acreage, increasing yields and falling production costs in major producing and consuming countries reduce prices and markets for Tanzania cotton 8. Production and export subsidies in developed cotton producing countries lead to overproduction, unfair competition and lower cotton prices 9. Competition from man-made fibres reduces the market share for cotton
4. Existence of large tracts of fertile soils; numerous and large permanent water bodies suitable for increased acreage and irrigation cotton farming	10. A historical tendency for cotton prices to decline leads to further reduced prices. 11. Stakeholders are not properly organised to defend interests of cotton in a unified way
5. Currently, more than 90% of income generated on cotton and attendant jobs are earned and created abroad as 80% of cotton is exported in lint form. Opportunities exit to retain up to 60 -100% of such incomes and related jobs if the lint is spinned, weaved and processed into textiles and apparel locally	12. Conflict of interest and political interference in regulatory and monitoring role of TCB 13. Limited funding for cotton development activities. 14. High commodity taxes and utility tariffs impinge on the operations of the cotton sector
6. Compared with CFA, Tanzanian cotton fairs better - ginning costs are much lower; GOT is higher; transportation and freight rates are lower due to proximity to the lar-gest cotton consuming countries of the Far East and the Indian sub-continent; and it is available to the markets much earlier- between July and September	15. Poor incentive and remunerative packages for employees
7. Recent Government decision for TCB to retain strategic fixed assets, e.g. Kurasini Godowns, and some of the regional Pamba House Offices, gives the Board a sustainable source for internal resources generation	16. The emergence of alternative cash crops, especially green gram, which are cheaper to grow but fetch higher returns than cotton in the major cotton growing districts (e.g. Bariadi, Magu, Maswa and Meatu)

3. TCB'S VISION, MISSION, DEVELOPMENT OBJECTIVE, CORE VALUES AND CORPORATE GOVERNANCE

Vision

A pioneering institution in promoting an internationally competitive Tanzanian cotton industry in quality, production and productivity.

Mission

To raise the efficiency of the cotton sector through improved production, productivity and profitability by maximizing on the compliance to rules and regulations that safeguard the quality of cotton sold both locally and abroad; by facilitating the provision of effective and efficient services to cotton stakeholders; by enhancing strong stakeholder relationships in order to boost self- regulation and promoting the production, processing and consumption of cotton.

Development Objective

To promote wealth creation and employment generation in the cotton sub- sector through sustainable methods of agricultural production and local value addition throughout the cotton value chain; thereby contribute to economic growth and development.

Core Values

In order to realise its vision and fulfil its mission, TCB will be guided by the following cores values;

Efficiency Enhancement of Cotton Sector Operations

Given that the major challenges of the cotton sector are exogenous, largely beyond the control of Tanzania stakeholders, TCB will lead the quest for raising the domestic operational efficiency of the sector in order to effectively compete in markets through better cotton yields, improved crop quality, improved procuring and marketing, and increased domestic cotton processing into textiles and apparel.

Wealth Creation

Given the potential impact on the socio-economic well-being of a significant portion of the population, TCB will aim to promote the maximisation of wealth creation in the cotton sub-sector for the benefit of all stakeholders, in a win-win situation.

Creation of Industrial Linkages

TCB will strive to enhance linkages between primary cotton production and increased processing of cotton and its by-products to add value and enhance local job creation.

Professionalism

At all times, TCB will maintain professionalism in discharging its responsibilities; including courtesy, objectivity, predictability, efficiency and high ethical standards in services delivery.

Innovation and Creativity

Always, TCB will strive to innovate and search for new ideas, strategies and solutions in fulfilling its mandate of promoting, developing, facilitating, regulating and monitoring the cotton sub-sector.

Sustainability

Notwithstanding the challenges facing the cotton sub-sector, TCB will, in collaboration with stakeholders, aim to sustain this critical sector by mobilising all potential resources for successful implementation of CSDS II.

Corporate Governance

It will be a central objective for TCB to uphold good corporate governance. To this end, the Board and Management, as well as workers, will be exposed to the basic tenets of corporate good governance such as transparency, accountability and probity. And, as appropriate, TCB will report on the same.

4. CSP II OBJECTIVES AND TARGETS

CSP II objectives and targets are consistent with the CSDS II objectives and targets inasmuch as CSP II seeks to implement CSDS II albeit indirectly, in TCB's capacity as overall regulator and promoter of the cotton sector.

4.1 Enhancing sustainable production and productivity in the cotton industry

4.1.1 Rationale

Over the eight year period between 2001/02 and 2008/09 several initiatives were taken to improve the operations of the cotton sub-sector; resulting into doubling of cotton production levels; from 348,000 bales (63,000MT) to 685,000 bales (124,000MT). Productivity also rose by 60% from 161 kg/ha (2001/02) to 256 kg/ha (2008/09). In practical studies carried out by LZARDI, it has been established that by applying better technologies and improved farm and crop management practices, yields can rise to 530 - 750 kg/ha. Considerable scope, therefore, exists for further raising cotton productivity and production; by addressing the challenges in the sector, and maximizing on obtaining opportunities.

4.1.2 Strategies

- Backstop TCA in the establishment of the monthly tabloid, **MKULIMA**, on cotton and agricultural sector- related issues;
- Through Farmers Field Schools, FFS, coordinate the empowerment of farmers with knowledge on better crop and farm management practices;
- Coordinate the formation of Farmer Business Groups, FBGs, and their entering into cotton contract farming with ginners; and monitor their operations;
- Establish the Zonal Office in ECGA for promoting cotton production and expansion;
- Enhance the pace of developing new cotton technologies; e.g. new hybrid seeds according to various growing zones; Bt cotton;
- Coordinate the application of sustainable environmental management strategies in the cotton sector;

4.1.3 Targets

- Establish the Zonal Office for ECGA for promoting cotton production and expansion by 2012;
- Monitor the establishment of **MKULIMA** by 2012;
- Ensure that all cotton farming is done under contracts between FBGs and Ginners by 2015;
- Monitor to ensure Quton develops, multiplies, processes and releases for distribution to farmers three new seed varieties by 2015;

4.1.4 Key Performance Indicators

- Number of knowledge centres established;
- **MKULIMA** monthly newspaper on cotton started;
- ECGA Zonal Office opened;
- Number of new cotton seed varieties released according to growing zones.

4.2 Improving the quality of cotton by strengthening policies, strategies and regulatory framework in the cotton industry

4.2.1 Rationale

The quality of cotton drastically declined in recent times due to the liberalization of traditional crop procurement, processing and marketing in the early 1990s. Key players multiplied several- fold, mostly with little inclination towards the maintenance of cotton quality etiquettes, in preference for procuring maximum crop volumes to meet external standing orders. The policy and monitoring framework will be strengthened without appearing to be overly- regulated; stakeholders will equally be properly oriented to enhance the quality standards of cotton and its by- products, and to adhere to the required legal procedures, rules and regulations, in order to maximize on trading opportunities in global markets. Specifically, under this Objective, the Board will do the following;

4.2.2 Strategies

- Carry out sustained strategies to raise and improve cotton quality standards;
- Enhance compliance to the 2001 Cotton Industry Act, as amended by Miscellaneous Amendment No. 20 of 2009; and to the 2010 Cotton Regulations;
- Strengthen TCB's institutional capacity for development, promotion and monitoring of the cotton sector;
- Keep abreast of quality enhancement development trends in the cotton world

4.2.3 Targets

- Ensure international cotton quality standards are attained by 2015;
- Collaborate in the design and operation of an award system for cotton quality standards promotion by 2012;
- Enforce the application of the Cotton Industry Act No. 2 of 2001, as amended by Miscellaneous Amendment No. 20 of 2009; and the 2010 Cotton Regulations by 2015;
- Monitor enhancement of the cotton research capacities by 2015;

4.2.4 Key Performance Indicators

- Proportion of cotton sold as Grade A and Grade B;
- Number of cotton quality standards awards issued;
- Number of samples classed;
- Number of classing equipment acquired;
- Number of international fora attended;

4.3 Objective: Enhancing the capacity of TCB to carry out its operations efficiently and effectively

4.3.1 Rationale

The liberalisation of traditional crops in the early 1990s was not followed by an adequate reconstitution of TCB. As a result, its institutional role of promoting, developing, regulating and monitoring the cotton sector continues to be under severe strain. TCB has a staff complement of less than 70 for overseeing cotton operations in 42 districts of 13 regions, with close to 60 ginneries; and traders and merchants situated in both WCGA and ECGA.

New challenges are entailed in the Second Cotton Development Strategy, 2010/11- 2014/15; including monitoring and close follow- up of the operations of cotton contract farming; coordinating the implementation of the US$ 1.2b medium- term Cotton and Textiles Development Programme; supervising the expansion of cotton cultivation in new areas, particularly in ECGA; and supervising the implementation of new initiatives, e.g. establishment of **MKULIMA**; staging **Textiles Week** to showcase Tanzania cotton and textiles; conducting of **Cotton Quality Standards Award** and other awards system.

Staff levels at both Head Office; and in the Zones and districts need to be boosted in order to sustain work efficiency and quality. Currently, staff everywhere is over-stretched; working over-time is the norm; work morale is being tested; although spirits are generally high. Thin departmental staffing makes it difficult to train and retrain staff; and replacement programming is virtually impossible.

Coupled with low remunerations and poor incentive packages, staff turn-over has risen in the increasingly competitive labour market. Successful implementation of both CSP II and CSDS II is, therefore, contingent on reviewing staff levels; increasing training and retraining; improving remuneration packages; and provision of necessary tools, and logistical support.

4.3.2 Strategies

- Improve delivery of legal services in TCB;
- Enhance good corporate governance;
- Improve human and physical resources capacity and efficiency;
- Improve accounting, financial reporting functions and strengthen capacity to manage financial resources;
- Improve manning levels.

4.3.3 Targets

- Legal services provided and managed in an effective, efficient and professional manner by 2013;
- Sensitization of TCB staff on good corporate governance ensured by 2013;
- TCB staff employment privileges and benefits effected annually;
- Manning levels enhanced by 2013;
- Efficient utilisation of physical resources enhanced by 2013;
- Efficient and effective operations of the Board maintained by 2013;
- ICT infrastructure and systems developed, upgraded and maintained by 2012;
- TCB financial statements and records are properly kept and produced annually; and
- Financial controls in TCB plans and programs ensured by 2013.

4.3.4 Key Performance Indicators
- Number of legal services handled;
- Number of staff sensitised;
- Number of recruited staff;
- Privileges and benefits enhanced;
- Number of staff trained and retrained;
- Number of properties rehabilitated/ renovated;
- Number of meetings conducted;
- Various reports produced.

4.4 Increasing domestic spinning, weaving and textile milling

4.4.1 Rationale
Currently, more than 70% of cotton is exported in the form of lint. Given also that domestic spinning into yarn adds minimal value, 5% only, compared with garmenting, branding and retailing, in the textile and apparel supply chain, the combined impacts mean that more than 90% of the value of cotton, plus related jobs, are earned and created abroad.

Therefore, increased domestic cotton processing into garments and textile products in order to maximize value addition and employment generation is essential today in Tanzania. This will lead to the creation of effective demand for local fibres, as well as creation of relative price stability for Tanzania cotton.

4.4.2 Strategies
- Collaborate with TCA to advocate for the rationalization of cotton levies, taxes and tariffs;
- Coordinate efforts (with TCA, TEXTMAT, TRA, Ministry of Industries, Trade and Marketing, and other cotton stakeholders) to hammer out a comprehensive textiles and apparel policy, including;
  - promoting vertical integration in the textiles sector through appropriate taxes and other fiscal measures;
  - improving export incentives by reducing the existing anti-export bias of textiles in the common external tariff;
  - resolving the challenge of second-hand clothes imports;
  - resolving the challenge of the importation of low quality and cheap grey cloth and semi- finished materials.
- Raise the status of the Textiles Sector Development Unit to a full-fledged Department to deal with the emerging challenges of developing the textiles industry in Tanzania;
- Coordinate preparations for launching and subsequent holding of **Textiles Week**, an annual weekly event on Tanzania textiles; to showcase and celebrate, among other activities, the following ;

- conferences/workshops on textiles- technology developments, textile trends, skills development in the textiles industry; etc.;
- fashion shows of cotton textiles and fabrics;
- business exchanges on cotton, textiles;
- cotton textile designs and crafts.

4.4.3 Targets

- Establish the Textiles Sector Development Department by 2011;
- The percentage of cotton which is exported as lint or yarn declines to 40% by 2015;
- Start the annual **Textiles Week** in 2012;
- Create a comprehensive textiles and apparel policy by 2012.

4.4.4 Key Performance Indicators

- Textile Sector Development Department established within TCB;
- **Textiles Week** is held;
- A new textiles and apparel policy is enacted.

4.5 Empowering Stakeholder Organizations

4.5.1 Rationale

The liberalization of the procurement and marketing of traditional crops in 1993 was meant to put the private sector in the driver's seat in developing the economy, including the cotton industry; as well as leading effective competition in global trading operations. The imperative to have strong private stakeholder organizations is premised on their capacity to mount sustained effort to meet these global competitive challenges, as well as capacity to maximize on emerging opportunities. Currently, there are no organizations with the strength and capacity to play such roles. They have to be nurtured and incubated. The private stakeholders in the cotton sub-sector are divided into three groups: farmers, co-operatives and private companies. To incubate and nurture these private sector organisations, TCB will undertake the following;

4.5.2 Strategies

- Coordinate the reconstitution of TCA into the apex cotton stakeholder coordination organ;
- Supervise the formation of new and strengthening of existing Farmer organizations; e.g. genuine primary cooperative societies and associations; Ginners/Oil Millers Association[2]; Tanzania Cotton Researchers Association[3]; association of Spinners, Weavers and Textile Millers- TEXTMAT;

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[2] It may be called, Tanzania Ginners and Exporters Association, (TAGEA).
[3] It may be known as Tanzania Cotton Research Association, (TACRA).

- Rehabilitate the re-acquired fixed assets of the sector, i.e. the Kurasini Godowns and some of the regional Pamba House office buildings, as vital sources for sustainable financing of TCB activities;
- Reconstruct Pamba House to transform it into a beacon of hope and inspiration of the cotton sector;
- Enhance TCB’s human resources capacities.

4.5.3 Targets

- Reconstituted TCA and Secretariat rolled- out by 2012;
- TCB institutional strengthening;
  - open ECGA Zonal Office by 2011;
  - establish the Department of Cotton Development and Promotion by 2012;
  - rehabilitate the Kurasini Godowns by 2012 and regional offices by 2013;
  - rebuild Dar es Salaam Pamba House as the beacon of hope and inspiration of the cotton sector by 2015;
  - carry out regular human capital development programmes.

4.5.4 Key Performance Indicators

- Number of cotton sector stakeholder groups/associations properly formed;
- New capacity- enhancing Departments are formed within TCB, e.g. Department of Cotton Development and Promotion, ECGA Zonal Office, and Textile Sector Development Department;
- Kurasini godowns and regional offices are rehabilitated into important sustainable income generating sources;
- Pamba House being rebuilt;
- Number of staff who have undergone further training to enhance requisite skills;
- TCA and Secretariat reconstituted.

4.6 Linking and Internalising Cross- cutting Issues

4.6.1 Rationale

Cross-cutting issues such as infrastructure, gender, HIV/AIDS, and environment are important for sustainable cotton production. Improved infrastructure has a direct bearing on the cost of production as well as on producer prices. The place of women in having a fair share of the benefits from cotton, particularly at the farm level, is an important factor in sustaining the cotton sector while, at the same time, upholding fundamental human rights. With regard to environment, cotton production is synonymous with the application of various pesticides which, without rational utilization, can impact negatively on the environment. HIV/AIDS is a world disaster affecting the active labour force which is important for cotton production.

TCB's CSP II will, therefore, undertake the following activities in connection with the cross- cutting issues;

4.6.2 Strategies

- Collect, on behalf of District Councils, the cotton cess, and monitor to ensure they set aside 10% of such cess for cotton- related development activities;
- Mobilise private sector resources for improving the infrastructure;
- Carry out sustainable strategies in communities and households on the importance of sharing fairly proceeds from cotton sales between husband and wife and between man and woman;
- Carry out sustainable campaigns to educate communities, in villages and offices, on the dangers of HIV/AIDS, especially during the cotton marketing season and during the magulio (market) days;
- Implement sustainable environmental management measures in cotton sector operations.

4.6.3 Targets

- Secure time- bound agreements from relevant District Councils to collect on their behalf the cotton cess and the utilization of 10% of cotton cess for cotton- related activities by 2012;
- Coordinate the development of the infrastructure for cotton through PPPs arrangements by 2012;
- By 2013 all communities in cotton growing areas to have been sensitized on gender fairness in the distribution of cotton sales receipts;
- Coordinate the establishment of a sustainable system of sensitising communities on HIV/AIDS by 2012;
- Ensure that by 2012 all premises used for cotton operations will have met standard environmental requirements.

4.6.4 Key Performance Indicators

- Number of PPPs formed to construct the infrastructure for cotton;
- Degree of family and social cohesion built in cotton farming communities;
- Reduction in HIV/AIDS infection rates;

5 FINANCING

Objective A: Enhancing sustainable production and productivity in the cotton industry

Target 1: Establish Zonal Office for ECGA for promoting cotton production and expansion by 2011

Activity	Key Performance Indicators	Budget (Shillings)		
		2010/2011	2011/2012	2012/2013
1 Identify human resources requirements for ECGA Zonal Office	• Human resources requirements established	100t	100t	100t
2 To process permits from relevant authorities to recruit Zonal Officers	• Number of Zonal office staff recruited	100t	100t	100t
3 To furnish the Zonal Office by 2012	• Number of equipment procured	100t	100t	100t
Total Target 1		100t	100t	100t

Target 2: Monitor the establishment MKULIMA by 2012

Activity	Key Performance Indicators	Budget Shs. "000"		
		2010/2011	2011/2012	2012/2013
1 To co-ordinate the formation and operation MKULIMA monthly newspaper	• Number of knowledge centres established • MKULIMA newspaper launched	100t	100t	100t
Total Target 2		100t	100t	100t

Target 3: Ensure that all cotton farming is done under contracts between FBGS and Ginners by 2013

Activity	Key Performance Indicators	Budget (Shillings)		
		2010/2011	2011/2012	2012/2013
1 To mobilize formation of FBGs and conduct trainings on cotton contract farming	• Report produced • Number of FBGs formed	555,920,000	635,085,000	278,775,000
2 To sensitize stakeholders on cotton contract farming and create awareness on	• Report produced			

rules and regulations; rights and obligations				
Total Target 3		**555,920,000**	**635,085,000**	**278,775,000**

Target 4: **Monitor to ensure Quton develops, multiplies, processes and releases for distribution to farmers three new seed varieties by 2013**

Activity	Key Performance Indicators	Budget (Shillings)		
		2010/2011	**2011/2012**	**2012/2013**
2 To under take study on reliable distribution sys-tem of new seed varieties by 2011	• Reports produced • Farmers started using new cotton seed varieties	2,100,000	2,850,000	3,300,000
1 To monitor new seed development and multiplication processes by 2011	• New cotton seed varieties multiplies			
Total Target 4		**2,100,000**	**2,850,000**	**3,300,000**
Total objective B		**558,020,000**	**637,935,000**	**282,075,000**

Objective B: Improving the quality of cotton by strengthening policies, strategies and regulatory framework in the cotton industry

Target 1: **Ensure international cotton quality standards are attained by 2013**

Activity	Key Performance Indicators	Budget (Shillings)		
		2010/2011	**2011/2012**	**2012/2013**
1 To determine cotton quality parameters on 350,000 samples annually	• Number of samples classed • Impact on meeting shipment schedules	117,372,500	117,186,500	112,244,500
2 To deposit 10 cotton samples boxes at the International Cotton Association in Liverpool bi - annually.	• Samples boxes deposited	19,440,000	0	23,440,000
3 To import 14 kgs calibration samples for classing instru-ment from USA bi-annually	• Calibration samples imported	7,228,000	7128000	0
4 To participate in 4 commercial	• Number of items procured	840,000	840,000	840,000

standardization of instrument testing of cotton (SCITC) round trials annually				
5 To run generating set at cotton classing unit	• International laboratory standards upheld	9,780,00	10,595,000	114,100,00
6 To refurbish classing unit by 2013	• Classing machine procured	471,495,000	0	471,495,000
Total Target 1		**616,385,280**	**135,749,500**	**608,133,600**

Target 2: **Collaborate in the design and operation of an award system for cotton quality standards promotion by 2013**

Activity	Key Performance Indicators	Budget (Shillings)		
		2010/2011	**2011/2012**	**2012/2013**
1 To enforce cotton grades i.e. Grade A and Grade B and set differential prices for the grades	• Proportion of cotton sold as Grade A and Grade B • Number of cotton quality standards awards issued • Number of classing equipment acquired	26,130,000	23,350,000	24,500,000
Total Target 2		**26,130,000**	**23,350,000**	**24,500,000**

Target 3: **Enforce the application of the Cotton Industry Act No. 2 of 2001 as amended by Miscellaneous Act No. 20 of 2009 and 2010 Cotton Regulations**

Activity	Key Performance Indicators	Budget (Shillings)		
		2010/2011	**2011/2012**	**2012/2013**
1 To inspect 6,700 cotton buying posts annually	• Number of buying posts inspected and frequency of inspection • Improved cotton quality	68,350,000	108,025,000	127,800,000
2 To inspect 60 ginneries annually	• Improved cotton quality • Number of ginneries inspected and frequency of inspection	65,262,000	87,208,000	89,808,000
3 To print and issue 6700 cotton buying licenses, 60 ginning	• Number of licenses issued	3,502,000	3,860,000	4,140,000

licenses and 38 export licenses				
4 To conduct 4 meetings with cotton and ginnery inspectors annually	• Number of meeting covered • Improved services delivery to farmers	14,360,000	18,380,000	20,640,000
5 To facilitate 95 legal proceedings against cotton legislation defaulters by 2012	• Number of legal cases filed and handled	100t	100t	100t
Total Target 3		151,474,000	217,473,000	242,388,000

Target 4: **Monitor enhancement of the cotton research capacity by 2013**

Activity	Key Performance Indicators	Budget (Shillings)		
		2010/2011	**2011/2012**	**2012/2013**
1 To advice the government and stakeholders on cotton research requirements	• Number of cotton research per field • Number of private partners mobilized to finance and contract research • Level of training and retraining • Quantum of available facilities	5,800,000	7,200,000	10,000,000
2 To set improvements of cotton research facilities by 2014	• Quantum of research facilities renovated	4,500,000	6,000,000	6,800,000
Total Target 4		**10,300,000**	**13,200,000**	**16,800,000**
Total Objective A		**804,289,280**	**389,772,500**	**891,821,600**

Objective B: Enhancing sustainable production and productivity in the cotton industry

Target 1: **Establish Zonal Office for ECGA for promoting cotton production and expansion by 2011**

Activity	Key Performance Indicators	Budget (Shillings)		
		2010/2011	**2011/2012**	**2012/2013**
4 Identify human resources requirements for ECGA Zonal Office	• Human resources requirements established	100t	100t	100t
5 To process per-	• Number of Zonal	100t	100t	100t

mits from relevant authorities to recruit Zonal Officers	office staff recruited			
6 To furnish the Zonal Office by 2012	• Number of equipment procured	100t	100t	100t
Total Target 1		100t	100t	100t

Target 2: **Monitor the establishment MKULIMA by 2012**

Activity	**Key Performance Indicators**	**Budget Shs. "000"**		
		2010/2011	**2011/2012**	**2012/2013**
2 To co-ordinate the formation and operation MKULIMA monthly newspaper	• Number of knowledge centres established • MKULIMA newspaper launched	100t	100t	100t
Total Target 2		100t	100t	100t

Target 3: **Ensure that all cotton farming is done under contracts between FBGS and Ginners by 2013**

Activity	**Key Performance Indicators**	**Budget (Shillings)**		
		2010/2011	**2011/2012**	**2012/2013**
3 To mobilize formation of FBGs and conduct trainings on cotton contract farming	• Report produced • Number of FBGs formed	555,920,000	635,085,000	278,775,000
4 To sensitize stakeholders on cotton contract farming and create awareness on rules and regulations; rights and obligations	• Report produced			
Total Target 3		**555,920,000**	**635,085,000**	**278,775,000**

Target 4: **Monitor to ensure Quton develops, multiplies, processes and releases for distribution to farmers three new seed varieties by 2013**

Activity	**Key Performance Indicators**	**Budget (Shillings)**		
		2010/2011	**2011/2012**	**2012/2013**
2 To under take study on reliable distribution system of new seed varieties by 2011	• Reports produced • Farmers started using new cotton seed varieties	2,100,000	2,850,000	3,300,000
2 To monitor new	• New cotton seed			

seed development and multiplication processes by 2011	varieties multiplies			
Total Target 4		**2,100,000**	**2,850,000**	**3,300,000**
Total objective B		**558,020,000**	**637,935,000**	**282,075,000**

Objective C: Enhancing the capacity of TCB to carry out its operations efficiently and effectively.

Target 1: Legal services provided and managed in an effective, efficient and professional manner by 2013

Activity	Key Performance Indicators	Budget (Shillings)		
		2010/2011	**2011/2012**	**2012/2013**
1 To represent the Board in 10 legal litigation in various courts annually.	• Number of legal services handles	13,900,000	11,550,000	10,390,000
Total target 1		**13,900,000**	**11,550,000**	**10,390,000**

Target 2: Sensitization of TCB staff on good corporate governance ensured by 2013

Activity	Key Performance Indicators	Budget (Shillings)		
		2010/2011	**2011/2012**	**2012/2013**
1 To operate ethics and anti-corruption committee by 2013	Number of reports and Meetings	8,080,000	8,500,000	9,820,000
2 To sensitise the Board of Directors and all employees on corporate governance by 2013	• Number of staff sensitised	2,330,000	2,600,000	2,770,000
Total target 2		**10,410,000**	**11,100,000**	**12,590,000**

Target 3: TCB staff employment privileges an benefits effected annually

Activity	Key Performance Indicators	Budget (Shillings)		
		2010/2011	**2011/2012**	**2012/2013**
1 To process voluntary agreements between TPAWU at workplace and the Board by 2011	• Voluntary agreement processed	83,970,000	314,887,500	314,887,500

2 To provide amenities to all TCB employees annually	• Privileges and benefits enhanced	63,429,000	175,562,000	175,877,000
3 To provide utility allowance to 5 entitled officers annually	• Support allowances paid	37,620,000	37,620,000	37,620,000
4 To provide leave fare to all TCB employees annually	• Leave fare paid	18,168,000	15,090,000	18,090,000
5 To participate in Workers Day annually	• Workers Day celebrated	13,029,250	13,269,250	13,409,250
6 To accord farewell to retired employees annually	• Number of retired employees accorded farewell	39,600,000	32,950,000	28,950,000
Total target 3		**255,816,250**	**589,378,750**	**588,833,750**

Target 4: Manning level enhanced by 2013

Activity	Key Performance Indicators	Budget (Shillings)		
		2010/2011	**2011/2012**	**2012/2013**
1 To carryout recruitment of all new vacant positions by 2013	• Number of new staff recruited	17,740,000	17,670,000	17,670,000
2 To transfer 3 employees annually	• Number of staff transferred	5,200,000	9,902,000	9,902,000
3 To provide insurance cover to all TCB employees annually	• Insurance cover bill paid	1,660,500	1,722,000	1,742,000
Total target 4		**24,600,500**	**29,294,000**	**29,314,000**

Target 5: Efficient utilisation of physical resources enhanced by 2013

Activity	Key Performance Indicators	Budget (Shillings)		
		2010/2011	**2011/2012**	**2012/2013**
1 To contract out non-core activities annually	• Number of non-core activities outsourced	138,240,000	138,240,000	138,240,000
2 To ensure payment of utilities annually	• Utilities bill paid	67,140,000	57140,000	67,140,000
3 To pay taxes on landed properties	• Taxes paid			
4 To cater for maintenance of TCB properties	• Smooth operation of classing unit	60,650,000	30,325,000	30,325,000
5 To provide protection to TCB	• Insurance cover bill paid	44,730,850	44,730,850	44,730,850

properties				
Total target 5		**105,380,850**	**75,055,850**	**75,055,850**

Target 6: Efficient and effective operations of the Board maintained by 2013

Activity	Key Performance Indicators	Budget (Shillings)		
		2010/2011	**2011/2012**	**2012/2013**
1 To facilitate communication and information services annually	• Telephone bills paid	77,585,000	78,100,000	78,560,000
2 To keep abreast of current affaires and other developments annually	• Newspapers, magazine bills paid	7,180,000	10,200,000	10,200,000
3 To sustain good public relationship	• Good relationship with stakeholders upheld	15,378,000	19,030,000	20,180,0000
Total target 6		**100,143,000**	**107,330,000**	**290,560,000**

Target 7: TCB financial statements and records are properly kept and produced annually

Activity	Key Performance Indicators	Budget (Shillings)		
		2010/2011	**2011/2012**	**2012/2013**
1 To prepare accurately periodical and annual financial statements and reports	• Reports produced	18,093,600	21,085,400	22,045,400
2 To carry out perpetual and annual inventory	• Reports produced			
3 To prepare replies to audit queries	• Reports produced			
4 To carry out valuation of assets by 201	• Reports produced			
Total target 7		**18,093,600**	**21,085,400**	**22,045,400**

Target 8: Financial controls in TCB plans and programs ensured by 2013

Activity	Key Performance Indicators	Budget (Shillings)		
		2010/2011	**2011/2012**	**2012/2013**
1 To conduct quarterly and annual audits of the accounts and financial statements	• Reports produced	22,345,000	24,470,000	30,130,000

2	To conduct 3 Workers Council and Executive Committee meetings annually	• Number of meeting convened	16,750,000	24,670,000	27,870,000
3	To prepare annual budgets	• Budget produced	19,350,000	8,700,000	8,400,000
4	To hold 52 management meetings annually	• Number of meetings conducted	2,680,000	2,800,000	2,800,000
5	To hold 6 procurement meetings annually	• Number of meetings convened	9,654,000	9,360,000	9,360,000
6	To table annual accounts before parliament annually	• Report produced	9,020,000	18,791,300	19,591,300
7	To conduct 6 Board of Directors' meetings annually	• Number of meetings conducted	136,500,400	180,070,000	182,070,000
	Total target 8		**216,299,400**	**268,861,300**	**280,221,300**

Target 9: **Develop; upgrade and maintain the ICT infrastructure and systems**

Activity		Key Performance Indicators	Budget (Shillings)		
			2010/2011	**2011/2012**	**2012/2013**
1	To install secure and cost-effective Western Zonal Office, HQ and Kurasini connectivity solutions	• Security and connectivity solutions installed.	25,000,000	25,000,000	25,000,000
2	To install Microsoft Exchange server for email, instant messaging and collaboration	• Microsoft Exchange server for email and instant messaging installed	0	15,000,000	0
3	To install PAMBA NET at TCB head office	• PAMBANET installed at TCB head office	0	85,000,000	0
4	To buy new PC, server, printer, UPS and network equipments	• New PC, Server, Printer, UPS and Network equipments acquired	80,000,000	40,000,000	40,000,000
5	To acquire power backup (Generator) at Head Office	• Generator acquired	0	60,000,000	10,000,000
6	To install cotton farmers call centre	• Cotton call centre installed	40,000,000	40,000,000	40,000,000
7	To conduct ICT training for TCB staffs	• ICT training conducted	10,000,000	10,000,000	10,000,000
	Total Target 9		155,000,000	275,000,000	125,000,000
	Total Object C		**899,643,600**	**1,388,655,300**	**1,434,010,300**

Objective D: Increasing domestic spinning, weaving and textile milling

Target 1: Establish the Textiles Sector Development Department by 2011

Activity	Key Performance Indicators	Budget (Shillings)		
		2010/2011	**2011/2012**	**2012/2013**
1 To conduct needs assessment to esta-blish Textiles Sector Development by 2011	• Report produced	100t	100t	100t
2 To process required permits from relevant authorities on the establishment of the Textile Sector Develo-pment Department	• Permit issued • Department Key Officers appointed/ selected	100t	100t	100t
3 To procure working departmental tools by 2011	• Number of working tools procured	100t	100t	100t
Total Target 1		**300,000**	100t	100t

Target 2: The percentage of cotton which is exported as lint or yarn declines to 20% by 2015

Activity	Key Performance Indicators	Budget (Shillings)		
		2010/2011	**2011/2012**	**2012/2013**
1 To advise the government and stakeholders on rationalizing various cotton levies, taxes and tariffs by 2012	• Cotton levies; taxes and tariffs reviewed	100t	100t	100t
2 To encourage investment on spinning and weaving mills, preferably vertical integrated textile industries by 2012.	• Number of new spinning and weaving textile mills established.	100t	100t	100t
3 To campaign for taxes and utility review by 2012	• Taxes and utility tariffs on textile sector reviewed	1,400,000	1,820,000	2,366,000
4 To facilitate resolving the challenge of second hand clothes imports	• Second hand clothes imports reduced	100t	100t	100t
Total Target 2		1,400,000	1,820,000	2,366,000

Target 3: **Start the annual Textile Week in 2012**

Activity	Key Performance Indicators	Budget (Shillings)		
		2010/2011	2011/2012	2012/2013
1 To co-ordinate the preparation and launching of the Textile Week by 2011	• New innovations on processing design-ning and sewing • Textile week staged annually	100t	100t	100t
Total Target 3		100t	100t	100t

Target 4: **New textile and apparel policy is enacted in 2012**

Activity	Key Performance Indicators	Budget (Shillings)		
		2010/2011	2011/2012	2012/2013
To co-ordinate the reparation of a new Textile and Apparel Policy by 2011	• Textile and Apparel Policy prepared and enacted	100t	100t	100t
Total Target 4		100t	100t	100t
Total Objective D		**1,400,000**	**1,820,000**	**2,366,000**

Objective E: Empowering stakeholder organizations

Target 1: **Reconstitute TCA and secretariat rolled - out by 2012**

Activity	Key Performance Indicators	Budget (Shillings)		
		2010/2011	2011/2012	2012/2013
1 To co-ordinate a comprehensive review of the current TCA constitution; to make it an umbrella stake-holders' organisation	• TCA reconstituted and start to operate • Number of cotton sector stakeholders associations formed.	100t	100t	100t
2 To organize the formation of the secretariat by 2011	• Secretariat formed	100t	100t	100t
3 To conduct cotton stakeholders' meetings annually	• Stakeholders' unity in the cotton sub-sector	161,220,000	73,000,800	75,750,000
Total Target 1		**161,220,000**	**73,000,800**	**75,750,000**

Target 2: **Ensure TCB institutional strengthening**

Activity	Key Performance Indicators	Budget (Shillings)		
		2010/2011	2011/2012	2012/2013
1 To prepare TCB institutional strengthening manual by 2011	• Report produced			
2 To train and upgrade staff skills	• Number of staff trained and retrained	27,137,500	34,019,750	35,369,750
3 To re-build Pamba House by 2015	• Level of rehabilitation	100t	270,000,000	100t
4 To rehabilitate the Kurasini Godowns by 2015	• Rehabilitation started	100t	100t	100t
5 To rehabilitate and re-furnish regional offices in WCGA and ECGA Zonal Office by 2013	• Rehabilitation started	100t	100t	100t
6 To process the establishment of ECGA Zonal Office by 2011	• New ECGA Zonal Office established	100t	100t	100t
7 To process the establishment of the Department of Cotton Development and Promotion by 2011	• The Department of Cotton Development and Promotion established • Reports produced	100t	100t	100t
8 To renovate staff house by 2013	• Number of houses renovated	60,000,000	0	3,000,000,000
Total Target 2		**87,137,500**	**304,019,750**	**3,035,369,750**
Total Object E		**248,357,500**	**377,020,550**	**3,111,119,750**

Objective F: Linking and internalising Cross - Cutting issues

Target 1: **Secure time-bound agreements from relevant District Councils to collect on their behalf the Cotton cess and the utilisation of 10% of cotton cess for cotton related activities by 2012**

Activity	Key Performance Indicators	Budget (Shillings)		
		2010/2011	2011/2012	2012/2013
1 To mobilize all District Councils in the cotton growing areas agree with the terms, rules and	• Bound agreements between TCB and district councils signed.	10,000,000	7,200,000	5,800,000

regulations set allowing TCB to collect cess on their behalf by 2011	• Cotton cess collected			
2 To supervise that the 10% of cotton cess, is channelled to cotton related development activities.	• Cotton Develo-pment activities identified • 10% cotton cess utilized accordingly.			
Total Target 1		**10,000,000**	**7,200,000**	**5,800,000**

Target 2: **Coordinate the development of the infrastructure for cotton through PPPs arrangements by 2012**

Activity	**Key Performance Indicators**	**Budget (Shillings)**		
		2010/2011	**2011/2012**	**2012/2013**
1 To co-ordinate mobili-zation of private sector resources for the construction of cotton related infrastructural facilities eg. Rural cotton roads, irrigation schemes, power and water supply facilities	• Number of infrastructural built or rehabilitated	3,115,000	0	0
2 To facilitate mobiliza-tion of external resources for financing improvement of rural infrastructure.	• Quantum of resources mobilized and length of rural roads improved	50,000,000	65,000,000	84,500,000
Total Target 2		**53,115,000**	**65,000,000**	**84,500,000**

Target 3: **By 2013 all communities in cotton growing areas to have been sensitized on gender fairness in the distribution of cotton proceeds at the family level**

Activity	**Key Performance Indicators**	**Budget (Shillings)**		
		2010/2011	**2011/2012**	**2012/2013**
1 To co-ordinate campaigns among all cotton farmers in the cotton growing areas on gender equality and the role of female in building our society	• Number of farmers educated • Formation of women advo-cacy groups in local areas • Number of	12,500,000	9,000,000	7,500,000

	women owning assets			
2 To prepare brochures on gender equality and women empowerment	• Number of brochures distributed			
Total Target 3		**12,500,000**	**9,000,000**	**7,500,000**

Target 4: **Coordinate the establishment of a sustainable system of sensitizing communities on HIV/AIDS by 2012**

Activity	Key Performance Indicators	Budget (Shillings)		
		2010/2011	2011/2012	2012/2013
1 To develop programme to fight HIV/AIDS and provide support for the affected staff	• Programme developed and implemented	5,000,000	7,500,000	10,000,000
Total Target 4		**5,000,000**	**7,5000,000**	**10,000,000**

Target 5: **Ensure that by 2012 all premises used for cotton operations will have met standard environmental requirements**

Activity	Key Performance Indicators	Budget Shs. "000"		
		2010/2011	2011/2012	2012/2013
1 To conduct regular inspection in all premises and recommend appropriate measures to be done	• Inspections done • Reports produced	5,000,000	5,000,000	5,000,000
2 To refurbish premises as per requirements by 2012	• Refurbishment and necessary premises renovations done			
Total Target 5		**5,000,000**	**5,000,000**	**5,000,000**
Total Objective F		**85,615,000**	**161,200,000**	**112,800,000**

Tanzania Cotton Board Strategic Plan Budget 2010/2011-2012/2013

	Budget (Shillings)		
(a) Requirements	**2010/2011**	**2011/2012**	**2012/2013**
1 Improving the quality of cotton by strengthening policies, strategies and regulatory framework in the cotton industry	804,289,280	389,772,500	891,821,600
2 Enhancing sustainable production and productivity in the cotton industry	558,020,000	637,935,000	282,075,000

3 Enhancing the capacity of TCB to carry out its operations efficiently and effectively	899,643,600	1,388,655,300	1,434,010,300
4 Increasing domestic Spinning Weaving and textile milling	1,400,000	1,820,000	2,366,000
5 Empowering shareholders organizations	248,357,500	377,020,550	3,111,119,750
6 Linking and internalizing cross-cutting issues	85,615,000	93,700,000	112,800,000
Total	**2,597,325,380**	**2,888,903,350**	**5,834,192,650**
(b) Sources:			
1 Internal			
2 Government			
3 Private			
4 CDTF			
Total			

The overall budget for implementing CDPII over the 2010/11 - 2012/13 period is tentatively estimated at sh. 11,320,421,380. Estimates for the construction of Pamba House, rehabilitation of Kurasini godowns and some regional Pamba Offices; as well as those relating to shared functions, are still being prepared.

6 IMPLEMENTATION, MONITORING AND EVALUATION

6.1 Implementation Approach

As during CSP I, the implementation of CSP will be monitored closely to ensure success. TCB will follow the line of command to be applied to ensure existing human and material resource capacities are fully utilised to fulfill the requirements of CSP II.

- TCB will prepare annual work plans for all the activities comprised in CSP II. These work plans will be submitted to and discussed by the Board of Directors;
- TCB will prepare and submit periodic CSP II implementation reports to the Quarterly meetings of the Board of Directors;
- TCB will liaise with the Government (Ministry of Agriculture Food Security and Cooperatives; Ministry of Finance; Ministry of industries, Trade and Marketing; Ministry of Regional Administration and Local Government), on a regular basis regarding financial accountability requirements; and on mechanisms to disburse funds timely;
- TCB will also liaise with relevant District Council Authorities; and other cotton sector stakeholders, through their apex organization, Tanzania Cotton Association, and through individual associations on activity programming, resource disbursements, programme implementation and reporting;

- TCB will as well coordinate plan assessment and evaluation to ensure that all stakeholders are actively involved;
- TCB will establish networking arrangements with stakeholders on data and other information sharing.

6.2 Performance Indicators

TCB has developed specific key performance indicators to measure the implementation of specific targets over a given specific time frame. In this regard, CSP implementation, monitoring and evaluation processes have been streamlined such that for every planned activity/ target there will be a yardstick to gauge the extent of its execution over a certain time period and by a clearly identified Department or Division. The overall key performance indicators which will be monitored closely are those pertaining to;

- Improving cotton quality;
- Increasing cotton yields;
- Rising cotton production volumes;
- Increasing proportion of cotton which is spinned, weaved and milled into textiles materials locally;
- Rising jobs;
- Increasing incomes;

6.3 Monitoring

Implementation of the various planned activities will be monitored on a continuous basis to identify possible problems and provide remedial actions to improve performance. Monitoring activities will include routine data collection, analysis, supervision, regular field visits; and preparation and submission of regular implementation reports to relevant authorities as appropriate.

6.4 Evaluation

CSP II will be evaluated before, during and after implementation to ensure that it is feasible and likely to produce the intended results. The evaluation will be carried out using the relevance, efficiency, effectiveness, sustainability and impact criteria. The relevance criterion seeks to ensure that CSP II is consistent with the policy priority of the Government and the Board at all times. The efficiency criterion assesses the extent to which resources are used optimally; while the effectiveness criterion analyses the extent to which the desired outputs are being achieved. The sustainability criterion will verify whether there is enough capacity to continue with the implementation of the strategic objectives; and the impact assessment criterion will confirm whether CSP II outcomes have been fully realised.