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联合国粮食及农业组织
Food and Agriculture Organization of the United Nations
Organisation des Nations Unies pour l'alimentation et l'agriculture
Продовольственная и сельскохозяйственная организация Объединенных Наций
Organización de las Naciones Unidas para la Alimentación y la Agricultura
منظمة الأغذية والزراعة للأمم المتحدة

COMMITTEE ON COMMODITY PROBLEMS

JOINT MEETING OF THE THIRTY-NINTH SESSION OF THE INTERGOVERNMENTAL GROUP ON HARD FIBRES AND THE FORTY-FIRST SESSION OF THE INTERGOVERNMENTAL GROUP ON JUTE, KENAF AND ALLIED FIBRES

Tanga, United Republic of Tanzania, 15-17 November 2017

REPORT OF THE DIALOGUE ON SISAL AND HARD FIBRES SOCIAL DEVELOPMENT IN TANZANIA

I. BACKGROUND

1. Agriculture remains the backbone of the Tanzanian economy. The sector is a major source of livelihood, income and employment to the majority of the Tanzania`s population. It provides about 66.9 percent of employment and accounts for about 29 percent of GDP, 30 percent of exports and 65 percent of inputs to the industrial sector[1]. The country's agricultural products include coffee, sisal, tea, cotton, pyrethrum, cashew nuts, tobacco, cloves, corn, wheat, cassava, bananas, and vegetables. Livestock production includes cattle, sheep, and goats.

2. Tanzania's national development agenda expects agriculture to lead the growth and structural transformation of the economy with an ambition to move from a low productivity agricultural economy towards a diversified and semi-industrialized economy with a substantial industrial sector comparable to typical middle-income countries by 2025[2].

3. Tanzania's population is estimated at 55.2[3] million and growing at about 2.7percent per year. The country is listed among the 50 Least Developed Countries (LDCs), with a rising annual per capita income of approximately USD 1,043 (2014). The main development challenge for Tanzania is still massive but declining poverty, with 67.9 percent of the population living below the basic needs poverty line.

4. About 85 percent of the country's poor live in rural areas and rely on agriculture as their main source of income and livelihood. Agricultural output is predominately based on smallholder production, as opposed to estate cultivation, the latter does account for production of sisal, tea, coffee, tobacco, rice, wheat, and wattle. Most crops are grown under rain fed conditions, the area under

[1] FAO, Country Programming Framework for United Republic of Tanzania, 2017 to 2020.
[2] Ministry of Finance and Planning, The Tanzania Development Vision 2025, June 2016.
[3] UNFPA. State of the world population 2016.

irrigation is still less that 10 percent of the potential and rate of investment in irrigation infrastructure is still not encouraging.

5. Sisal plays a critical role in agricultural production and agriculture-led industrialisation in the country. The crop, an extremely drought-resistant plant, is well-suited to the local climate. Sisal plant has also been traditionally used by farmers to protect land and demarcate plots.

6. Generally, it can be stated that sisal fibre lost market share. The reasons are many, well known to all parties concerned hence will not be repeated here. However, in the past few years there has been a high demand for Tanzanian sisal fibre. At the same time, Brazil experienced shortages of sisal fibre production due to adverse weather conditions.

7. Sisal fibre is now in high demand as a sustainable material for composites, particularly in the building industries in some regions. Sisal fibre exports have been strengthened within the past decades confirming Tanzania's role as one of the long-lasting global market leaders. Most sisal fibre is exported but new products such as sisal yarns and twine are sold in the local market. The demand for sisal is high and Tanzania should harness this opportunity to significantly increase rural incomes and alleviate poverty.

8. Tanzania sisal industry mostly privately owned. Some private companies are to an extent vertically integrated. The integrations spans over sisal farming, decortication factories, primary processing, spinning and weaving, producing sisal fibres, ropes, twines, carpets, fine yarns, buffing cloth and geotextiles. Some sisal companies in Tanzania have been attempting to diversify into producing renewable energy from sisal biomass. This effort is to be seen against Tanzania's limited energy supply with only 2 percent of rural people and 39 percent of urban population having access to electricity while 94 percent of the rural population use biomass.

9. Despite its socioeconomic importance in Tanzania, the sisal sector is encountering difficulties in taking advantage of the recent increase in demand due to low competitiveness. Sisal farming is capital-intensive and substantial financing is needed to develop estates. Following denationalization in the late 1990s, most of the estates were in poor condition and needed to be rebuilt. Other challenges affecting the sector include the high fuel costs for an industry surviving in a context of weakness in electricity supply. Most firms operate below capacity while Tanzania's tax system does not give special treatment to the sisal producers who face multiple taxes from local authorities.

10. These developments provide the backdrop for the discussions of the Intergovernmental Group on Hard Fibres and Intergovernmental Group on Jute, Kenaf and Allied Fibers. A public dialogue will be also organised on the sisal industry development in Tanzania as a pre-event to the Joint Meeting of the Thirty-ninth session of the Intergovernmental Group on Hard Fibres, the Forty-first session of the Intergovernmental Group on Jute, Kenaf and Allied Fibres and the Twentieth session of the Sub-Group of Sisal and Henequen Producing Countries. The meetings of these groups are scheduled to take place from 15-17 November 2017 in Tanga, Tanzania. The half-day consultation on sisal and hard fibres development in Tanzania, which will precede the Joint Meeting, is planned for 14 November 2017.

II. OBJECTIVES OF THE PUBLIC DIALOGUE

11. While the IGG meetings will not be open to the local public in Tanga, the dialogue will carry an open public debate aim at:

- informing the general public on the upcoming IGG meeting, its roles, ambitions and stakeholders;

- raising awareness on the critical role played by the sisal and hard fibres industry in Tanzania`s development and highlight issues, challenges and opportunities related to the sector;

- highlighting issues related to the Sisal value chain in Tanzania and trade-related constraints hampering the country's ability to harness benefits arising from a dynamic global market for sisal and related products; and

- serving as a platform for public, private and civil society dialogue on how to promote an inclusive, efficient and sustainable sisal industry and strengthen its linkages with the local economy in Tanzania.

III. FORMAT AND ORGANIZATION ARRANGEMENTS

12. The Meeting will be held in the format of an open discussion led by a set of presentations from the identified panellists. The presentations will highlight the socioeconomic role of the sector in Tanzania's development and identify issues and challenges holding back the performance of the sisal industry as seen by the public sector, the business community, the civil society and UN Agencies. The discussions will produce recommendations towards an efficient, sustainable and inclusive sisal industry in Tanzania.

13. Panel presentations will lead to a public discussions open to actors from public and private sectors and the civil society, the academia and other stakeholders. The discussions will serve as an opportunity to inform the general public about the upcoming IGG and its ambitions and build the awareness on sisal production and trade in Tanzania's development.

IV. IDENTIFIED PANELLISTS AND PRESENTERS

14. The event, which will be facilitated by the FAO Country Representative Office in Tanzania, will be led by five panellist presentations on the following themes:

- "Sisal global trade and market : status, opportunities for Tanzania and role of the IGG", by FAO IGG Secretariat,

- "Connecting Sisal smallholder farmers to new and profitable markets for improved livelihoods and food security: defining an efficient strategy", by OXFAM Tanzania,

- "Promoting the development and improvement of the sisal industry in Tanzania: policy issues and government Reponses ", by Tanzania Sisal Board,

- "Building a competitive sisal industry in Tanzania: issues, challenges faced by the Private Sector", by Katani Ltd or Salum Kamte,

- "Diversifying the sisal industry in Tanzania through a Cleaner Integral Utilization of Sisal Waste for Bio-gas and Bio-fertilizers", by the United Nations Industrial Development Organization.

V. PARTICIPANTS AND INVITATIONS

15. Participants to the meeting will include actors from public institutions supporting the sisal industry in Tanzania, private companies and other sisal value chain stakeholders. Pertinent civil society actors and farmers' organizations, the academia and development actors involved in the development of the sisal industry in the country will also be invited to attend. The Tanzania Sisal Board, partnering with the FAO-IGG Secretariat, will serve as the focal point in identifying and extending invitations to the different participants.

A. POTENTIAL PANELLISTS

Theme	Institution	Contact
"Sisal global trade and market: status, opportunities for Tanzania and role of the IGG"	FAO IGG Secretariat	EST
"Connecting Sisal smallholder farmers to new and profitable markets for improved livelihoods and food security: defining an efficient strategy",	OXFAM Tanzania	OXFAM Tanzania
" Promoting the development and improvement of the sisal industry in Tanzania: policy issues and government Reponses ",	Tanzania Sisal Board	tansisal@kaributanga.com tansisal@tsbtz.org
"Building a competitive sisal industry in Tanzania: issues, challenges faced by the Private Sector"	Katani Ltd or Salum Kamte	Katani Limited Tanga, Tanzania Contact: Salum Shamte - Managing Director Mobile: +255 78 435 1717 Email: sshamte@katani.co.tz, info@katani.co.tz OR info@katanitz.com
"Diversifying the sisal industry in Tanzania through a Cleaner Integral Utilization of Sisal Waste for Bio-gas and Bio-fertilizers",	United Nations Industrial Development Organization.	office.tanzania@unido.org, office.ethiopia@unido.org, itpo.rome@unido.org