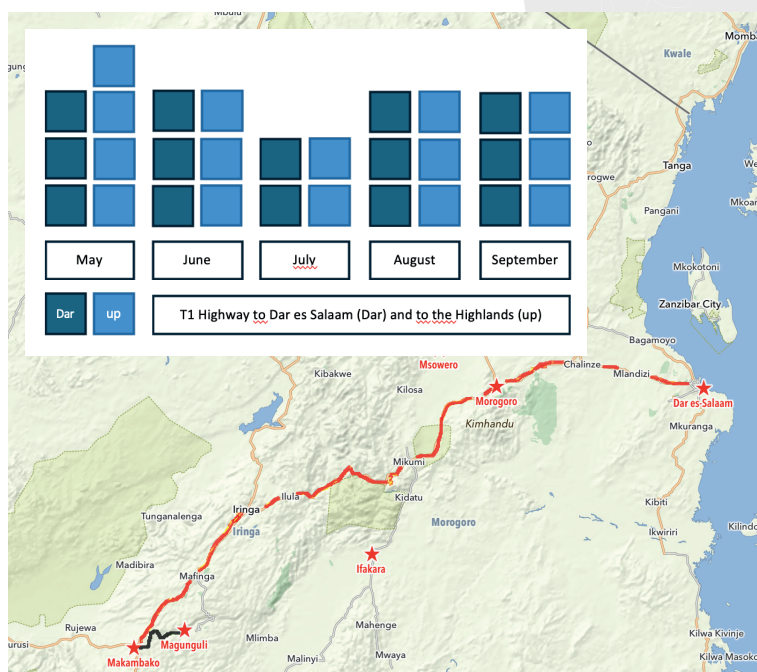


Newsletter November 2024

Combining Existing Building Blocks for the Supply Chain

A kilo of potatoes is handled more than half a dozen times from the fields of Magunguli to the plates in Dar es Salaam. *"It's time to take control of the entire supply chain,"* says trader Bahati Tweve. His company, Tanzania Biashara Mapema «TBM», markets produce on behalf of farmers. He is determined to create an integrated, streamlined supply chain as a viable business, freeing himself from the whims and opportunism of transporters. He plans to connect the dots: Farmers typically transport their harvest by motorbike to Magunguli, where small trucks cover the 70 km dirt road to Makambako, an important regional town. From there, TBM's 15-ton truck runs on a set schedule for the 660 km along the paved «T1 highway» to Dar, delivering goods to the warehouse in Kigamboni's port area, and eventually into households' kitchens. Some parts of the system are already in place. In Magunguli, TBM owns a suitable building (picture) that



can easily be converted into a «collection point». In Makambako, an important regional town, the long-haul truck picks up goods from a mid-point storage facility. However, TBM faced a major setback here: a rented storage facility was reclaimed by the city for a school, resulting in the loss of prepaid rent. TBM must now secure a new space. The TBM truck handles long-distance transport to Dar es Salaam, where it has, after two years, begun covering operational costs in 2024. TBM also operates a «Point of Sale» (PoS) in Dar es Salaam. Although theft—including of equipment—caused significant disruption, the PoS is now back in operation. Creating a fully integrated supply chain without intermediaries comes at a cost. TBM's business plan estimates an investment of CHF 10,000 and includes a request to **farip** for a loan with interest. **farip** supports the project with a loan to help establish the seamless logistics network.

farip promotes innovative business ideas: Among them are women who want to run a business on their own, like Fatuma with her [cookshop](#), or Lucy who turns 50kg bags of [beans](#) into small packages for family consumption. «**MTM**» uses waste biomass from harvested fields to produce charcoal dust. This is processed into briquettes as a charcoal substitute, reducing the consumption of solid wood. [GRACOMA](#) is an experiment to test how private forest ownership can be used as collateral for bank loans. This complex project encompasses a wide range of areas such as fire protection, forest maintenance, tree nursery and monitoring and evaluation of the growing trees. «**Scheduled Cargo Service**» SCS wants to provide agricultural producers with reliable transport to markets. [TSS](#): A fair trading model, distributing surplus to producers. **farip** aims to sustainably strengthen the agricultural production chain in the countryside and to stabilise and improve farmers' income situation.

Newsletter November 2024

Harnessing the Forest's Potential for Development

Listening to Farmers Unexpectedly, TCRD has reached a milestone: the Ministry and universities are listening to farmers! After years of experimentation in Tanzania's southern highlands, TCRD – Tree-secured Credits for Rural Development, a forest-backed credit mechanism, has gained public recognition. For the first time, key figures from universities, forestry research, WWF, and government agencies came together in a joint forum. The event was spear-



headed by Tanzania's Institute for Development Studies (IDS), a partner of *farip* and the University of St. Gallen. During its October journey through Tanzania—joined by Swiss students and a biodiversity start-up—*farip* gave talks on the potential of private forests. TCRD earned recognition from the Ministry of Natural Resources, represented by Dr. Siima Salome Bakengesa. "Native tree species must be promoted; they are an important part of future forest policy," she emphasized.



She aims to persuade local banks to recognize trees as collateral and hopes *farip* will continue sharing its expertise. However, farming families in the southern highlands cannot afford to wait until banks take action. They are urgently requesting another round of loans from *farip*. The next planting season for beans begins in January, with potatoes to follow in March. *farip* is now financing TCRD production loans in the three southern villages of Magunguli, Isaula, and Kiyowela.



Pesanane Forestry Field School: How can smallholder farmers earn money from their private forests in the long term? Until now, they have copied the monocultures of large plantations. But some are starting to manage their forests more diversely: mixed forests, promoting native tree species, selectively harvesting individual trees instead of clear-cutting, and utilizing by-products like honey and fruit. Perhaps, one day, mixed forests will even qualify for biodiversity pay-



ments. Who will explore and develop this knowledge? In Magunguli, the Pesanane Forestry Field School is being established, named after the farmer Pesanane, who began planting trees on his land 60 years ago. The Field School conducts action research: farmers collaborate to decide what they want to try, exchanging experiences on what works and what doesn't. *farip* is connecting their expertise with researchers at universities in Tanzania and St. Gallen in Switzerland.

«Scouting» How does an interesting idea in rural Africa become a small business? It requires scouting! *farip* specializes in this "first mile": Initiators in Tanzania approach *farip* to support their innovation processes: Who will take on the idea. How is the organization structured? What practical trials can demonstrate feasibility? And where is the market for the products? Many ideas are discarded, and only those with development potential make it through to be supported by *farip* as a venture.

farip supports ventures with loans and experience sharing, connects them with other innovative projects, and coaches them through an ongoing learning process on how to turn failures into new ideas.