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**Our REF:** TAHA/110/2021

17<sup>th</sup> June, 2021

To our stakeholders,

**RE: COMMUNICATION ON ENGAGEMENT**

Part one: statement of continued support by the Chief Executive Officer.

This communication on engagement has covered the period of two years from 14<sup>th</sup> June, 2019 to 14<sup>th</sup> June 2021.

I am pleased to confirm that TAHA reaffirms its support to the United Nations Global Compact and its ten principles in the areas of Human Rights, Labour, Environment and Anti-corruption. This is our communication on engagement with the United Global Compact. We Welcome feedback on its contents.

In this communication on engagement, we describe the actions that our organization has taken to support the UN Global Compact and its principles as suggested for an organization like ours. We also commit to sharing this information with our stakeholders using our primary channel of communication.

I continue to thank you for your continual support to TAHA and the horticulture sub-sector in Tanzania.

Yours sincerely



Anthony P. Chamanga  
For. Chief Executive Officer

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## UN GLOBAL COMPACT TAHA REPORT

TAHA is an apex member based private sector organization that advocates for the growth of the horticulture industry in Tanzania, mainly by: enhancing the business environment, increasing access to market and increasing competitiveness and productivity.

TAHA aligned with the 10 principles of the UN Global compact through performing the following activities.

### Part two: description of actions

#### **A. Organize learning and dialogue events, workshops and training for our members on the UN Global Compact including practical ways to preserve environment for sustainable agricultural production**

- TAHA has continued to train her members on UN Global Compact practical ways to preserve the environment for sustainable agriculture production.
- TAHA has established GreenCert Limited, A third-party conformity assessment body, established as a neutral organization for inspection, certification and training services within the framework of different standards system in major global sectors. The certifications and trainings offered by GreenCert rely on environmental conservation.
- TAHA has installed solar powered irrigation system on demonstration plots, instead of powering irrigation pumps with fossil fuels which contributes to the environmental pollution.
- TAHA has trained farmers on Installation of drip irrigation systems, which avoids soil erosion.
- TAHA have promoted and trained farmers on efficient use of water by introducing micro irrigation.
- TAHA has conducted and promoted soil analysis to farmers and so as to avoid over usage of fertilizer which pollutes the soil.
- TAHA has conducted capacity building on integrated pest management (IMP) to its farmers. These trainings are crucial in reducing environmental risks that are associated with the use of pesticides which include air, soil and surface and ground water pollution.
- TAHA have promoted and trained farmers on using fertilization program, the programs guide the farmers on usage of fertilizer amount so as to avoid soil pollution
- TAHA have promoted and trained farmers on indoor farming (greenhouse) which have reduced the usage of agrochemicals
- TAHA have abided to the 60 meters rule, which states that no any human or development activity should be done within 60 meters from the water source.
- TAHA have trained and promoted the reusable trellising system to farmers; for example, the use of bamboo sticks which are reusable; limits the farmers to contribute to deforestation (training and promotion camping to plant bamboo trees by farmers was among TAHA's initiative)

#### **B. TAHA join forces with the UN Global compact to advocate for the business enabling environment horticultural businesses**

#### **LOGISTICS CHALLENGES FOR HORTICULTURAL PRODUCTS**

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**OUR VISION:** An economically vibrant, prosperous, and sustainable horticulture Industry

**OUR MISSION:** Driving inclusive, transformative, competitive and sustainable horticulture growth in Tanzania

- Lack of efficient logistics systems and infrastructure for horticultural produce and other perishables has been a major setback for Tanzania in accessing regional and International markets. In addressing the challenges around logistics of horticultural products, TAHA convened a High-level dialogue meeting on 7<sup>th</sup> August 2020, with the Ministers and the Permanent Secretaries of the respective Ministries during the NaneNane Exhibitions at Simiyu Region.
- The main purpose of the High-Level Meeting was to address the identified logistical challenges that exist in the Tanzanian Ports and Airports and provide recommendations for smooth facilitation of goods at the gateways.
- The roundtable discussion included the private sector led by TAHA, the Ministry of Agriculture, Ministry of Finance and Planning, Ministry of Livestock and Fisheries, Ministry of Industries and Trade, and Ministry of Work, Transport, and Communication.

### **IMPROVEMENTS OF TAXATION REGIME**

#### **Value Added Tax (VAT) on Agriculture Crop Insurance**

- Agriculture crop insurance was subjected to VAT charges hence make it more expensive and less affordable to farmers.
- TAHA in collaboration with other Agriculture Private Sector Organizations presented a request to the Government for exemption of VAT on Crop Insurance products.
- The exemption would make the crop insurance products affordable to farmers and hence enable them to access it.

#### **Skills Development Levy (SDL)**

- Employees who are solely working on the farms were exempted from SDL, while those in processing units and management of the farms were subjected to SDL at a rate of 4.5%
- Horticultural companies are still incurring high operational costs since on-farm value addition activities such a sorting, packing employs significant number of employees
- TAHA requested the Government to exempt agriculture employments (all categories) from paying Skills Development Levy so as to reduce the operational costs of horticultural companies

#### **High fees charged by Occupational Safety and Public Health Authority (OSHA)**

- Agriculture companies have to comply with Occupational Safety and Health Act and its Regulations. However, most of the fees charged by OSHA doesn't reflect value for money and increases the costs of doing business in Tanzania.

TAHA proposed the following before the Government;

- The rates charges by OSHA be reviewed to reflect value for money
- Companies should be allowed to undertake medical examination for their employees at Government Hospitals and provide OSHA with medical reports which are signed and stamped by Authorized Personnel.

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**Customs duty on imported agricultural implements and technologies used in horticulture.**

- Agriculture transformation and productivity requires the use of modern agriculture technologies and implements, most of them being imported.
- TAHA requested the Government to remove or reduce custom duty on imported agricultural implements and technologies to be used in horticulture in order to make them more affordable.
- Such imported agriculture items have been expensive and less affordable to farmers due to custom duties charged during importation.

**C. TAHA have provided expertise and/or voice of our members to UN Global Compact working groups and special initiatives**

The Government of Tanzania, through the Ministry of Finance and Planning launched Tanzania's Third Five Year Development Plan 2021/22–2025/26 (FYDP III). It's the third of three five-year plans for sequenced implementation of the Long-Term Perspective Plan 2011/12–2025/26. The FYDP III has a focus on Realizing Competitiveness-led Export Growth focusing. TAHA attended the working group meetings and submitted the priority areas in agriculture and specifically the horticulture sector, to be included in the FYDP III.

**Part three: measurement of outcomes**

**A. in organize learning and dialogue events, workshops and training for our members on the UN Global Compact including practical ways to preserve environment for sustainable agricultural production**

TAHA have achieved the following;

- Establishment of GreenCert Limited, a third-party conformity assessment body which is the first domestic certification body, that serves majority of Tanzanian farmers.
- Facilitation of registration of nine (9) biological control agents and fifteen (15) organic pesticides.
- Installation of four solar powered irrigation system on demonstration plots
- Trained and sensitized 26,200 farmers to install and use drip irrigation technologies
- TAHA has been able to sensitize 197 smallholder farmers to conduct indoor farming (greenhouses)

**B. TAHA join forces with the UN Global compact to advocate for the business enabling environment horticultural businesses**

TAHA have achieved the following;

- The logistical challenges meeting was fruitful as it was declared as the "Simiyu Declaration" where 11 non-tariff barriers in the Ports and Airports hindering logistics for exports of perishables, were tackled. A special taskforce composed of members from Public and Private sectors was formed to follow up on the implementation of the resolutions.
- TAHA's request to the Government for exemption of VAT on Crop Insurance products was accepted by the Government.

- TAHA's request to remove SDL from all employees in the agriculture sector was received by the Government; and through the Finance Act 2020/21 the Government has reduced the rate of Skills Development Levy from 4.5% to 4%.
- TAHA's request on review of pricing for the Occupational Safety and Public Health (OSHA) training fees to reflect on realistic value for money; as a result of TAHA proposal, the Government; abolished Occupational Safety and Public Health Training fees of TZS 250,000 for each participant. The Government also abolished inspection fees which are charged 80 percent of the administration fee.
- TAHA's request to the Government to remove or reduce import customs duty on agricultural implement and technologies; The Government agreed to TAHA's proposal and exempted customs duty on imported agricultural implements by person or entity engaged in Horticulture, Aquaculture, Agriculture, or Floriculture.

**C. TAHA have provided expertise and/or voice of our members to UN Global Compact working groups and special initiatives**

TAHA have achieved the following;

- TAHA presented a situational analysis of the horticultural industry in the country and key priority area to focus on so as to develop and improve the sector in the next five years.