

# **Seed Policy Reform in Tanzania: The Case Study for Reforming Private Sector Access to Registered Varieties**

**Authors: Gungu Mibavu; Liston Njoroge; Bob Shuma; Joseph Rusike**

# Scope of Presentation

- Concept definitions
- Steps in Public Policy Formulations
- Public Policy Formulation in Tanzania Ag Sector
  - Changing/promulgating a new regulation
  - Changing/promulgating a new legislation
  - Policy cycle
- The MIRA process and logic
- The Seeds case study
  - The problem/policy issue that prompted the intervention
  - Steps:
    - Grant to TASTA to support and coordinate the reform activities
    - Issue identification through stakeholder engagement
    - Setting the agenda- public private convening; technical sub-committee to review and revise the circular; development of SOP; AG; signing by the Minister

# Concepts definitions

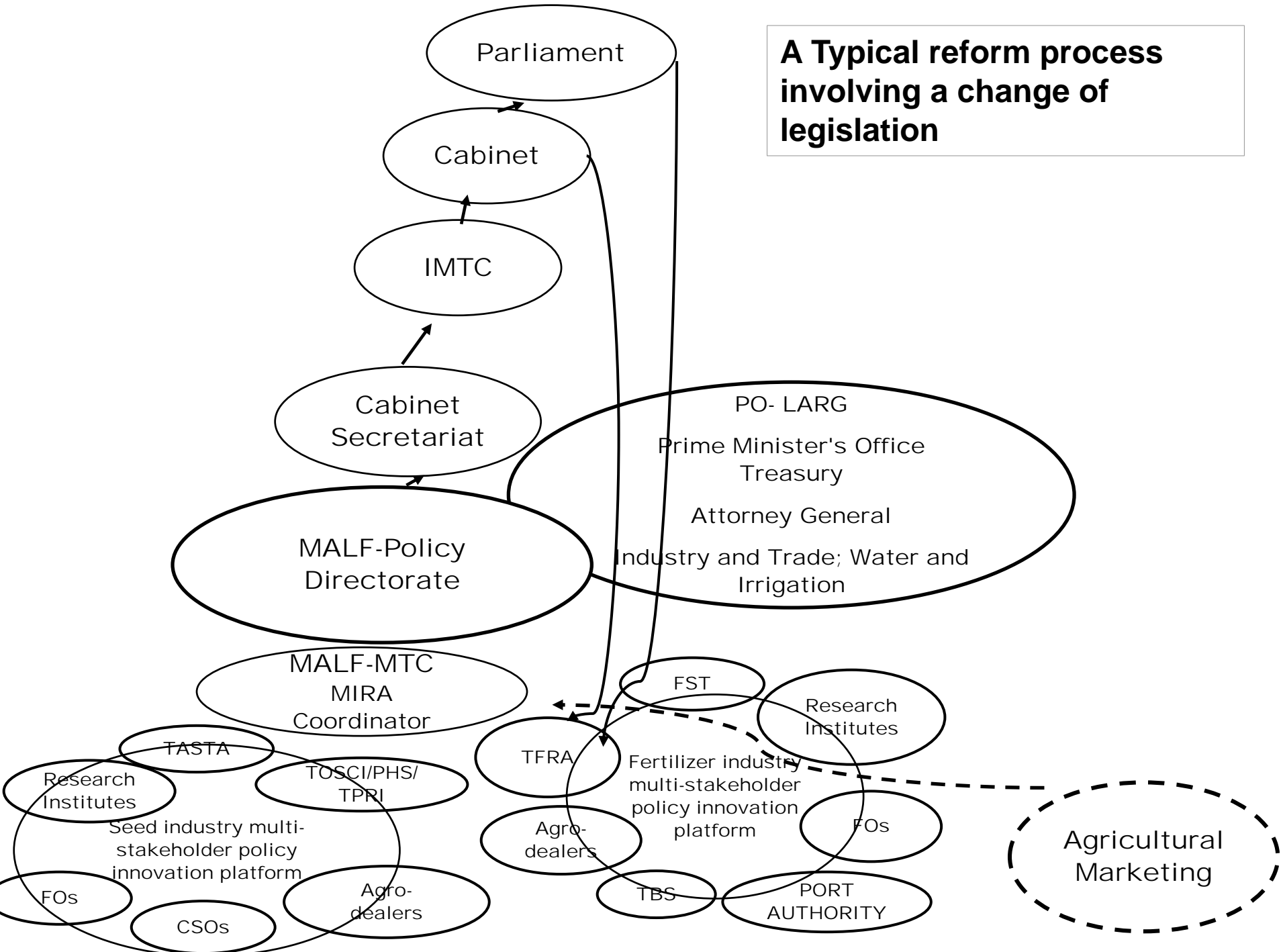
- Public policy are the administrative rules, laws, and judicial rulings about a particular issue (Wedel et al., 2005).
- Public policy are the laws or rules that are enforced by any level of government, whether central, state or local (Shah, 2011)

# Steps in Public Policy Formulations

- Public policy formulations proceeds along key identifiable phases.
- However, no policy reform process is similar to another one regarding the players involved, the process itself, the policy tools employed and even the mode of citizen participation.
- The policy phases:
  - the policy issue in question include issue or problem identification
  - agenda forming
  - escalating the agenda to the constitutionally mandated organs such as the parliament, the executive or the courts
  - lobbying and advocacy,
  - Enactment
  - and finally the implementation of the public policy.

*Agenda setting is the process by which a policy issue is pushed through the political channels until they get to the political institutions such as parliament or the courts where the issue is addressed (Cobb et al. (2005/1972)*

**A Typical reform process involving a change of legislation**



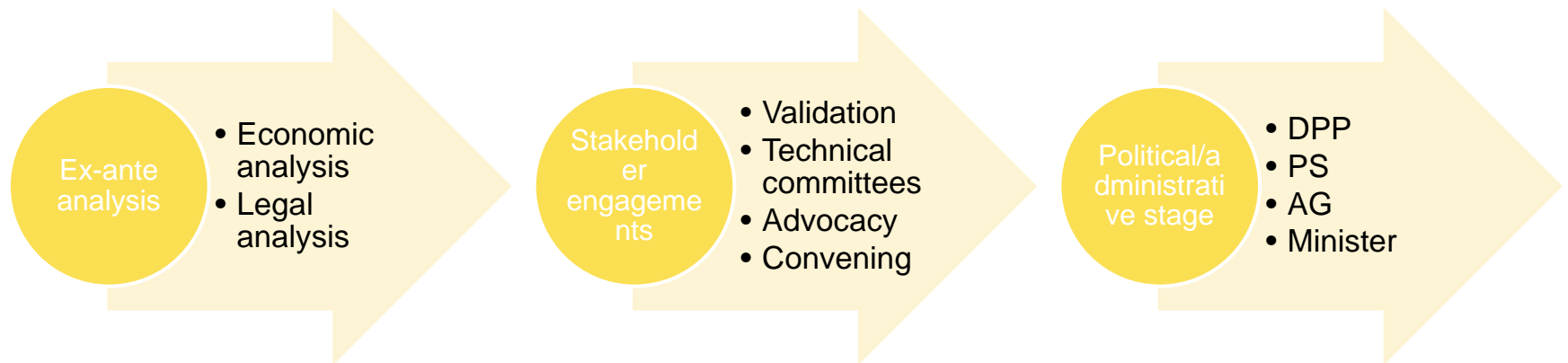
# Steps in Amending Regulations

- You nominate a technical team to review the existing regulations
- Sometime stakeholders are also involved in the review of the regulations. This depends on the sensitivity of the issue at hand
- Reviewed regulations are submitted to management (PS & heads of departments)
- The PS submits to the minister for approval
- Submission to the AG chambers for vetting
- PS resubmits to Minister for signing
- Submission for publication in the government gazette to be operational

# Steps in Enacting New Laws

- You nominate a technical team to review the existing legislation
- Stakeholders are also involved in the review of the legislation.
- Proposed amendments are submitted to management (PS & HODs) for approval
- Drafting of cabinet paper by the parent ministry
- Submission cabinet paper to the cabinet secretariat. Cabinet secretariat is comprised of government technical officers from different disciplines – agrics, engineers, lawyers, etc. The ministry (DPP is head of delegation and she decides who to go with) is called to discuss the paper with the cabinet secretariat who are under the president's office.
- After cabinet secretariat approval, the cabinet paper is submitted IMTC (inter-ministerial technical committee).The submitting authority is the PS. IMTC is comprised to of the PS. They check for policy consistency
- The cabinet paper is submitted to the cabinet. Submitting authority is the minister.
- Drafting the bill/review of the bill to reflect comments from the cabinet (ideally the go-ahead to draft the bill is given by the cabinet, but in reality the bill drafted before)
- Submission of the draft bill to the cabinet committee (group of cabinet ministers involved in legal and constitution committee).
- Submission of the bill for first reading in parliament
- Public hearing that is convened by the relevant parliamentary committee
- Submission to the parliamentary committee for discussion
- Second reading in parliament
- Third reading & signature by the president
- Submission for publication in the government gazette
- Publication of date of commencement (if needed)

# The MIRA process and logic





## From evidence to reform

### 1. Policy Evidence



### 2. Policy Reform

We define 'policy reform' as either:

- Creation of a new policy, law or regulation where none exists
- Change to the drafting on an existing policy, law or regulation
- Change to public expenditure allocated to the implementation of an already well drafted, economically rational policy, law or regulation
- Change to an institutional arrangement governing the implementation of an already well drafted, economically rational policy, law or regulation

# The Seeds reform case study

## Background

- Despite the policy and Seed Act, 2003 allowing the private seed companies to access government protected varieties and allowing the private sector to participate in seed multiplication & distribution, there was no formal procedure for accessing the protected materials. In response to this gap, in 2011 government developed the Ministerial Seed Circular 2011

## The policy issue

- The problem is lack of access by private seed companies to breeder seed of publicly registered varieties. This is despite the issuance of Ministerial Circular of 2011 that was meant to lift the limitation of access to public registered varieties by private seed companies. The secondary issue is the availability of quality public varieties and purification of public-bred varieties.

# The Seeds reform case study

## Breaking down the policy issue:

- Only five beneficiaries have qualified in obtaining registered public varieties since the release of the circular in 2011
- Cumbersome procedure of application for the public registered varieties deterring the would-be applicant
- Lack of awareness of the procedures to be followed when applying
- Time and frequency of floating the tenders is limited, giving only a brief window for applying
- Procurement process- government procurement procedures are rigid and since the protected varieties are government assets, they must go through the procurement process
- The section on exclusive rights of ASA in the circular was also seen to be part of the problem
- The quantitative targets of 80% and 50% to be supplied by the winning bidders seem to be deterrent as the private sector thinks they are related to taxes and royalties which is not the case.
- Generally the circular itself was seen as difficult to understand

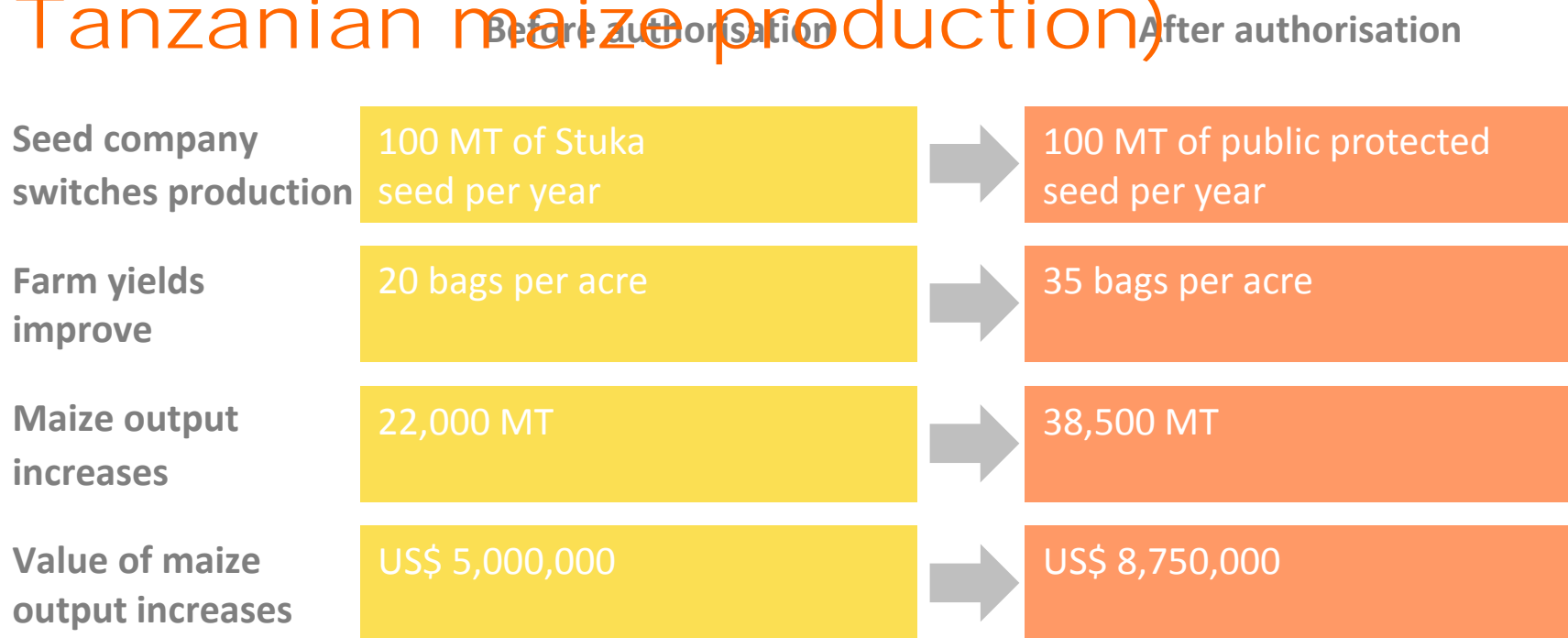
# CBA – Assumptions

We make several assumptions to help our calculations:

1. When a company is authorised they will switch from producing OPVs (i.e. Stuka) to growing the protected variety.
2. ASA's own production of the protected variety is not affected by authorisation
3. All seed and maize produced will be bought
4. Companies pay the minimum non-exclusive royalty (3%)

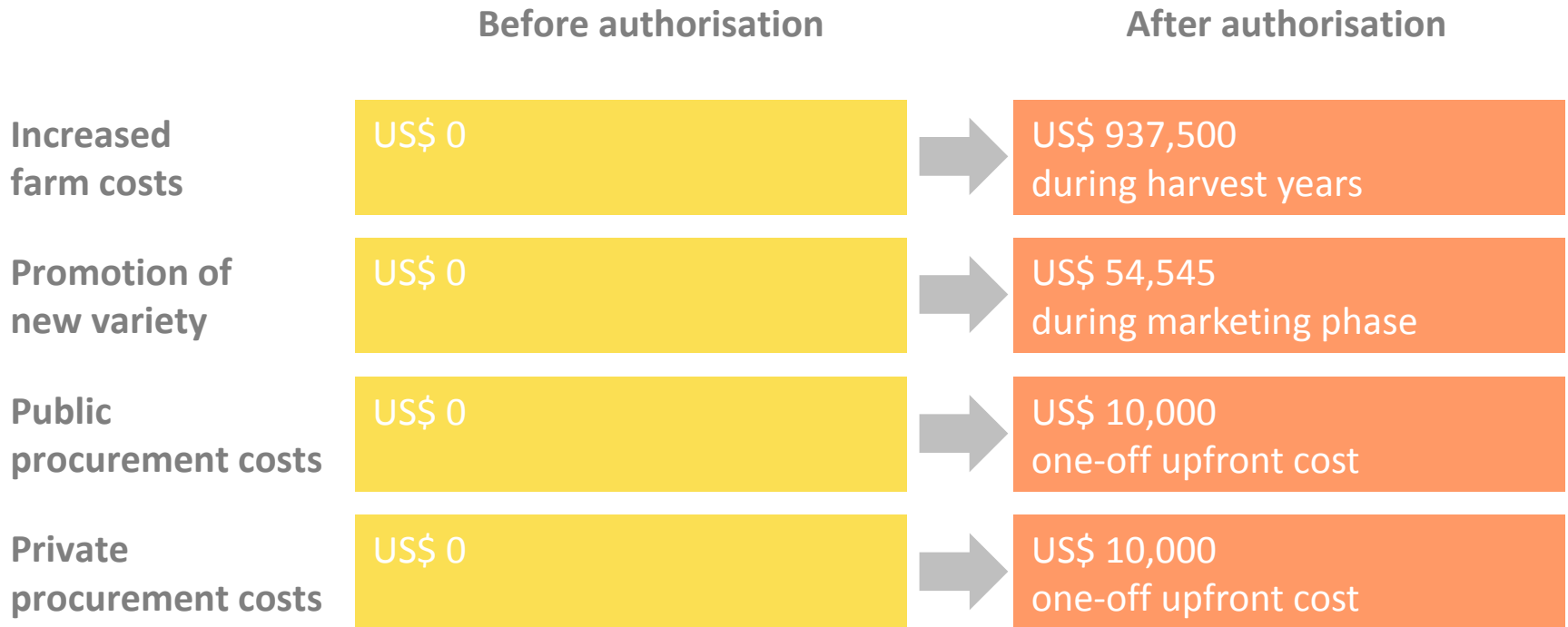
We also make technical assumptions concerning yields, prices, exchange rates, etc.

# CBA – Benefits (Impact on Tanzanian maize production)



Authorising a single company to produce an improved public protected variety could increase the value of Tanzanian maize production by about **US\$ 3,750,000** per year.

# CBA – Costs



But adding values from different points in time presents a problem...

# CBA – Time discounting

Discounting future values to reflect preferences for pay-offs today

Net present value: *the sum of time-discounted benefits and costs occurring over time*

$$NPV_t = (b_t - c_t) / (1 + r)^t$$

## Example

Discount rate (r) = 11.5%

Let's assume a horizon of 5 years

*Present value of benefits from increased maize production:*

NPV	Units	Year of authorisation	0	1	2	3	4
11,511,052	USD	Absolute value	-	3,750,000	3,750,000	3,750,000	3,750,000
		Discounted value	-	3,363,229	3,016,349	2,705,245	2,426,229

# CBA – Total net present value

Authorising a single company has a large and positive net present value

**Net present value** = present value of benefits – present value of costs

= US\$ 11,511,052 – US\$ 3,029,906

= **US\$ 8,481,146**

→ So authorising a company to produce a public protected variety has a positive impact on society.



# The activities followed to reform the policy issue

- A technical committee made up of senior government officials, including director of policy and planning, registrar of plant breeders' rights, director of procurement, director of inputs, director of crops; representative of private sector including the CEOs of TASTA and SAGCOT; legal unit of the MALF; AGRA Tanzania office was constituted to study, review and amend the Ministerial Circular 2011.
- Stakeholder convening 11 March 2016 – presentation made to the Deputy Minister of Agriculture
- TASTA worked closely with MALF to push for the signing of the amended circular (DPP, PBR, Legal etc)
- 2<sup>nd</sup> Stakeholder meeting 3<sup>rd</sup> June, graced by the Deputy Minister and industry stakeholders including the cohort of beneficiaries

# **The activities followed to reform the policy issue, cont'd**

- **Draft reviewed by a technical subcommittee on the 30<sup>th</sup> September 2016 – PBR, Legal, AGRA.. Also reviewed the standard operating procedures (SOPs) that targeted to provide guidelines on procurement procedures outside of the general government public procurement regulations**
- **Submitted to the Minister for signing**
- **Minister signed the amended Circular on the 4<sup>th</sup> December 2016, and the new Circular together with the new schedules became operational on the 1<sup>st</sup> Jan 2017**

# Next steps?

- **Awareness creation to sensitize private seed breeders of the amended Circular that makes it easier for them to obtain registered public varieties**
- **Implementation**
- **Ex-post analysis to assess impact of the reforms**
- **Developing procedures for tendering in lieu of the Public Procurement Act because the Circular will only be required to comply with PBR Act, 2012**

Thank you for your  
attention