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**AGRICULTURAL SECTOR DEVELOPMENT PROGRAMME
FRAMEWORK AND PROCESS DOCUMENT**

FINAL DRAFT

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AGRICULTURAL SECTOR DEVELOPMENT PROGRAMME

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LIST OF ABBREVIATIONS AND ACRONYMS

ACCGEN	Accountant General
ACS	Annual Conference of Stakeholders
ADB	African Development Bank
AGREST	Agricultural Economists Society of Tanzania
ASAC	Agricultural Sector Advisory Committee
ASDP	Agricultural Sector Development Programme
ASDS	Agricultural Sector Development Strategy
ASIP	Agricultural Sector Investment Programme
ASLM	Agricultural Sector Lead Ministry
BoT	Bank of Tanzania
CA	Chief Accountant
CAG	Controller and Auditor General
CBO	Community Based Organization
COASCO	Cooperative Audit and Supervision Corporation
CSD	Civil Service Department
CTI	Confederation of Tanzanian Industries
DADP	District Agricultural Development Plan
DALDO	District Agricultural and Livestock Development Officer
DASAC	District Agricultural Sector Advisory Committee
DCO	District Cooperative Officer
DDP	District Development Plan
DED	District Executive Director
DFC	District Full Council
DLO	District Livestock Officer
DMT	District Management Team
DPP	Director of Policy and Planning
DPLO	District Planning Officer
EAHEC	Economic Affairs, Health and Education Committee
EAWEC	Economic Affairs, Works and Environment Committee
FAPC	Finance, Administration and Planning Committee
FASWOG	Food and Agriculture Sector Working Group
FTF	Formulation Task Force
GDP	Gross Domestic Product
GOT	Government of Tanzania
HIV/AIDS	Human Immuno-deficiency Virus/ Acquired Immunity Deficiency Syndrome
ICC	Inter-Ministerial Coordination Committee
IFAD	International Fund for Agricultural Development
IFIs	International Financing Institutions
IFMS	Integrated Financial Management Systems
ILFEMP	Institutional and Legal Framework for Environmental Management Project
LGA	Local Government Authority
LGRP	Local Government Reform Programme
M&E	Monitoring and Evaluation
MAFS	Ministry of Agriculture and Food Security
MCDGC	Ministry of Community Development, Gender and Children
MCM	Ministry of Cooperatives and Marketing
MCT	Ministry of Communication and Transportation
MEM	Ministry of Energy and Minerals
MFI	Micro-Finance Institution
MHA	Ministry of Home Affairs
MIT	Ministry of Industries and Trade
MLHS	Ministry of Lands and Human Settlements

MLYS	Ministry of Labour, Youth and Sports
MNRT	Ministry of Natural Resources and Tourism
MoF	Ministry of Finance
MoH	Ministry of Health
MJCA	Ministry of Justice and Constitutional Affairs
MoW	Ministry of Works
MSEDA	Mtwara Small-Scale Entrepreneurs Development Association
MTEF	Medium Term Expenditure Framework
MTI	Ministry of Trade and Industry
MVIWATA	<i>Mtandao wa Vikundi vya Wakulima Tanzania</i>
MWLD	Ministry of Water and Livestock Development
NAO	National Audit Office
NDDDB	National Dairy Development Board
NEMC	National Environmental Management Council
NGO	Non-Governmental Organisation
NIMP	National Irrigation Master Plan
NLUPC	National Land Use Planning Commission
NPB	National Pharmacy Board
NRM	Natural Resource Management
NSC	National Steering Committee
OC	Other Charges
O&OD	Opportunities and Obstacles to Development
PASS	Private Agribusiness Sector Support
PCU	Project Coordination Unit
PE	Personnel Emolument
PELUM	Participatory Ecological Land Use Management
PER	Public Expenditure Review
PFM	Participatory Forest Management
PMMP	Poverty Monitoring Master Plan
PMO	Prime Minister's Office
PO-P&P	President's Office – Planning and Privatisation
PoAB	Plan of Action and Budget
PO-RALG	President Office – Regional Administration and Local Government
PRA	Participatory Rural Appraisal
PRS	Poverty Reduction Strategy
PRSC	Poverty Reduction Support Credit
PRSP	Poverty Reduction Strategy Paper
PS	Permanent Secretary
RAS	Regional Administrative Secretariat
RCC	Regional Consultative Council
RDS	Rural Development Strategy
RS	Regional Secretariat
SACA	Saving and Credit Association
SACCO	Savings and Credit Cooperatives Organisation
SME	Small and Medium Enterprise
SUA	Sokoine University of Agriculture
TA	Technical Assistance
TAFORI	Tanzania Forest Research Institute
TANGO	Tanzania Association of Non-Governmental Organisations
TAS	Tanzania Assistance Strategy
TAWLAE	Tanzanian Women Leaders in Agriculture and Environment
TBS	Tanzania Bureau of Standards
TCAL	Tanzania Chamber of Agriculture and Livestock
TCCIA	Tanzania Chamber of Commerce, Industry and Agriculture
TDV	Tanzania Development Vision 2025

TFNC	Tanzania Food and Nutrition Centre
TFS	Tanzania Forest Service
TGNP	Tanzania Gender Network Programme
TIC	Tanzania Investment Centre
TMPA	Tanzania Milk Processors Association
TOR	Terms of Reference
TOSCA	Tanzania Official Seed Certification Agency
TPRI	Tropical Pesticides Research Institute
TPSF	Tanzania Private Sector Foundation
TSAP	Tanzania Society of Animal Production
TSED	Tanzania Socio-Economic Database
TVB	Tanzania Veterinary Board
UDSM	University of Dar es Salaam
URT	United Republic of Tanzania
VPO	Vice President's Office
WDC	Ward Development Committee
WEO	Ward Executive Officer
WMA	Wildlife Management Area

FOREWORD

This report defines Tanzania's Agricultural Sector Development Programme (ASDP). The programme provides the stakeholders with a sector-wide approach that establishes the framework for implementing the country's Agricultural Sector Development Strategy (ASDS). The ASDP Framework and Process Document has been jointly developed by the four Agricultural Sector Lead Ministries (ASLMs), namely: the Ministry of Agriculture and Food Security (MAFS), the Ministry of Cooperatives and Marketing (MCM), the Ministry of Water and Livestock Development (MWLD) and the President's Office - Regional Administration and Local Government (PO-RALG). The focus of this document is on the implementation modalities, it therefore does not review in detail the prevailing agricultural sector development policies and strategies, nor does it describe in detail the content of the proposed sub-programmes and components.

EXECUTIVE SUMMARY

OBJECTIVE AND ORIGINS

The objective of the ASDS is to create an enabling environment for improving agricultural productivity and profitability, for improving farm incomes, for reducing rural poverty and for ensuring household food security. Based on the 2002 Household Budget Survey, the specific agricultural sector growth targets are: (i) reducing the rural population below the basic poverty line from 38.7 percent in 2000/01 to 20.4 percent in 2010; (ii) reducing the percentage of rural food-poor people from the current 20.4 percent to 11.6 percent in 2010; and (iii) achieving a growth rate in agriculture of at least 5 percent in 2003.

At the heart of ASDS is a sector-wide approach to changing the function of central government from an executive role to a normative one, to empowering local government and communities to reassume control of their planning processes, and to establishing an enabling environment which attracts and encourages private sector investment in agriculture.

The ASDS provides guidance for future interventions. First, it focuses on productive and gainful agriculture: subsistence agriculture must become profitable smallholder agriculture, and the spotlight must switch from public institutions to farmers and agribusiness. Small-, medium- and large-scale farmers must produce more through better land security, and better access to credit and markets. Traders and processors, need also to be helped to expand and develop. Greater use is made of outsourcing through contracts with private sector service providers, Non-Government Organisations (NGO), and Community-Based Organisations (CBO). This also requires the agricultural sector to work closely with other sectors to ensure transparency and an enabling environment.

ASDP is part of the operational response to a set of policies, strategies and initiatives designed to re-orientate and re-invigorate the national economy. The programme is underpinned by national policies supporting, in particular: (i) a focus on poverty reduction; (ii) the decentralisation of many public sector responsibilities to Local Government Authorities (LGA); (iii) increased participation and involvement of local communities in decision making; and (iv) a shift towards private sector leadership in production, marketing, processing and service delivery. These changes are further supported by sectoral policies and strategies.

ASDP is a long-term process designed to implement the ASDS; it is the main tool of central government for coordinating and monitoring agricultural development and for incorporating nationwide reforms. It also establishes operational linkages between the ASLMs and the other national stakeholders, as well as introducing more effective management systems. It forges the connection between the demand-driven, field-based district planning processes, and the mobilisation and monitoring of national and international investment in agriculture.

These changes require a transformation in the way the public sector operates. Civil servants need new management and supervisory skills, and a new mindset. This includes improved critical analysis of projects and programmes, better understanding of the farmers' needs and risks, determination to ensure that agriculture is profitable, and heightened respect for the principles of good governance.

ASDP SUB-PROGRAMMES

The ASDS identified five strategic areas of intervention in the agricultural sector, namely: (i) strengthening the institutional framework; (ii) creating a favourable environment for commercial activities; (iii) identifying public and private sector roles in improving supporting services; (iv) strengthening marketing efficiency for inputs and outputs; and (v) mainstreaming planning for agricultural development in other sectors. These have been used as the basis for identifying three, complementary, ASDP Sub-Programmes:

Sub-Programme A: includes activities that are undertaken in the field in direct support to agricultural production and processing. They are also focused on the work of district and local extension and support services, and contract service providers. They aim to establish favourable local conditions for small, medium and large-scale production. They also include improved coordination with other sectors on locally, important cross-cutting and cross-sectoral issues, such as HIV/AIDS and rural infrastructure. Approximately 75 percent of public resources are intended to be invested in this sub-programme.

Sub-Programme B: includes activities which are public sector functions at the national level in support of agricultural development. These cover interventions on the policy and regulatory framework; research, advisory services and training; and private sector development, marketing and rural finance. Activities under this sub-programme are the responsibility of the lead ministries, other ministries, parastatals, commodity boards and other public institutions. Approximately 20 percent of public resources are intended to be invested in this sub-programme.

Sub-Programme C: covers cross-cutting and cross-sectoral issues related to agricultural development at a national level, but its functions are beyond the direct mandate of the four ASLMs. Cross-cutting issues include, among others, gender, HIV/AIDS and environment, and cross-sectoral issues include land tenure, rural infrastructure, energy, telecommunication, education, as well as water, forestry and wildlife. The activities under this sub-programme cover a range of coordination and cooperation functions which demand attention from the agricultural ministries, but not high levels of investment from their budgets. It is estimated that approximately 5 percent of the agricultural sector budget will be spent on these aspects.

Within each sub-programme, a series of components, sub-components and possible interventions have been identified. However, it is not the role of ASDP to dictate local needs. Therefore, communities and LGAs will increasingly be involved in identifying the content of the Sub-Programme A interventions. This will be done through the participatory elaboration of District Agricultural Development Plans (DADPs), which form an integral part of each District Development Plan (DDP), and for which separate guidelines have been prepared.

ASDP MANAGEMENT AND IMPLEMENTATION PROCEDURES

The overall programme is managed by the four ASLMs through their established institutional arrangements. ASDP Implementation is overseen by a National Steering Committee (NSC), which is chaired by the Permanent Secretary of MAFS. There is an ASDP Secretariat with an initial core Team of two senior professional staff and one Finance and administrative officer who report to the Permanent Secretary of MAFS. More staff, including long term Technical Assistance (TA), will be recruited as needs arise. The mandate of the Secretariat is to:

(i) coordinate the implementation of ASDP; (ii) facilitate the mobilisation of resources for the agricultural sector; (iii) enhance stakeholder involvement in ASDP; (iv) facilitate the ASDP budgeting and financing process; (v) monitor and evaluate ASDP implementation; and (vi)

commission and supervise sector studies. Each ASLM also has a full-time Programme Officer to liaise with stakeholders and the Secretariat on ASDP matters. In other ministries that have activities of importance to agriculture – such as lands, rural infrastructure, education, health, natural resource management and energy – an ASDP focal point ensures coordination with the ASDP activities. The role of the Ministry of Finance (MoF) is also crucial, both for tax policy and budget allocation.

The Food and Agricultural Sector Working Group (FASWOG) provides a consultative forum composed of representatives from multilateral and bilateral donors, the ASLMs, and other selected ministries. It is chaired by the Permanent Secretary of MAFS. The Agricultural Sector Advisory Committee (ASAC) is an advisory body to the NSC, which includes representatives from public and private sectors, and is chaired by the private sector. An Annual Conference of Stakeholders (ACS) assembles, under the Chair of the President of the United Republic of Tanzania, representatives from farming communities, agri-business, civil society, NGOs and the public sector.

The main focus of ASDP investment is agriculture at the district and community level. Consequently, the capacity of each district to absorb and effectively utilise public funds, and to attract private sector investment to the area, will determine the extent of ASDP progress. Within LGAs, ASDP management and coordination will be achieved through the District Management Team (DMT). The District Agricultural Sector Advisory Committee (DASAC), which supports the DMT, includes key council officials, farmers and livestock keepers' representatives, NGOs, agribusiness and other private sector interests' representatives.

ASDP implementation will generally follow the standard Government of Tanzania procedures for planning, budgeting, accounting and audit. At LGA level, planning will start with Village Councils, and move through the DADPs and DDPs to central government. Overall, the main flows for funding will pass from Treasury to the councils for Sub-Programme A and from Treasury to the implementing Ministries for Sub-Programmes B and C.

FINANCING ASDP

ASDP provides the Government with an instrument to ensure that central and local priorities receive appropriate financial support, and it gives the country's development partners an indication of additional funding needs beyond central and local government financial capacity. It also provides a guide to where the private sector can expect public funding. Public investment in ASDP will be through a mixture of funding sources and financial mechanisms. These include Treasury funds, donor funding through Basket funds (general or earmarked) and Non-Basket funds, LGA funds, and village and community funds.

Private sector investment - the resources mobilised by farmers, traders and processors to make agriculture happen - contribute crucially to ASDP success. Many different mechanisms are used. However, from the point of view of ASDP management per se, these are not ASDP funds, and will not be included in the ASDP figures. On the other hand, ASDP will carefully track and energetically support private sector investment in the sector.

The financial year 2002/03 showed a significant increase in public spending for the agricultural sector, with the approved estimates showing approximately US\$66 million allocated to the agricultural sector operations. To this must be added approximately US\$16 million of additional donor funding that does not pass through the budget process. Of the total US\$82 million available, approximately 47 percent is allocated to the recurrent budget. Estimates for future funding needs suggest annual investment in ASDP growing from US\$94 million in the first year

to over US\$150 million in the fifth year. Total funding requirements for the first five years – for both recurrent and development budgets – amount to approximately US\$625 million.

MONITORING AND EVALUATION

The Monitoring and Evaluation (M&E) system for ASDP is coupled to the M&E framework laid out in the Poverty Reduction Strategy Paper (PRSP) and in the ASDS. The ASDP M&E is also linked to M&E systems of each ASLM, of participating projects, and of the DADP/DDP monitoring systems within the districts. The ASDP Secretariat does not conduct separate M&E of the entire ASDP. Instead, each intervention has its own M&E function to measure performance, while at programme level the focus is on instituting M&E best practice, particularly in terms of encouraging better and more evaluable project design, selecting simpler and more affordable indicators, and ensuring the usability of M&E results. At national level, the ASDP Secretariat ensures compliance with National Poverty Monitoring, and, therefore, also contributes to the harmonisation and prioritisation of the Poverty Monitoring Master Plan indicators, for example through the refinement of the current key agricultural indicators, so that the contribution of the sector towards poverty reduction and economic growth is better measured.

RISKS

The main risks that could affect the success of ASDP, identified at this stage, and for which mitigation measures are discussed in the report concern: (i) the excessive rigidity and complexity of the programme which may discourage partners and lead them to work outside ASDP; (ii) donor-funded projects having separate Project Coordination Units (PCUs) may override or bypass the ASDP mechanisms and principles; (iii) the lack of information sharing amongst stakeholders may jeopardise coordination; (iv) the large number of districts and their limited resources may impede the planned roll-out of sub-programmes; (v) DADPs may either become too complex or too meagre to provide a rational basis for major field level investment; and (vi) the poor participation of the private sector, which may be reluctant to invest in agriculture.

DETAILED ASDP SUB-PROGRAMMES FORMULATION

After reaching an agreement between the government and development partners on how to package interventions in a coherent manner, consistent with the ASDS and ASDP implementation framework, Task Forces, Working Groups and Formulation Teams are established for formulating new ASDP interventions. Support Groups to help address cross-cutting and cross-sectoral issues must also be established. The mandate of the respective bodies can be outlined as follows:

- **Task Forces:** oversee the formulation of broad domains of interventions, at ASDP Sub-Programme or Component level. A Task Force comprises up to 15 eminent representatives from the various groups of stakeholders, and is established for a long-term period.
- **Working Groups:** can be considered as sub-task forces. They consist of a group of experts from concerned stakeholders who review obstacles and opportunities, and propose development and operational strategies and prioritize interventions on specific domains of intervention; generally at ASDP component or sub-component level.
- **Formulation Teams:** prepare sets of interventions, to be consolidated into projects for specified financing source(s), or through government budget. Based on agreement between ASDP management and interested financiers on the scope of assistance, a team

is established for a limited period of time. Once endorsed by ASDP management (NSC), projects would be processed following established government procedures.

1. INTRODUCTION

Over 80 percent of Tanzanians live in rural areas and depend on agriculture, which contributes about 50 percent of the Gross Domestic Product (GDP) and 54 percent of the nation's Foreign Exchange earnings. The vast majority of Tanzanians living below the poverty line live in rural areas, and the incidence of poverty in rural areas may be increasing. Agricultural development is crucial to both national economic development and poverty reduction.

The Agricultural Sector Development Programme (ASDP) provides the Government with a sector-wide framework for overseeing the institutional, expenditure and investment development of the agricultural sector. The focus of ASDP is changing the function of central Government from an executive role to a normative one, empowering local Government and communities to control their planning processes, and establishing an enabling environment which encourages private sector investment in all aspects of agriculture. ASDP does not replace existing planning and implementation mechanisms; rather it facilitates the process, highlights priorities and tracks overall progress.

The ASDP is a long-term process, and the outcome of recent initiatives to re-orientate and re-invigorate the national economy. It is a tool for implementing the Agricultural Sector Development Strategy (ASDS), which was approved by the Government in August 2001. The ASDS originated from the Agricultural and Livestock Policy and the Cooperatives Development Policy, both of 1997. It is guided by the principles of Tanzania Development Vision 2025 (TDV), the Poverty Reduction Strategy (PRS) and the Rural Development Strategy (RDS). The ASDS identified five strategic issues for agriculture: (i) strengthening the institutional framework; (ii) creating a favourable environment for commercial activities; (iii) clarifying public and private roles in improving supporting services; (iv) strengthening marketing efficiency for inputs and outputs; and (v) mainstreaming planning for agricultural development in other sectors.

The ASDP Framework and Process have been jointly developed by the four Agricultural Sector Lead Ministries (ASLMs), namely the Ministry of Agriculture and Food Security (MAFS), the Ministry of Cooperatives and Marketing (MCM), the Ministry of Water and Livestock Development (MWLD) and the President's Office - Regional Administration and Local Government (PO-RALG), in close consultation with other stakeholders. The stakeholders includes collaborating Ministries, Development Partners, representatives of Local Financial Institutions, Private Sector, Pastoralists, Farmers, Academia and NGOs.

The formulation of ASDP is a phased process. **Phase 1** involved the preparation of a Framework and Process Document, which identifies the ASDP sub-programmes, components, interventions and possible activities. The ASDP management modalities, and the role and structure of the ASDP Secretariat were also agreed upon. This report is the output of Phase 1. **Phase 2** entails the identification of main partners for developing and supporting the respective sub-programmes and components, including a detailed analysis of activities and costs.

Following this introductory chapter, the policy framework is outlined in Chapter 2, and a brief review of the principal actors in implementing the strategy is given in Chapter 3. The principles for the programme and the components of the ASDP are then presented in Chapter 4. Cross-cutting and cross-sectoral issues are discussed in Chapter 5, and the ASDP management structure, as outlined in Chapter 6. Indicative cost estimates of the ASDP are outlined in Chapter 7, the programme implementation procedures in Chapter 8, and the Monitoring and Evaluation (M&E) procedures are presented in Chapter 9. Finally, the way forward is discussed in Chapter 10. Additional information on stakeholders, ASDP interventions,

management and financial aspects are presented in Annexes 1 to 4. Annex 5 provides a list of references.

This document does not review in detail the prevailing agricultural sector development policies and strategies. It focuses on the proposed framework and process for implementing the ASDS; it is therefore not a new policy or strategy document, rather it fully complies with the ASDS. This document does not describe in detail the content of the proposed sub-programmes and components.

2. THE POLICY FRAMEWORK

This chapter outlines past performance in the agricultural sector¹ and the key macro-economic and sectoral policies that provide the conditions for ASDP implementation. In the context of ASDP, the “agricultural sector” is taken to cover, in the public sector, the work of the four ASLMs and in the private sector the producers, traders, processors, and financial and other service providers.

2.1 Past Performance and levels of public support

The agricultural sector has maintained a steady annual growth rate of over 3 percent during the last decade. This is greater than the rate of total population growth of 2.9 percent, so there has been a small but steady increase in annual *per capita* agricultural output. However, given the importance of agriculture as the mainstay of rural livelihoods, agriculture must grow much faster if rural poverty reduction is to become a reality in Tanzania.

The recurrent budget allocations to the sector for the past three years are shown in Table 1, together with total (local and foreign-funded) development expenditure. These figures do not take into account inflation and, consequently, real resource allocation to the sector has fallen even faster than shown.

Data for the MAFS, MWLD and MCM shown in the Public Expenditure Review (PER), project a gradual increase in overall funding from US\$36.94 million for 2002/03, to US\$55.92 million in 2003/04 and to US\$59.84 million in 2004/05. During this period, the proportion of recurrent costs is expected to decline from 46 percent of the total in 2002/03 to 33 percent in 2004/05. Further details of public sector funding will be discussed in Chapter 7.

Table 1: Total Expenditure (Local and Foreign-Funded) by Agricultural Sector Ministries (TShs Billions)

Expenditure	1998/99		1999/00		2000/01		2001/02		2002/03
	approved	actual	approved	actual	approved	actual	approved	actual	approved
Recurrent	19.3	18.3	12.3	7.4	13.4	15.5	17.9	16.0	36.2
Development	23.3	21.7	28.1	11.8	21.0	15.1	19.1	15.0	23.5
Total	42.6	40.0	40.4	19.2	34.4	28.5	37.0	31.0	59.7

¹ The list of Government policy and strategy documents is presented in Annex 5.

2.2 Background

The evolution of agricultural policy in Tanzania has been strongly influenced by the changing macro-economic policies. The post-independence period (1961-1967) was marked by an emphasis on improved peasant farming through extension services and the provision of credit and marketing structures. At the same time, the Government continued to support large-scale farming in selected areas. Following the Arusha Declaration (1967), the Government became the manager and investor in virtually all sectors, including agriculture. Most large-scale estates were nationalised and many new Government-owned farming enterprises were established. Collective farming was promoted, and systems of national pricing of agricultural produce were established. By the mid-eighties, the Government had adopted structural adjustment programmes that started to move production, processing and marketing functions away from the public sector and towards the private sector. This process is still underway. The Government now retains responsibility for policy, the regulatory framework and the maintenance of law and order. Inevitably, there has been a need to redefine sectoral policies to support this macro-economic reform agenda. This has resulted in the Agricultural and Livestock Policy of 1997 and Cooperative Development Policy of 1997. Simultaneously, a new approach to rural development, which focuses on decentralisation and empowering local communities and Local Government Authorities (LGAs), has been developed. This will enable LGAs to become more responsible for, and more responsive to, local development problems and opportunities.

2.3 New Macro-economic Policies

The macro-economic reforms that started during the mid-eighties have yielded steady agricultural sector growth. Nonetheless, there are many challenges that still need to be overcome to accelerate growth and reduce rural poverty. The TDV 2025 provides guidance on national long-term strategic goals for social and economic development and highlights the change in approach and mindset needed to get there. It envisages raising the standards of human development of Tanzanians to those of a medium income developing country by 2025. This will be achieved through increased productivity and competitiveness, increased export earnings and investment in human capital, which are central themes of the ASDP.

The Poverty Reduction Strategy Paper (PSRP), which was approved in 2000, gives high priority to agriculture and rural development, and targets poverty reduction as the central goal of national development. Subsequently, the Rural Development Strategy (RDS) and the Agricultural Sector Development Strategy (ASDS), both completed in 2001, have redefined the Government's approach in these areas.

The Medium-Term Expenditure Frameworks (MTEF) for each ministry and the PER are essential instruments for budget management and accountability. They are essential in translating Government's vision into action through the allocation of resources to priority sectors. Therefore, the ASDP is structured along the lines of the MTEF. It should, however, be stressed that there is not one unique ASDP MTEF: each participating ministry includes ASDP within its own MTEF¹. The aim of the MTEF is to allocate resources to achieve sustained economic growth, at an annual rate of about 6 to 8 percent, as the basis for poverty reduction. This is done through strategies to promote:

- macroeconomic stability through prudent monetary and fiscal policies;

¹ ASDP interventions are included in the MTEF of MAFS, MWLD, MCM, PO-RALG, RS, LGAs and PMO.

- economic competitiveness and an institutional framework conducive to higher investment;
- efficiency in the utilisation of available scarce resources;
- enhancement of budgetary support to basic social services;
- creation of an enabling environment for good governance to guarantee public accountability and transparency, combating corruption and enhancing people's participation in decision-making;
- increased productivity in agriculture through improved crop and animal husbandry and the adoption of high yielding technologies;
- rehabilitation and extension of economic infrastructure to support productive sectors;
- creation of an enabling environment to encourage private sector investment and export-led growth; and
- devolution of power to LGAs.

2.4 Leading Agricultural Sector Policies and Strategies

There has been considerable recent evolution in public policy relating to the agricultural sector. Some of the most important are summarised below;

The Agricultural and Livestock Policy of 1997 proposes the:

- liberalisation of agricultural markets and removal of state monopolies in the export and import of agricultural goods and produce;
- clear definition of the roles of Government and the private sector in the production and provision of support services;
- government responsibility for industry regulation through commodity boards; and
- emphasis on food security at the national and household levels as opposed to national food self-sufficiency.

The Cooperative Development Policy of 1997 is intended to:

- provide a framework for the restructured cooperatives to operate on the basis of independent, voluntary and economically viable principles; and
- ensure cooperatives are member-controlled private organizations, which respect the principles of good management.

The Local Government Reform Programme of 1998 aims to improve the delivery of quality services to the public. The main strategy is decentralisation, which is being implemented through the Local Government Reform Programme (LGRP). The move from centrally planned agriculture to locally planned agriculture is one of the key strategic pillars of ASDP. The effective decentralisation of Government and the reform of Local Government will be part of the foundations of change in the sector. The reform programme will include the following transformations:

- devolution of roles and authority by the Central Government by transferring political, financial and development planning authority to LGAs;

- LGAs are free to make policy and operational decisions consistent with the laws of the land and Government policies, without interference by the Central Government institutions;
- LGAs are responsible for efficient and effective delivery of social and economic services to the people;
- LGAs are responsible for facilitation of the participation of the population in deciding on matters affecting their lives, planning and executing their development programmes and fostering partnerships with civic groups;
- the role of the Central Government institutions, including sectoral ministries, is confined to facilitation and supporting LGAs in service delivery, policy formulation, development and management of local regulatory framework, monitoring and quality assurance; and
- financial and performance audit.

The Land Policy of 1995 has provided the basis for the Land and Village Land Acts of 1999. This provides the framework for stronger local control of land resources, especially by villagers, and establishes the basis of a more effective land market. The strategy for implementing the Land Acts is expected to be developed through the operationalization of the Poverty Reduction Strategy (PRS)¹. Progress with improved land tenure is crucial to the agricultural sector, though there remains a great deal to be done to clarify the application of the legislation in the field. The Acts are still inadequately understood, especially in rural areas. Support for progress in this area will be a major cross-cutting theme for ASDP.

The Micro-Finance Policy of 2000 is intended to establish a basis for establishing an efficient and effective micro-financial system in the country that serves the low-income segment of the society thereby contributing to economic growth and to reducing poverty. The policy covers the provision of financial services to households, smallholder farmers, as well as small- and micro-enterprises in both rural areas and the urban sector.

The Rural Development Strategy of 2001 focuses on stimulating economic growth and reducing poverty in the rural areas. The strategy is based on the assumption that economic growth is essential if rural households are to be less vulnerable to climatic and economic fluctuations. It also acknowledges that good governance and social justice are an integral part of creating a positive environment for the development of rural areas, and recognises the interaction between rural communities and urban centres as a fundamental component of the strategy. There are four categories of strategic intervention: promoting widely shared growth, increasing opportunities and access to services, reducing risk and vulnerability, and good governance.

The Agricultural Sector Development Strategy (ASDS) of 2001, builds on the Agricultural and Livestock, and Cooperative Development Policies. From 1998 to 2001, the Government carried out studies and consultations at national and grass-root levels to identify the strategic interventions needed to accelerate the sector's growth. ASDS is important because:

- it targets improvements in farm incomes, upon which the majority of the rural population depend; this is the principal way to achieve rural poverty reduction;
- it emphasises availability and access to food, and thus advances food security; and
- it provides a comprehensive, sector-wide programme for agricultural development, which is key to national economic development.

¹ Proposed to be one intervention of the forthcoming Poverty Reduction Support Credit (PRSC).

The ASDS provides a coordinated response to current macroeconomic and structural reforms, which address poverty reduction and improved public sector performance. It provides an instrument for guiding public and private investment towards agreed sector objectives and priorities. It transfers responsibility for formulating, implementing and monitoring agricultural development activities to LGA and communities. Finally, it augments the reform agenda by promoting a participatory approach to the sector management.

The ASDS is critical to rural poverty reduction. Recent studies indicate that approximately 50 percent of Tanzanians can be defined as poor, with a per capita income of less than one US Dollar per day. Over 80 percent of the population live in rural areas with agriculture as the mainstay of their livelihoods. This indicates that improvement in farm incomes of the majority of the rural population is a precondition for reduction of rural poverty in Tanzania.

The strategy recognises that subsistence dominated farming must gradually be transformed into profitable agricultural production. Consequently, the primary objective is to create an environment that favours the growth of farm incomes, which reduces rural poverty and which attracts private investment. This can be done without jeopardising traditional safety mechanisms contained in subsistence farming systems.

Seven conditions are identified in the ASDS, which need to be fulfilled if agricultural development is to move forward and if the ASDP is to succeed. These are:

- comparative advantages that can be developed for export and food commodities;
- a large population base that will continue to be involved in agriculture;
- underused natural resources that will be available for agricultural development;
- domestic and international trading opportunities that will continue to occur;
- opportunities for strategic partnerships between agri-business and smallholders that can be facilitated;
- a political commitment to improvements in policy and incentives for investment that will continue; and
- a political commitment to developing local institutions that will be maintained.

The Small and Medium Enterprise Policy of 2002 aims to promote income-generating activities and support diversification of private sector activities. In the context of the agricultural sector, this includes the development of commercial opportunities in marketing and processing agricultural produce. The policy acknowledges that there is currently an unfavourable legal and regulatory framework, undeveloped infrastructure and poor business development services. A series of measures are proposed in the strategy to resolve these problems, with particular attention given to rural industrialisation, which would stimulate local marketing and processing, and realize value-added close to the source of production.

Box 1: ASDS, a Focus on Profitable and Sustainable Agriculture

The overall objective of the ASDS is to create an enabling environment for improving agricultural productivity and profitability, improving farm incomes, reducing rural poverty and ensuring household food security. Specific Sector Growth Targets¹ for agriculture that will contribute to achieve the Poverty Reduction Strategy targets are:

- reducing percentage of the rural population below basic poverty line from 38.7 percent in 2000/01 to 20.4 percent in 2010;
- reducing the percentage of rural food-poor people from 20.4 percent in 2000/01 to 11.6 percent in 2010; and
- growth rate in agriculture of at least 3.4 percent in 2000 to 5 percent by 2003.

The ASDS provides an opportunity for the public sector to reorient its approach and operate more efficiently. New policies and strategies in the rural sector offer a new focus on productivity, sustainability and profitability. In terms of organizations, the ASDS advocates private/public sector partnerships and processor/producer contracts. It supports the growth of small-scale farmers' associations and professional institutions, and calls for improving the dialogue between the private and public sectors on ways to increase efficiency and to expand the sector.

There are important technical aspects to achieving better profitability and sustainability in agriculture. These include primarily improved management of agricultural resources, combined with increased efficiencies in managing inputs and outputs at all stages of the production chain, the adoption of new technologies, and the extension of the use of existing technologies (land husbandry², reduced tillage, mechanisation, water harvesting and irrigation, range management, crop protection and animal health, post-harvest management, etc.). The essence of ASDP is to enable, through appropriate interventions, these increases, adoptions and expansions to happen as quickly, as efficiently and as widely as possible (see Section 4.3 and Annex 2).

Public sector investments need to be more focused on providing direct support to agriculture, and less focussed on the administrative processes of the agricultural ministries and other public institutions. A judicious balance is required between the needs of the institutions to provide effective delivery of public services to farmers, and the use of public funds to stimulate production. For the latter to work, it is proposed that increased use be made of matching grants to create incentives and to support producers and processors to invest in new equipment and adopt new technologies.

For ASDS to work, the private sector must be able to respond to new incentives. However, this depends in part on market opportunities which, in turn, depend on national and international output prices and markets. This is an inherent risk for the agricultural sector worldwide and is not specific to Tanzania. It is one that will be carefully monitored.

Although ASDP is an instrument for managing public sector investment, this alone will not fuel agricultural growth. Sustainable growth will essentially have to come from efficiency gains in production, marketing and processing, and there will not be one sole source of growth (i.e. no "quick fixes"). Improved analysis of problems and potential, increased transaction efficiencies, the mobilisation of private investment, raising the value-added of agricultural output and many other factors, will all have a role to play. Much can be achieved, at no additional cost by establishing an "implementation culture" where priority is given to problem solving, and by inspiring ways of making the best use of limited resources.

Improving the regulatory framework is a particularly important option, as it requires no more than the removal of existing constraints to production and marketing. This is in line with the ASDS approach of facilitating the creation of an attractive environment to stimulate agricultural development.

¹ Revised Baseline and Targets for the Income Indicators, based on Household Budget Survey of 2002/01.

² See discussion on sustainable land management and land husbandry in the joint FAO/URT, 2000: Tanzania - Soil Fertility Initiative Concept Paper, FAO Investment Centre Report No. 00/081 CP-URT.

3. THE STAKEHOLDER ENVIRONMENT

This chapter briefly describes how the main groups of actors are currently involved in the agricultural sector in Tanzania, and in what way this will change in the future under ASDP. The development of the ASDP provides an opportunity to cement recent changes in roles and responsibilities. Central Government is increasingly confining itself to policy, regulatory, oversight and monitoring. The LGAs – including Village Governments - are now given greater responsibility and authority, and the private sector is being asked to respond to a new set of opportunities and challenges.

The private sector - comprising farmers, pastoralists, agro-pastoralists, traders, processors and others engaged in the many varied aspects of farming - are at the core of agriculture. The function of public sector institutions is to provide an enabling environment and supportive services, while ensuring that national interests in the sector are identified and well served. The ASDP provides the framework for this to happen as effectively as possible.

3.1 The Private Sector

Agriculture primarily takes place in the private sector, which the ASDP is essentially designed to strengthen and support. Both the ASDS and the RDS recognise that weak public administrative institutions is a major reason why the private sector response has been slow to follow reforms aimed at boosting agriculture. It is clear that public sector performance impacts on private sector productivity. However, the private sector, both small and large-scale operators, needs to be more effective in communicating its concerns to the Government. Regarding small-scale producers, much will be done under ASDP to improve community-based planning to facilitate the emergence of, and strengthening of farmer and small-scale enterprise associations (Chapter 8).

3.1.1 THE PRODUCERS: FARMERS AND LIVESTOCK OWNERS

These are the people who actually make agriculture happen. This group includes a broad range of operators from small-scale subsistence crop producers and livestock keepers, who comprise more than 90 percent of the farming population, to a limited number of medium and large-scale commercial farmers. It also covers formal and informal farmer associations and the cooperative movement.

Successful transformation of agriculture – through the implementation of ASDP – will critically depend on helping smallholders move from subsistence production to commercial agriculture. This involves over five million rural families having the aspirations, skills and resources to change the way they farm, without affecting their ability to ensure their own food security.

The essential needs of Tanzanian smallholder farmers are known. It is recognised that access to land and natural resources; mechanisation; credit and direct financial support to production; improved production technologies and post-harvest storage and processing; and markets are all fundamental requirements. Finding ways to put these in place lies at the root of agricultural development and will lead to breaking the cycle of poverty that still encircles the majority of rural families. As the framework for agricultural development, ASDP will support the emergence of new organizations and networks, which will in turn lead to the evolution of peasant agriculture towards small-scale commercial enterprises.

At the same time, medium and large-scale farmers are encouraged to increase productivity through agricultural investment, and to engage in processor and contract grower partnerships with

smallholders. This will facilitate primary producer access to markets, inputs and technology, and will provide a sustainable raw material base for agro-processors and agri-business. Here, again, the constraints to growth and necessary responses are understood. These include secured access to land as a commodity and a source of collateral, improved marketing infrastructure, a more favourable tax structure, a streamlined regulatory environment, better and cheaper access to credit, and more effective public sector support for marketing, processing and export activities.

3.1.2 PROCESSORS AND AGRIBUSINESS

Growth does not come from increased production alone, but from a chain of profitable transactions involving private sector operators. This group includes importers and exporters, wholesale distributors, retail suppliers, stockists, farm produce buyers, transporters and processors of agricultural produce. The agri-business community will play a key role in engendering growth through the importation and distribution of agricultural inputs, the procurement and processing, as well as the exporting and marketing of agricultural produce.

The main challenges facing agri-business are understood and have been clearly identified by the private sector. What are crucially needed here are continued reforms to the regulatory framework and adjustments in the tax structure. For agriculture to be profitable, there needs to be fewer controls on marketing, an improvement of market infrastructure, better organization of commodity auctions, support for export processing, and the development of agri-business zones and export promotion schemes. Also, there are significant under-utilised resources already available, such as warehousing capacity. These and other initiatives are addressed through the ASDP.

3.1.3 FINANCIAL INSTITUTIONS

The financial institutions important to the agricultural sector include commercial banks, micro-finance institutions (MFIs) such as Savings and Credit Associations (SACAs), Savings and Credit Cooperatives Societies (SACCOS) and informal financial institutions. Limited access to credit and micro-finance services is a constraint for many producers, especially small-scale farmers. In the course of the implementation of ASDP, existing financial institutions will be encouraged to expand the area, scope and type of services that they offer, in order to better support agriculture. This, in turn, will be supported by clear and simple legislation relating to land tenure and the use of land as collateral, and more effective legislation for credit recovery and foreclosure procedures. Where necessary, such improvements will be supported by price stabilisation, hedging mechanisms and the appropriate use of other fiscal and monetary instruments, to provide a more attractive and secure economic environment for investment in agriculture. This challenge indicates the critical importance of non-agricultural institutions to the sector.

3.1.4 PROFESSIONAL ASSOCIATIONS

ASDP will work closely with professional organizations at local and national levels. The three main associations representing medium- and large-scale farmers and agri-business are currently the Confederation of Tanzanian Industries (CTI), the Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA) and the newly established Tanzania Chamber of Agriculture and Livestock (TCAL). Furthermore, there are professional associations for technicians, such as the Agricultural Economists Society of Tanzania (AGREST), the Tanzanian Veterinary Association (TVA), the Tanzanian Women Leaders in Agriculture and Environment (TAWLAE), and the Tanzania Society of Animal Production (TSAP). These institutions have an important role to play in providing the independent structure to support private sector development, and in establishing

a dialogue between farmers and policy makers. ASDP will provide support for technical training and facilitate information sharing and networking amongst concerned organizations.

3.1.5 SMALL-SCALE FARMERS' ASSOCIATIONS

Associations for small-scale farmers and entrepreneurs are emerging at both local and national levels. The successful development of these institutions is fundamental to the growth of the sector. If small-scale farmers, who represent the vast majority of Tanzanian farmers, can be supported to become better organised and better represented, this will lead to more effective channels for improved credit systems, input and technical service delivery and marketing, and a strong platform for the articulation of farmers' needs.

There are already commercial producers' associations such as the Tanzania Milk Processors Association (TMPA), and MVIWATA (*Mtandao wa vikundi vya wakulima Tanzania*) is establishing a national network of small-scale farmers' groups in Tanzania designed, to help farmers unite so they themselves can defend their own interests. At the local level, groups such as Mtwara Small-Scale Entrepreneurs Development Association (MSEDA) are increasingly becoming active in representing producers' interests.

3.1.6 NON-GOVERNMENTAL ORGANIZATIONS

Non-Governmental and Community-Based Organizations (NGOs and CBOs) play a particularly important role in agriculture and rural development in Tanzania. There are both large international NGOs and small national NGOs working with farmers, pastoralists and agro-pastoralists. However, not all NGOs work closely with district authorities¹, so the level of involvement of NGOs in ASDP will vary considerably. At the national level, however, the ASDP Secretariat will liaise with, and provide direct support for, umbrella organizations such as the Tanzania Association of Non-Governmental Organizations (TANGO) and the Participatory Ecological Land Use Management (PELUM), which is a network of civil society organizations operating in eastern and southern Africa, with a branch in Tanzania.

NGOs work close to communities. Their approach tends to be strongly participative, and they usually have the flexibility to respond to changing local priorities. Within ASDP, it is envisaged that they will have two major roles to play. First, in many districts they will be able to help in the participative rural appraisal process that will result in the formulation of District Agricultural Development Plans (DADPs). Second, they will have an increasingly significant role to play as technical service providers, working under contract to LGAs to provide specific support to producers and processors. This could range from training and extension, to market information or the implementation of monitoring and evaluation systems.

3.1.7 OTHER INSTITUTIONS AND GROUPS

Other non-public institutions which are important to agriculture include academia, consultant companies and other service providers. The Government will mobilise their skills and capacity to contribute to the development of the sector.

The multilateral and bilateral donors play a critical role in Tanzanian agriculture. A large portion of the development budget is financed by these institutions, and the ASDP is providing a framework for their coordination, and to enable them to focus their support on national and local priority areas and to track progress.

¹ The term "district" used in this report will also include urban councils and municipalities where agriculture is practiced.

Private sector service providers, in addition to NGOs and CBOs, are currently not well established, especially in the districts, though there are emerging examples such as the para-vets in Mwanza. ASDP will encourage the development of these organizations, and support could be provided not only through ASDP, but also through other sources of Small and Medium Enterprise (SME) development.

3.2 Public Sector Institutions

3.2.1 THE AGRICULTURAL SECTOR LEAD MINISTRIES

The four Agricultural Sector Lead Ministries are responsible for the implementation of the ASDP at national level. PO-RALG also oversees its implementation at the Local government level. Their distinct roles and responsibilities have been spelt out in the reallocation of roles and functions of the ASLM. Specifically, the lead Ministries:

- formulate and review sectoral policies and monitor performance;
- provide and supervise the implementation of regulatory services for crop and livestock development, marketing and farmers' organizations;
- contribute to the development and promotion of improved and sustainable agricultural practices;
- monitor the performance of both public and private sector agricultural support services in order to improve service quality through competition;
- promote the private sector's role in primary production, processing, marketing and the provision of agricultural services; and
- promote farmers' organizations to empower farmers, develop their advocacy and lobbying capacity, and to participate in service delivery and resource mobilisation.

3.2.2 OTHER MINISTRIES

There are many other ministries whose work contributes to agriculture through cross-cutting and multi-sectoral activities and issues. Cross-sectoral issues are crucial, as they link the agricultural sector to other sectors and to other parts of the economy; they also link agriculture with other essential aspects of farmers' daily lives (see Chapter 5). The key functions of other ministries linking with the mandates of the ASLMs are outlined in Box 2 and further detailed in Annex 1.

3.2.3 THE REGIONAL SECRETARIATS

The Regional Secretariats (RSs) have been streamlined under the Local Government Reform Programme to play four basic roles:

- create a conducive environment for LGAs to operate efficiently;
- assist LGAs in capacity building;
- provide technical support to LGAs; and
- monitor the performance of LGAs.

The RSs will provide advice and oversight during ASDP implementation, and ensure that local level plans and activities are in line with national policy and legislation.

3.2.4 THE LOCAL GOVERNMENT AUTHORITIES

In accordance with local government reform, LGAs will play an increasingly important role in the implementation of the ASDP. Essentially, they will guide and implement the development initiatives needed to support improved production. These functions include promoting investment in the sector; participating in the formulation of policies and the regulatory and institutional framework; facilitating promotion of research; training and the provision of advisory services; facilitating private sector marketing and access to financial services; and ensuring effective coordination with the other sectors. Promoting investment is a relatively new function for LGAs, hence staff training and re-orientation will be necessary. New methodologies will be developed, such as developing District Agricultural Investment Information Packages, allocating land for agricultural production, and identifying and preparing for investment areas of under-used potential.

In particular the LGAs will:

- formulate and implement DADPs as part of the District Development Plans (DDPs); this will be based on the PO-RALG Guidelines for participatory planning procedures and DADP Guidelines¹;
- prepare quarterly and annual progress reports;
- supervise the implementation of legislation relevant to the sector;
- supervise and coordinate the delivery of support services such as extension, the cooperatives' inspectorate, agricultural information and animal health services;
- mobilise resources (financial, human and facilities/equipment) for local development programmes;
- administration of villages for the purpose of stimulating sustained development;
- land administration, land use planning and management for effective and sustainable land utilisation; and
- develop and maintain rural infrastructure.

These are critical roles for the LGAs, and it will take time before they are fully able to undertake all that is required of them. An assessment of the constraints and capacity-building requirements will be undertaken. The councils' planning process must ensure that expectations are prudent and rational. Therefore, counsellors and technicians need training and support to respond to the future challenges.

3.2.5 COMMODITY BOARDS

There are currently eight Crop Boards, established by Acts of Parliament, for cashew, coffee, cotton, pyrethrum, sisal, sugar, tea and tobacco. Commodity Boards are parastatals controlled by their parent Ministry rather than by the stakeholders. However, the thrust of the ASDP is to restructure them to be self-regulatory bodies². The functions of the boards will include to:

- formulate and implement development strategies, set rules and enforce them in their respective industries;

¹ Guidelines for the Process of Participatory Planning of District Agricultural Development (so-called DADP Guidelines) – Draft of 28 October 2002.

² Proposed to be one intervention of the forthcoming Poverty Reduction Support Credit (PRSC).

- institute a regulatory regime geared towards promotion of good quality products;
- finance research and extension services for the respective industry; and
- disseminate relevant information to stakeholders in the industry.

The National Dairy Development Board (NDDDB) is an interim Board established in June 2002. It is replacing the former National Dairy Board that was established under the Dairy Industry Act (1965). The interim Board will spearhead, regulate and promote the development of the dairy industry in Tanzania. The Tanzania Veterinary Board (TVB) established in 1956, oversees and regulates the conduct of veterinary profession and practice in relation to animal health services.

3.2.6 OTHER PUBLIC INSTITUTIONS

There are a number of public agencies and institutions which play a critical role in supporting the agricultural sector, often of a regulatory nature. Among others, these includes the Tanzania Official Seed Certification Agency (TOSCA), the Tropical Pesticides Research Institute (TPRI), the National Pharmacy Board (NPB), the National Environmental Management Council (NEMC), the Tanzania Food and Nutrition Centre (TFNC)¹, the Tanzania Forest Research Institute (TAFORI), the Tanzania Bureau of Standards (TBS), and the Cooperative Audit and Supervision Corporation (COASCO).

¹ The National Pharmacy Board and Tanzania Food Commission are being restructured with a view to establishing a National Food and Drug Agency.

Box 2: Main functions of Non-Agricultural Sector Lead Ministries in relation with ASDP

Prime Minister's Office (PMO): is responsible for the coordination of Government business.

Vice President's Office (VPO): coordinates the Poverty Reduction Strategy (PRS) implementation and oversees the Government's response to poverty alleviation and environmental management issues. The VPO is also responsible for oversight of NGO activities.

Ministry of Finance (MoF): allocates and monitors public funding for the agricultural sector. It also mobilises support for the sector. Through fiscal policy, MoF will rationalise, harmonise and monitor taxes in the sector, which is essential to provide incentives for increased production and processing.

MWLD: In addition to its livestock development role, MWLD has the responsibility for water development: a fundamental resource for both plant and animal production; and essential to agriculture, farmers and everyone else in the sector.

Ministry of Works (MoW): provides backstopping to LGAs for building and maintaining district and feeder roads. The ministry is also directly responsible for the construction and maintenance of regional and trunk roads.

Ministry of Communication and Transport (MCT): oversees improvements to national and local communication systems. This is required both to attract agricultural investment in the rural areas.

The Ministry of Justice and Constitutional Affairs (MJCA) dispenses justice as the need arises, both to protect life and property, and as an arbitrator in disputes and conflict.

Civil Service Department (CSD) will hasten transformation of Public Service to a more performing and dynamic meritocracy; and also hasten the Public Sector Reform Programme to create a conducive environment for human resource to implement ASDP.

4. ASDP: CONCEPTS AND GUIDING PRINCIPLES

4.1 ASDP Overview

The ASDP provides the operational instrument for implementing the ASDS. It mobilises incremental resources for the sector in a coordinated manner, facilitates ASDS implementation, and brings **added-value** to the current approaches to sector investment management. ASDP therefore:

- establishes management and coordination procedures for ASDS implementation;
- facilitates the mobilisation of resources for agricultural sector development;
- identifies priority sub-programmes, components and interventions that require support;
- facilitates detailed formulation of ASDP components and interventions following agreed priorities;
- facilitates and coordinates implementation of interventions;
- establishes stakeholders' fora with adequate representation and participation, and builds partnerships;
- enhances streamlining of cross-cutting issues and multi-sectoral activities in agricultural interventions;
- enhances cross-sectoral coordination to bring synergies between agricultural and other sectors; and
- monitors progress and assesses impact of interventions to achieve ASDS and PRSP targets, and shares information with stakeholders.

For implementing the ASDS, the proposed interventions (ASDS document, pp 66-82) have been consolidated into three major sub-programmes, components and sub-components (see Section 4.3 below). Under ASDP, discrete projects continue to exist, and new projects are formulated as needs arise. However, on-going and pipeline operations will not be merely an aggregation of projects. They have to be reviewed, and where needed revised, to be consistent with the ASDS, and the ASDP implementation framework. **Overall, the primary function of the ASDP is to bring public and private stakeholders together to implement the ASDS in a coordinated manner.**

4.2 Rationale and Design Considerations

The institutional set-up and budget procedures, as well as the working relations prevailing amongst public and private stakeholders do not provide a conducive implementation framework to achieve ASDS objectives. The current situation is generally characterised by inadequate information sharing and coordination amongst stakeholders, resulting in competition and duplication of interventions, imbalance of support between and within regions, and the acceptance of contradictory development approaches. Moreover, public support to the agricultural sector is currently channelled through seven different government budgets (or MTEFs, see Chapter 7), which makes coordination a difficult undertaking. The recent review of

on-going agricultural projects and programmes¹ depicts the situation as one of “patchwork with many gaps, being the result of un-coordinated actions”.

To address these types of issues, some countries have attempted to consolidate all sector-related interventions under one umbrella, generally known as the Agricultural Sector Investment Programme (ASIP), with common budgeting, common financing (basket funding) and common implementation arrangements. In principle, such an approach allows transparent and coordinated budgeting and funding, and should therefore bring consistency and synergies to achieve common objectives, such as those of the ASDS. However, the ASIP experience in the Region suggests that, while the concept may be sound, its implementation is not without difficulty, especially if activity prioritisation and the pace of implementation are not tailored to stakeholders’ capacity and willingness to work together.

To implement the ASDS, good leadership, governance, and effective stakeholder partnerships are needed both within the sector and within cross-cutting sectors. The ASDP is intended to provide a mechanism for:

(i) overall coordination and prioritisation: The operationalization of ASDS will bring benefits to the coordination of the sector. This is essential to build partnership amongst stakeholders and bring synergies between interventions. An efficient coordination mechanism will also prevent duplication of operations or the use of contradictory approaches that would inevitably lead to the wasting of resources. Indeed, effective coordination also depends on positive institutional culture and intrinsic goodwill. The ASDP therefore:

- provides a framework for the identification of local and national priorities and guides the mobilisation of public resources;
- ensures effective coordination of the development partners, and their compliance to the agreed framework;
- increases operational efficiency and reduces duplication by clarifying the roles and functions of central and local Government, civil society and the private sector;
- develops synergies between agriculture and other sectors;
- enhances the sustainability of natural resource management and promotes durable socio-economic development; and
- encourages good governance, increases accountability and transparency.

(ii) sharing results and resolving implementation issues: ASDP provides Tanzania’s development partners with a forum to participate in a national consultation process, mutually sharing information and helping to solve implementation problems and to develop opportunities. It should also make it easier for them to synchronise procedures with the sector’s programme, planning and budget cycles.

The implementation of ASDP is gradual and flexible, and not all sub-programmes and components can be fully developed from the onset. The ASDP proposes to introduce new funding mechanisms, such as basket funding. However, this remains optional, as not all development partners want to use the basket funding system, even though they subscribe to ASDP. The implementation of the ASDP provides Tanzania with a unique opportunity to reorient the way in which the state and its partners support agricultural development. This is done in an open and

¹ URT 2001: Study Streamlining of On-going Agricultural Projects and Programmes in the context of the Agricultural Sector Development Strategy. Report by ETC, East Africa.

accountable manner with clear, measurable benchmarks to plan and track progress (These ideas are reflected in Box 3).

Although ASDP is a national programme, it is not a top-down, centrally-planned process, which is insensitive to the real needs of the sector. ASDP focus is to create a setting that is conducive to agricultural development, with growth being led by private sector investment and initiatives at the small, medium and large scales. To be successful, ASDP must be responsive to changing circumstances, and able to rise to new challenges and opportunities as they appear. ASDP also provides a framework for channelling public resources in a coordinated and prioritised manner, to meet agreed performance targets at district and national levels.

Effective management of ASDP demands sustained Government commitment to support change and to ensure that public sector inputs are focused on providing quality services to the agricultural sector. The availability of funds is important, but it is not the only factor. ASDP implementation also depends on how effectively the ASLM and the District Management Teams (DMTs) can adopt new investment and management strategies. A much greater proportion of the public funds will now be focused on field-based support for productive activities.

This does not imply a return to Government doing the farming and livestock raising itself; instead it means a re-orientation, giving priority to public sector functions, which will establish an attractive framework for agricultural development. An important part of ASDP is to establish incentives that can be offered to encourage public servants to adopt the new ways of doing things. While the new performance-linked salary structure will constitute one opportunity, there will be other, non-financial incentives, such as improved professional recognition and preferential access to training for good performers.

4.3 ASDP Sub-Programmes and Components

Five strategic areas identified under the ASDS have been used as starting points for the identification of ASDP sub-programmes, components and sub-components.

- strengthening the institutional framework;
- creating a favourable environment for commercial activities;
- public and private roles in improving supporting services;
- strengthening marketing efficiency for inputs and outputs; and
- mainstreaming planning for agricultural development in other sectors.

The ASDS develops these five strategic areas into 40 major outputs and around 140 interventions (see ASDS document, pp 66-82). For implementing the ASDS, these strategic areas and related interventions have been consolidated into three sub-programmes that have been identified for ASDP:

- **Sub-Programme A:** Agricultural Sector Support and Implementation at District and Field Level.
- **Sub-Programme B:** Agricultural Sector Support at National Level.
- **Sub-Programme C:** Cross-Cutting Issues with other Sectors at the National level.

The sub-programmes have been broken down into components and sub-components, which are shown in Table 2. Possible interventions within each sub-programme have also been identified¹, and are presented in Annex 2. These are used as a basis for detailed formulation and costing of interventions, although it needs to be stressed that the identification of Sub-Programme A interventions and activities will be increasingly undertaken through DADPs.

Sub-Programme A at the District Level is implemented in the field in direct support to improved and profitable agricultural production, marketing and output processing. The public sector interventions will focus on establishing a conducive environment for growth throughout the agricultural sector in the district. They will facilitate the work of district and local extension staff, and the delivery of other support services to develop small-, medium- and large-scale production and supporting enterprises. The activities under this sub-programme in each district will be described in the DADP (see Section 8.1.1).

Box 3: Mindset change: doing things differently

ASDP provides a chance of changing not only what is done, but also how it is done. Doing things differently involves doing business as **un-usual**. Therefore, in addition to supporting new and expanded activity in the sector, the ASDP will also lead fundamental changes in approach both at district, region and national level. Such opportunities include:

- **Improved critical analysis of programmes:** The DADPs will make a critical assessment of the technical and economic validity of the proposals. It will also be necessary to ensure not only that the participation of local communities is achieved, but that regional and national concerns are factored into the district programmes.
- **Understanding profit:** The analysis of each district's potential and its programme will include the identification of the key constraints to profitability and provide "hard answers" on how to overcome them. This will be needed for small, medium and large-scale producers, as each group will have different requirements.
- **Understand clients' thinking:** If public sector service providers understand how their clients think, they will be able to deliver more effective help. An appreciation of the scope, complexity and practical risks of farming and livestock keeping will heighten the pertinence and impact of their service delivery.
- **More than subsistence:** While the majority of Tanzanian farmers will remain at a subsistence level in the near future, poverty reduction will only be achieved by breaking out of the subsistence cycle. The DADPs will have to develop strategies for catalyzing the change from subsistence to profit.
- **Planning and managing:** The role of district staff is changing. They will gradually become better planners, and more effective managers and contract supervisors, rather than implementers. Both training in new skills and the establishment of incentives and rewards for good performance will support this change.
- **Local leadership:** District and Municipal councillors will increasingly assume responsibility for providing leadership in local agricultural development. They, too, will require training and orientation.
- **Contracting Service Providers:** Limited planning and implementation capacity at LGA level may be overcome by contracting, for a given task, private service providers, whether private consultants or NGOs. ASDP should encourage the emergence of specialist private bodies that could offer participatory planning, training and implementation services.

¹ See also the ASDS Document, Chapters 4 to 8 and Annex 3.

Sub-Programme A includes the field services currently supplied by both the central and local Government, and projects. Where appropriate, it will include, for a limited period of time, matching grants to encourage the acquisition of certain types of equipment and the adoption of improved production and processing techniques. It is expected that approximately 75 percent of all public investment in agriculture will be passing through this sub-programme.

Execution of Sub-Programme A will principally be the responsibility of the LGAs. However, depending on local capacity, to as great an extent as possible the provision of goods and services will be contracted out to local contractors, consultants, academic institutions, NGOs and CBOs.

Sub-Programme B at the National level includes national public sector functions undertaken in support of agricultural development. The focus will be on the normative functions of central Government, including updating policy, improving the regulatory framework, supporting research and technical services and encouraging private sector development. These are the responsibility of the lead ministries, supporting ministries, parastatals, commodity boards and other central organizations. As with Sub-Programme A, an increasing amount of this work will be contracted out to private service providers, when appropriate. As the public sector retreats from implementation functions, so will the need for additional funding gradually diminish. It is expected that this sub-programme would be using about 20 percent of public funding.

Sub-Programme C at the National level covers cross-cutting and cross-sectoral issues. These cover a range of coordination and cooperation functions, which demand significant attention, but not high levels of investment. This sub-programme would use approximately five percent of public funding each year. Cross-cutting and cross-sectoral issues are further discussed in Chapter 5.

The implementation of all three ASDP sub-programmes inevitably starts with the projects and interventions that are already underway. This includes large national projects, as well as the many smaller agricultural projects at district and community levels. Each will be able to identify where their interventions fit into the ASDP Component structure shown in Table 2. Consequently, ASDP formulation reviews information for all significant national and LGA level operations including an inventory of on going District level activities (See Chapter 9).

As the ASDP implementation progresses, there will be increasing interaction between current and future projects, and the ASDP component and sub-component structure. At the LGA level, this will be achieved through the use of common DADP Guidelines (see Section 8.1.1). All new projects coming on line will be required to conform to the ASDP component structure, regardless of the funding source or funding mechanism.

Table 2: ASDP Components (part 1)

Sub-programmes	Main Components	Proposed Sub-Components
<p>A. Agricultural Sector Support and Implementation at District and Field Level</p> <p><i>(through DADP/DDP)</i></p> <p><i>(indicative funding allocation: 75%)</i></p>	<p>A.1 Investment and Implementation</p> <p><i>(The production and processing of agricultural outputs)</i></p> <p><i>(indicative funding allocation: 70-80% of Sub-programme A)</i></p>	<p><i>May include amongst other:</i></p> <ul style="list-style-type: none"> • Irrigation and water management • Range management • Livestock development and animal health • Better land husbandry • Crop production and protection • Mechanisation • Storage and post-harvest • Agro-processing
	<p>A.2 Policy, Regulatory and Institutional Framework</p> <p><i>(Supporting enabling environment at LGAs for all farmers)</i></p>	<ul style="list-style-type: none"> • Policy framework • Regulatory framework • District institutions • Community empowerment • Agricultural information & advocacy
	<p>A.3 Research, Advisory Services and Training</p> <p><i>(establishing the support services needed for agricultural growth)</i></p>	<ul style="list-style-type: none"> • Client-oriented research • Animal and plant multiplication • Advisory services • Training of producers • Service provider training
	<p>A.4 Private Sector Development, Marketing and Rural Finance</p> <p><i>(Supporting the commercialisation of agricultural growth)</i></p>	<ul style="list-style-type: none"> • Private sector development • Market development and infrastructure • Producer organizations • Financial institutions and services
	<p>A.5 Cross Cutting and Cross-Sectoral Issues</p> <p><i>(Managing links between Agriculture and other sectors)</i></p>	<p><i>to include amongst other:</i></p> <ul style="list-style-type: none"> • Rural infrastructure and energy • Civil service and LGA reform • Village Land Act implementation • Health (HIV/AIDS, Malaria etc.) • Gender • Environmental management • Forestry and fisheries • Water • Education

Table 2: ASDP Components (part 2)

Sub-programmes	Main Components	Proposed Sub-Components
B. Agricultural Sector Support at National Level <i>(indicative funding allocation: 20%)</i>	B. 1 Policy, Regulatory and Institutional Framework <i>(Creating a national enabling environment for all farmers and other actors in the sector)</i>	<ul style="list-style-type: none"> • Policy & regulatory framework • Commercial sub-sector development • Agricultural information • ASDP management and secretariat • Advocacy
	B.2. Research, Advisory Services, and Training <i>(Establishing the basis for agricultural growth)</i>	<ul style="list-style-type: none"> • Research • Animal and plant multiplication • Advisory services • Training and education
	B.3 Private Sector Development, Marketing and Rural Finance	<ul style="list-style-type: none"> • Marketing • Rural finance • Private sector development
C. Cross-Cutting and Cross Sectoral Issues <i>(Managing links between agriculture and other sectors)</i> <i>(indicative funding allocation: 5%)</i>	<i>May include amongst other:</i> <ul style="list-style-type: none"> • Rural infrastructure and energy • Civil service and LGA reform • Land Acts' implementation • Health (HIV/AIDS, Malaria) 	<ul style="list-style-type: none"> • Gender • Education • Environmental management • Forestry and fisheries • Water

4.4 Priorities and Schedules

The ASDP will be the leading instrument for financing and monitoring public sector support for reinvigorating Tanzanian agriculture. As such, it must be bold and imaginative; but it also needs to be realistic. The policies outlined in Chapter 2 identify the national priorities. It is the role of the regions and districts to interpret how national policies and priorities can best be reflected in local plans, and integrated into the needs of the particular area. These are the Sub-Programme A activities which are at the heart of ASDP. However, local level planning must reflect not only local opportunities, but also implementation capacity.

The changes required to achieve ASDS goals will take time to put in place, and current limitations to human and financial resources constrain the capacity to tackle simultaneously all the problems and potentials. Prioritisation and scheduling is therefore essential. While the overall priorities in the sector are set by central Government, it is the communities and local Government authorities who, through the DADPs and DDPs, will increasingly identify local priorities. The role of ASDP therefore is to bring together, in a coherent sequence, prioritised sub-programmes and to guide central Government investment to support the field-level activities in the agricultural sector.

Similarly, the urgency and importance of different interventions will vary according to local conditions. Therefore, although scheduling activities is an important planning tool, this will be principally a function of each district, not central Government. However, there are agricultural development priorities of regional, national and international importance that will need to override local plans under certain conditions (for example occurrence of animal or plant diseases, bush fire management, irrigation water extraction, etc.). The ASDP will be required to pull these local priorities together as a national programme and to use locally identified needs to guide the allocation of resources.

The following criteria for prioritising interventions are proposed:

- **Poverty and growth impact.** Does the intervention contribute to overall agricultural GDP? What percentage of the rural population is likely to be affected? Interventions contributing directly to poverty reduction are given a higher ranking.
- **Implementability.** Is the intervention easily implemented? Issues to be considered include implementation capacity, cost of intervention, human resources, is it an on-going activity, does it require complex coordination, etc.
- **Proof of ownership and commitment;**
- **Geographical coverage.** A higher ranking is given to interventions with a wider geographical coverage.
- **Speed of implementation.** Higher ranking is given to interventions that can be speedily implemented so as to produce results quickly.
- **Public/private role.** Interventions which are identified as public functions are given a higher ranking than those that can be provided by the private sector or civil society.
- **Availability of resources.** Interventions that have available resources for implementation are given higher ranking.
- **Sustainability.** Interventions that are likely to be more technically, economically and institutionally sustainable are prioritised.
- **Environmental Impact:** Higher ranking will go to interventions that have neutral or positive impact on the environment.
- **Well specified objectives.** A higher emphasis will be placed on interventions with well specified, realistic and measurable objectives.

A prioritisation exercise will be carried out annually as part of the ASDP planning and budgeting process. It is also iterative: thus, at activity level further prioritisation will take place within activities to ensure that a given desired output is obtained in the most cost-effective manner within budget constraints.

4.5 Adjusting Ongoing Public Projects and Screening Future Projects

In addition to prioritisation criteria, a number of issues will need to be addressed while adjusting ongoing projects, and also while screening and designing future interventions and projects, namely:

- **Geographical balance.** The current coverage of existing and pipeline projects does not add up to a coherent national programme, and a more balanced approach at region and district level will be sought.

- **Coverage of strategic intervention themes.** Projects should focus on the key areas for intervention identified in the ASDS, and hence they should reflect the major opportunities for growth in Tanzanian agriculture.
- **Consistency of approach.** While there is widespread inclusion of concepts such as bottom-up, participatory decision-making, decentralisation and the importance of developing efficient markets and the private sector, the use of such terminology sometimes seems to act as a mechanism to avoid analysing difficult questions rather than as a means of elucidation. Consistent and more effective means need to be elaborated for implementing decentralised programmes, the meaning of stakeholder consultation, and the role that donor interventions can usefully play in promoting the private sector.
- **Agreement of a common intervention and project approval process.** Under ASDP, discrete projects will continue to exist, but will need to contribute directly, in a coordinated manner, to ASDS implementation. Therefore, a sector-wide review and approval process will be in place, with final recommendations for project approval by the National Steering Committee (NSC).
- **Monitoring and Evaluation.** More effective M&E will mean concentrating on upstream aspects such as improving quality of project design, plus better coverage of key sector level indicators, and supporting project M&E units. Ensuring that national M&E/statistics offices better support district level planning and M&E will also be critical.

The ASDP Secretariat (see Section 6.1) will facilitate the adjustment of on-going projects and the harmonisation of future projects. Regarding future projects and interventions, the Secretariat will provide guidance throughout the formulation and appraisal stages to ensure that the respective proposals are in line with ASDP procedures and the prioritisation criteria. The Secretariat will advise the ICC accordingly.

4.6 Quick Wins

Long-term, sustainable growth will only come through the consistent and judicious application of appropriate policies and strategies. However, rapid progress is possible through “quick wins” in certain areas. Quick wins may be achieved in several ways, though essentially this is done through either tackling a problem that is easy to resolve, removing a constraint, or tapping into a potential that is easy to realize. Typically, these activities do not initially require large amounts of funding, or new skills and knowledge. Each district will be able to identify quick wins for their own areas. If two or three were immediately implemented in each district there would already be a significant impact on agricultural growth. Possible activities of this sort include:

- rationalising local tax levels and procedures;
- simplifying trade and processing regulations;
- strengthening local trade and market information systems;
- business training and support services for small and medium enterprise development;
- increasing focus on animal traction;
- developing water harvesting potentials;
- facilitating private sector and community participation in input procurement;
- proactively increasing women’s access to training and participation in decision making;
- developing District Private Sector Investment Packages; and

- providing public recognition schemes for outstanding farmers and civil servants.

5. CROSS-CUTTING AND CROSS-SECTORAL ISSUES

This chapter reviews the main cross-cutting and cross-sectoral issues, which must be mainstreamed in future agricultural development activities to meet the ASDS challenges. Thereafter, it outlines how ASDP will manage these issues. In the ASDS document, these issues are presented in Chapter 7 and Annex 3 (pp 80-82). At the district level, these issues will be tackled through developing linkages between DADPs and the other components of the DDP. This is described in the DADPs Guidelines.

Box 4 : Cross-cutting and Cross-sectoral Issues

Cross-cutting issues are those which all sectors need to consider and mainstream within their work. Examples are gender and HIV/AIDS. *Cross-sectoral* issues are those that impact significantly on agricultural productivity and profitability, but are the responsibility of other sectors or general ministries, e.g. roads, lands, tax, regulation of business. They call for different responses: cross-cutting issues require a response from the ASLMs themselves, possibly with specialist assistance; cross-sectoral issues need coordination and cooperation between the ASLMs and other institutions with different remits, but whose operations impact on each other.

5.1 Cross-Cutting Issues

Cross-cutting issues are those which agricultural sector development needs to consider and mainstream – or internalise - within their work at both planning and implementation stages. The most important are issues related to gender, environment, health and good governance.

Gender. A majority of Tanzanian farmers are women. They need to play a stronger role in agricultural decision-making. However, women are frequently disadvantaged in terms of education and cash-earning opportunities, which limits their potential contribution to leadership roles and decision-making. Similarly, rural youth need to take more initiatives and assume responsibilities in production and processing. These concerns need to be factored into national and district ASDP planning, and the process can immediately start through pro-active planning techniques and gender-positive budgeting.

Environment. Currently, Tanzania has an inadequate institutional and legal framework for environmental management. The issue is being gradually addressed by the Vice President's Office, and progress is expected to be made shortly through the ILFEMP initiatives¹. A key issue is how the cross-cutting issues that make up the management of the country's environment – an environment on which agriculture depends - can best be tackled, and what institutions and laws are required to achieve effective results. PO-RALG has developed joint "Introductory Guidelines and Training Modules" to build the capacity of council staff, councillors and other stakeholders on both environmental and gender issues².

¹ **VPO, 2000:** The Options for an Institutional Framework for Environmental Management. Institutional and Legal Framework for Environmental Management Project (ILFEMP). Phase I Report: Executive Summary, Vice President's Office, Dar es Salaam.

² **URT and RNE, 2002:** Mainstreaming Gender and Environment in District Planning: a pilot project in Ngara and Kahama Districts. PORALG and the Royal Netherlands Embassy, Dar es Salaam.

HIV/AIDS, Malaria and Waterborne Diseases. The HIV/AIDS pandemic has a devastating impact on agriculture. The disease targets the most economically active layers of society, and women are particularly vulnerable. The impact of the disease on production, rural poverty, and livelihoods is catastrophic for certain communities. Consequently, it behoves all involved in the agricultural sector to take part in anti-HIV/AIDS programmes. Also, with a reduced and enfeebled rural population, the need to develop and accelerate adoption of appropriate agricultural mechanisation and alternative labour-saving technology becomes paramount.

Malaria kills some 100, 000 Tanzanians every year and its debilitating effect has a significant impact on rural productivity. Waterborne diseases also debilitate and kill many farmers, and the interaction between the two is particularly pronounced in irrigation schemes and areas of seasonal flood agriculture – which are also areas of particularly high agricultural potential. ASDP will cooperate with the health sector to reduce these risks.

Good Governance. Both the RDS and the TDV 2025 emphasise the importance of good governance in achieving national goals of sustainable development and poverty reduction. Poor leadership, weak administration, lack of accountability and transparency are frequently identified problems. While new policies have been developed and change is underway, there is still a long way to go. ASDP, through support for its institutional reform, training and improved accounting and auditing systems, will be strongly supportive of good governance. The development and good management of farmers and livestock owners' associations is further support for grass-roots good governance. Furthermore, ASDP advocates increased involvement of stakeholders in planning and implementation, allowing for increased accountability and transparency.

5.2 Cross-Sectoral Issues

ASDP will promote the linkages between agriculture and the other sectors of the rural development. While the main focus of ASDP is on the vertical linkages from the producer to the consumer, it is also important to encourage complementarity between the needs for agricultural development and other rural development investments. The way Tanzania addresses these challenges are spelled out in the RDS (draft, 2001).

Rural Roads deliver the goods and services required for agricultural production and carry the outputs to markets and processing facilities. Most district and feeder roads are in bad condition. This presents a major constraint to improved agricultural productivity. There are many efforts underway to improve the road network, and the responsibilities are shared between the Ministry of Works (MoW), PO-RALG and local authorities. The Road Maintenance Initiative has led to the establishment of the Road Fund and the creation of the semi-autonomous agency, TANROADS. Although the funding of rural roads is outside the remit of ASDP, it is imperative that the interests of agriculture are carefully factored into national and local road network planning, construction and maintenance programmes. This will not happen by chance. ASDP will be proactive in ensuring that it is involved in the road development process, and that they can provide the necessary information and analysis to identify priorities and guide the decisions at national and local levels.

Energy. Most domestic rural energy comes from fuelwood, which has a significant impact on agriculture through both household labour requirements and the environmental impact. Currently, only 1 percent of the rural population has access to electricity. The Government's approach to rural industrialisation, with particular reference to agro-industries, encourages investment in expanded generation capacity, improved distribution systems and the development of indigenous sources of energy. This is a prerequisite for attracting investment to rural areas, and fundamental to improving the local value added to agricultural products by processing closer to the source of

production. This, in turn, is part of the basis of generating improved agricultural production systems. ASDP will identify priority areas where the lack of electricity constitutes a constraint to agricultural related investments; it will also build partnership to develop alternative, affordable sources of energy, suitable for agricultural activities.

Telecommunication. This is a dynamic and critical service to the agriculture sector. Currently, the country is experiencing rapid progress in its telecommunication capacity, as a result of the installation of a digital telephone network, mobile telephone facilities and the availability of e-mail and internet services in most of the urban areas. Telecommunication eases information flow and is critical for facilitating timely availability of information for decision making on issues such as availability of inputs and markets. Equally important, is timely availability of information to facilitate pre-emptive management of outbreak of pests and diseases of plants and animals. There are also opportunities to use such technologies for training and advisory purposes, for example through rural telecommunication centres. During the implementation, ASDP will support efforts to improve telecommunication infrastructure, for the purpose of making sure that producers especially in the rural areas, benefits from opportunities availed by telecommunication.

Education, especially primary education, has a direct link with agricultural development. Poorly educated farmers are less likely to demand agricultural services and access technical and financial support. Recent declines in the access to, and quality of, education is a source of concern to the agricultural sector. Also, a gender bias, leading to female literacy rates being about half that of males further marginalises the skills and capacity of the majority of active farmers. Agriculture personnel will be encouraged to contribute to improving education standards and to be active in introducing agricultural education in schools.

Land Tenure. Uncertainty of tenure can be a significant obstacle to agricultural development. Recently, conflict has also become a serious problem, and even a source of loss of life. The existing legislation remains poorly understood and has yet to be applied. It is essential that this issue be addressed, though there are no quick and easy solutions to such a complex issue. ASDP will be a pro-active partner as soon as the strategy for implementing the land acts is developed, as well as for their implementation *per se* (see Section 2.4). Through the DADPs, and working closely with the other sectors involved in land and natural resource management, ASDP will also identify key priority areas where the Village Land Act can most effectively be implemented.

Water, Forestry and Wildlife. Roughly one third of rural incomes come from available natural resources, and these resources are particularly important for the poorest members of society. These are also the natural resources, which have a direct interaction with agriculture. For example, access to water impacts on settlement patterns, irrigation potential, livestock watering and labour availability. The adoption of sustainable land management practices has also a direct impact on downstream water users. In many rural areas, forestry and wildlife link closely to agriculture within the same watershed; and their relationships is not usually positive. The expansion of agriculture can be a cause of forest destruction and loss of wildlife habitat. Communities and district planners will develop ways of establishing local priorities and making the best sustainable and rational use of the available resources. This requires a better understanding of the constraints and opportunities of each sector, and a clearer insight into how farmers and farming communities view the situation. Of particular importance in relation to village agriculture and agro-pastoralism are programmes in Participative Forest Management and the development of Wildlife Management Areas. Here again, DADPs will be closely coordinated with those of the water and natural resource sectors to ensure the best sustainable – and economically profitable – use of the resource. The National Irrigation Master Plan will contribute to achieving this.

5.3 Managing Cross-cutting and Cross-Sectoral Issues

Addressing cross-cutting and cross-sectoral concerns within ASDP requires time and a sound understanding of the underlying issues. Agricultural sector staff need to increase their skills in a new holistic, integrated approach to rural development, to learn how to make the sectoral linkages work through proactive participation in meetings, and planning, and to take steps to ensure that the interests of agriculture are effectively integrated in the wider scheme of national development. Overall, the ASDP Secretariat facilitates the mainstreaming of cross-cutting and cross-sectoral issues on behalf of the ASDP Inter-ministerial Coordination Committee (ICC), which will in turn report on progress to the National Steering Committee (NSC) (see Chapter 6).

Cross-cutting Issues. The internalisation of cross-cutting issues within agricultural activities requires specific and well informed actions from the ASLMs. Specialist assistance from technical agencies and the private sector is needed. ASDP needs to assess the current situation to come up with specific training needs including, where appropriate, the preparation of guidelines.

Cross-sectoral Issues. At the national level, the ICC oversees cross-sectoral issues and facilitates the ASLMs to make contact with other sectors and groups (see Section 6.1). The Secretariat also assists the ICC in working with other ministries to ensure that the positive linkages between agriculture and other sectors are recognised and enhanced; for example to ensure that policies and legislation are harmonised and that needs for agricultural development are considered when prioritising other sectors' investments. The Secretariat establishes collaborative links with other ministries and ensure effective information flow. The ASDP, through the Secretariat, the Food and Agricultural Sector Working Group (FASWOG), ICC and the Agricultural Sector Advisory Committee (ASAC) also maintains contact with other key public and private sector bodies, such as the National Environment Management Council, the Tanzania Forest Service and the Tanzania Gender Network Programme. Besides establishing collaborative linkages with other sectors, ASDP, through its Secretariat, can commission studies to make the case for other sectors to invest for the benefit of agriculture (e.g. roads and energy).

At the council level, the management of cross-sectoral issues is led by the council directors (the District Executive Director (DED) in rural districts, Town Director, Municipal Director and City Director in urban areas¹), with support from the council planning officers and department heads. However, council members too will be involved and need to be helped to understand the significance of these complex issues.

¹ It is important to include urban councils in the process as many municipalities cover large areas dedicated to agriculture.

6. MANAGEMENT OF THE ASDP PROCESS

This chapter summarises the structures and functions required to manage ASDP. A more detailed description of the roles and responsibilities of public institutions relating to ASDP is presented in Annex 3. Although ASDP is a national programme, it is not a centrally driven planning process. Rather, it is a flexible coordination mechanism which will gradually integrate current projects into, and guide new investments towards, the principles of the nationally endorsed ASDS.

6.1 Coordination at the National Level

ASDP provides a framework for the harmonised management of agricultural activities and resources through a series of national coordinating groups.

6.1.1 NATIONAL STEERING COMMITTEE (NSC)

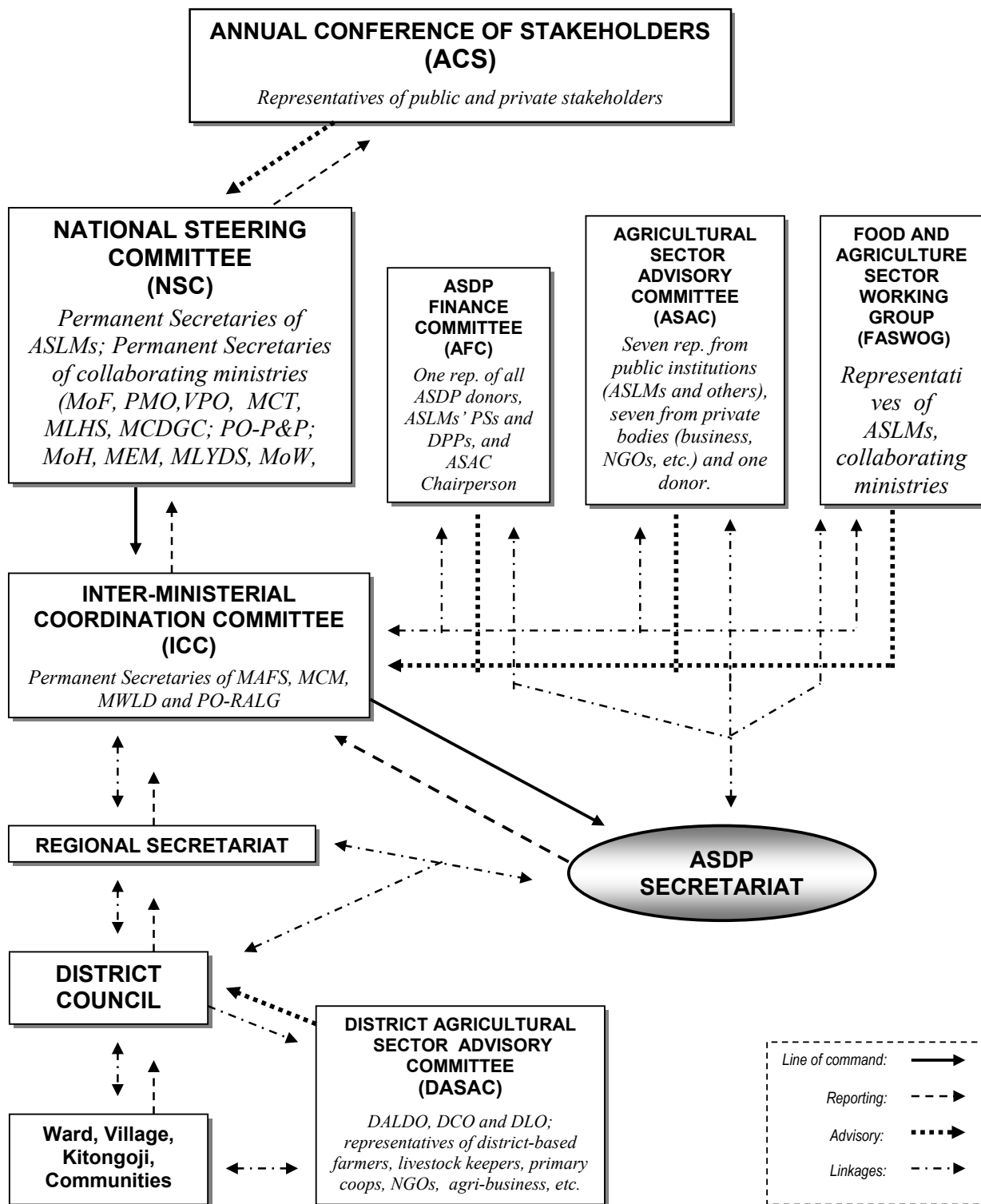
A National Steering Committee (NSC) will be responsible for the overall coordination and policy making of ASDP. It is composed of the Permanent Secretaries of the ASLMs and the Permanent Secretaries of main collaborating ministries, including the Prime Minister's Office (PMO), Ministry of Finance (MoF), Ministry of Communication and Transport (MCT), Ministry of Lands and Human Settlement (MLHS), Ministry of Community Development, Gender and Children (MCDGC), President' Office – Planning and Privatization (PO-P&P), Vice President's Office (VPO), Ministry of Health (MoH), Ministry of Energy and Minerals (MEM), Ministry of Labour, Youth Development and Sports (MLYS), Ministry of Works (MoW), Ministry of Industry and Trade (MIT), Ministry of Natural Resources and Tourism (MNRT), and the Civil Service Department (CSD). In addition, there will be five representatives of the private sector, who will be appointed by the Tanzania Private Sector Foundation (TPSF)¹. The NSC will be chaired by the Permanent Secretary (PS) MAFS, which is the Agricultural Sector coordinating ministry, and will meet at least once every quarter. NSC is responsible for coordinating the implementation of the ASDP at national level, and monitoring its performance to ensure that the goals of the ASDP are being achieved.

6.1.2 INTER-MINISTERIAL COORDINATING COMMITTEE (ICC)

The ICC is composed of the Permanent Secretaries of the four agricultural sector lead ministries (MAFS, MWLD, MCM and PO-RALG). It is mandated to act on behalf of the NSC on matters that require urgent decisions. The ICC is chaired by the PS of MAFS; it meets at least quarterly and more often as needs arise.

¹ TPSF groups all private sector business organizations, economic NGOs and key public institutions established to spearhead the development initiative of the private sector in Tanzania.

Figure 1: ASDP Management



6.1.3 ASDP FINANCE COMMITTEE

The ASDP Finance Committee, which will oversee the use of all funds allocated under the ASDP framework, will be answerable to the ICC. Its memberships include one representative from each ASDP donor, the Permanent Secretary of PO-RALG, MAFS, MWLD and MCM; and Permanent Secretary of MoF, the Directors of Policy and Planning (DPPs) of PO-RALG, MAFS, MWLD and MCM; and the Chairperson of ASAC. Permanent Secretary of MAFS chairs this committee. Its functions are described in more detail in Annex 4 (p 12).

6.1.4 FOOD AND AGRICULTURAL SECTOR WORKING GROUP (FASWOG)

The FASWOG is a consultative forum composed of multilateral and bilateral development partners active in the agricultural sector, lead Ministries and other Ministries including PMO, MoF, and PO-P&P. It meets once a month and is chaired by the PS of MAFS. FAO provides the Secretariat. The purpose is to build linkages between the Government and the donors to attain better coordination of donor assistance at both the central and district level.

6.1.5 AGRICULTURAL SECTOR ADVISORY COMMITTEE (ASAC)

The ASAC will be an advisory body to the ICC, which meets on a quarterly basis to review ASDP implementation. Members include seven representatives of the lead ministries and other collaborating ministries, seven representatives of Farmers' Associations, NGOs, and Civil Society, and one donor representative. Total membership will not exceed 15 people. Members will be invited on the basis of their personal knowledge and potential contribution, not *ex officio*. A representative of the private sector will chair the ASAC meetings.

6.1.6 ANNUAL CONFERENCE OF STAKEHOLDERS (ACS)

The views of the many different groups of ASDP stakeholders are of tremendous importance. Consequently, an Annual Conference of Stakeholders (ACS) will be organised to solicit these views. The Conference will allow representatives of all stakeholders' groups in the agricultural sector to be informed of, and express their views on, ASDP progress. The President of the United Republic of Tanzania will chair the conference.

6.1.7 THE ASDP SECRETARIAT

The Secretariat facilitates ASDP coordination, under the direction of the chairperson of the ICC and on behalf of the NSC. It has a facilitation and oversight function and will not directly implement the main ASDP activities; these are the responsibility of the NSC/ICC, districts and line ministries. The Secretariat has an initial Core Team of two experienced professionals and one administrative staff, redeployed from the public service. The Team size and composition will be flexible, i.e. it can be adapted as needs arise (e.g. through engaging additional staff, hiring consultants under short-term and TA in fixed-term contracts). The core staff of the Secretariat is therefore made up of a Coordinator, a Programme Specialist, a Finance and Administration Officer and supporting staff.

The Secretariat will be assured the authority and technical capacity to enable it to interact with stakeholders at a senior level. The Secretariat will provide the structure and manage the resources to ensure effective coordination between the ASLMs, and assist them to track ASDP progress. Initially, the Government and donors will finance the Secretariat. However, support from other

groups – especially the private sector – is encouraged. The mandates and activities of the Secretariat are summarised in Table 3. The institutional structure of the ASDP Secretariat is shown in Annex 3.

6.1.8 AGRICULTURAL SECTOR LEAD MINISTRIES

An ASDP Programme Officer will be appointed, on a full time basis, in the Director of Policy and Planning's (DPP) office of each ASLM. Their role will be to coordinate implementation of ASDP activities within the ministry, to ensure coordination with the ASDP Secretariat, and to maintain links with other stakeholders. They will also be responsible for maintaining the connection between ASDP and the ministry's MTEF process.

6.2 Regional Secretariats

The Economic Development Support Services Department of the RS will provide assistance for the implementation of ASDP activities by LGAs within their region. It will provide technical back stopping to the LGAs, monitor implementation of DADPs through the DDPs, and provide regular progress reports to PO-RALG. The ASDP Secretariat will liaise with the RSs through the PS, PO-RALG.

6.3 Local Government Authority (LGA) Level

The main focus of ASDP investment and intervention is on the districts and agricultural communities living there. Consequently, the capacity of each district to absorb and effectively utilise public funds, and to attract private sector investment to the area will be a determining factor for ASDP growth, as well as a useful output indicator. In this context, the DADPs must reflect a realistic assessment of district implementation capacity, and ASDP investment will need to reflect the need to establish and mobilise LGA capacity. Agricultural sector coordination within LGAs will be achieved through two main bodies, the District Management Team and the District Agricultural Sector Development Committee.

Table 3: ASDP SECRETARIAT - MANDATES AND ACTIVITIES

MANDATES	ACTIVITIES
1. Coordinate the implementation of ASDP	1.1 Conduct discussions with interested development partners and other stakeholders; 1.2 Provide information regarding ASDP implementation progress to the collaborating ministries, development partners and other stakeholders; 1.3 Prepare guidelines for ASDP reporting by lead ministries, collaborating ministries and development partners; 1.4 Review ASDP-related progress reports and bring any issues to the attention of ICC and ASAC; 1.5 Develop and manage a database on ongoing and planned activities; 1.6 Serve as secretariat to the NSC, ICC, AFC, ASAC and ACS; and 1.7 Coordinate the review and updating of the ASDS.
2. Facilitate the mobilisation of resources for agricultural sector development	2.1 Facilitate the detailed formulation of sub-programmes; 2.2 Be actively involved in selected task forces as appropriate; 2.3 Advise on the formulation process of sub-programmes; 2.4 Oversee the finalisation and approval process of the sub-programmes; and 2.5 Coordinate development partners' consultations for resource mobilisation.
3. Enhance stakeholder involvement in ASDP implementation	3.1 Ensure adequate representation and active participation of stakeholders in the ASDP implementation process and ASAC and ACS; 3.2 Provide continuous information on the status of ASDP implementation through mass media, newsletters, stakeholder roundtable meetings; and 3.3 Participate in stakeholders' meetings dealing with agricultural sector related issues.
4. Facilitate the ASDP budgeting and financing process	4.1 Review progress reports, draft PER and MTEF and prepare comments and appropriate recommendations to ICC, ASAC, ACS and ASDP Financing Committee in accordance with established guidelines; and 4.2 Facilitate the review of DADPs (plans and budgets) and make recommendations for resource allocation to ICC and ASDP Financing Committee.
5. Monitor & Evaluate ASDP implementation	5.1 Design an M&E framework (guidelines, log-frame, indicators, timeframe, responsibilities) for use by ASDP implementers 5.2 Establish criteria for the design of sector interventions, and screen new interventions for their adherence to these criteria 5.3 Review and consolidate quarterly and annual reports and make appropriate recommendations to ICC, ASAC, ACS and AFC; 5.4 Organise the Periodic Reviews and commission impact assessment studies; and 5.5 Assess sector performance in terms of its contribution to the Poverty Monitoring Master Plan and the RDS.
6. Commission and supervise sector related studies as the need arises	6.1 Identify areas requiring further investigation in collaboration with lead ministries and development partners; 6.2 Identify sources of finance; 6.3 Prepare Terms of Reference (TOR) for studies; 6.4 Procure services of consultants; 6.5 Supervise progress of studies and review output; and 6.6 Make appropriate recommendations to NSC, ASAC, ICC and FASWOG.

6.3.1 DISTRICT MANAGEMENT TEAM (DMT)

The District Management Team (DMT) is the principal management structure at the district level. All technical department heads are DMT members and it is chaired by the District Executive Director (DED). Within the DMT in rural districts¹, the district agricultural staff responsible for the implementation of ASDP will work closely with the DED, who is the district chief executive officer and accounting officer, to execute ASDP activities. This will include ensuring that the DADP is effectively integrated into the District Development Plan (DDP) and that the DDP monitoring and evaluation system is applied to the DADP².

The institutional structure of council staff does not correspond exactly to the organization of the line Ministries. In most districts, it is expected that the District Agricultural and Livestock Development Officer (DALDO) will be the lead officer for the agricultural sector, though it is the responsibility of each council to decide.

The DMT will submit progress reports, including reports on DADP planning and implementation, to the Economic Affairs, Works and Environment Standing Committee of rural councils and the Economic Affairs, Health and Education Standing Committee of urban councils. These are the councils' standing committee responsible for the agricultural sector.

6.3.2 DISTRICT AGRICULTURAL SECTOR ADVISORY COMMITTEE (DASAC)

- The DASAC advises on issues of common interest on agricultural development at the district level. The agenda will be established by DALDO at the DMT's meetings. It is not a decision-making body. The DASAC is chaired by a representative from the private sector. Public sector members include District Crops, Livestock, Cooperatives, Planning, and Land and Natural Resource Officers. Representatives of relevant NGOs active in agriculture, the environment and gender sensitisation will also be members, as will representatives of primary cooperatives, farmers' and livestock keepers' associations, and private sector and the local agribusiness community.

¹ The structure of urban councils is slightly different, although the same basic principles will apply.

² See DADP guidelines; op. cit.

7. FINANCING ESTIMATES

The ASDP provides the framework for rationalising funding in terms of both geographical and technical activity focus. There are four important benefits, namely:

- it provides a guide to where farmers, and the private sector generally, can expect public funding and where they can seek public support for their own efforts to improve agriculture;
- it also provides the government with an instrument to ensure that national and local priorities receive appropriate funding;
- it gives the country's development partners a clear indication of funding requirements; and
- it provides a broad framework for the PER and each ministry's MTEF to be used as tools for rational financial resource allocation and monitoring.

The purpose of this Chapter is to estimate future funding needs for the implementation of ASDP. Estimates of indicative funding requirements for ASDP implementation over the next five years have been prepared. They are based on estimates of existing sources of funding from Central Government, and donors at a national level. The critical importance of private sector investments in agriculture is recognised, and preliminary attempts are being made to establish broad estimates. In the course of ASDP implementation these will be improved so as to form a baseline for ASDP tracking of private sector investment.

Also, while the work of NGOs in the agricultural sector is of tremendous local importance, and they provide valuable help and assistance in rural areas, the overall level of incremental investment from private and charitable sources is not well known. However, it is generally not high for any individual project, even though it may be well targeted. Indeed, the NGOs strength is that their activities tend to be on a small scale and localised. Further analysis of NGO financial contribution outside official donor funding will be undertaken once the ASDP database is operational (Section 9.5).

The indicative nature of the estimates must be stressed. The accuracy of data is inadequate, and will be refined so that detailed analysis can be undertaken. These figures do, however, provide an initial basis to identify where are the possible funding gaps. Investment in the generation and analysis of this type of data is a critical part of ASDP and will greatly improve the effective allocation of funds.

An additional limitation, is that the structure of the ASDP Sub-Programmes and Components does not correspond to the current structure of either government or donor budgets. Allocation of approved government expenditures between and within Types A, B and C Sub-Programmes is consequently difficult. These constraints will be tackled in the course of ASDP implementation, although an attempt to get orders of magnitude is presented below.

7.1 Assumptions and Priorities

Funding for ASDP is based on the assumption that the priority rating under the PRSP for agriculture is maintained throughout the ASDP period, and allocations are made accordingly. It is also assumed that the institutional strengthening investments will lead to the increased level of absorptive capacity of the ASLM and the LGAs necessary to effectively implement the ASDP. The ASDP, in following the ASDS, will give priority to creating a favourable environment for commercial activities, more effective use of both the public and private sector for delivering

services, developing the marketing of both inputs and outputs, and facilitating the institutions to effect the changes involved, including the process of decentralisation.

Translating this into funding requirements means providing incremental finance for several key areas. These include the policy and regulatory framework for the enabling environment; more effective research and extension (partly through public services, but also through mobilising and energising private services); strengthening marketing infrastructure; strengthening the districts in terms of their participatory planning and implementation capacities; and facilitating the central ministries to change their roles from implementation to guidance and support. Also, continuing support is required for crop and livestock production, training and irrigation.

The final process of establishing priorities will mainly be undertaken at the council level, through the use of participatory rural appraisal with communities and the development of DADPs. At this early stage of ASDP development, it is not possible to pre-determine what these priorities will be. Furthermore, it may transpire that some priorities – such as rural roads – will be outside the mandate of the ASLM, and funding must therefore be negotiated through other sources. It should also be recognised that district councils will be expected to contribute to what they consider their top priorities.

7.2 The Existing Situation

The importance of the agricultural sector as indicated through the PRSP and RDS has already received attention in both government activities and funding. Government commitment to agriculture is demonstrated through developing the ASDS and the ASDP. It has also been translated into funding allocations; the PRSP called for a major increase in recurrent expenditure for both Personnel Emoluments (PE) and Other Charges (OC). This has occurred in agriculture, with a major increase in the 2002/03 budget over that of 2000/01. However, there will still be need for continued recurrent growth in terms of implementing the ASDP and in facilitating the changes inherent in it. This will be undertaken in conformity with the Civil Service Reform Programme.

It is primarily through investments in the agricultural sector, as proposed in the ASDS, that the ASDP will provide the boost to achieve the projected increase in growth. Already, the development budget for 2002/03 has funding through projects and programmes for the priority activities. There is therefore already a sound base on which to build the ASDP. What is now required is to review existing projects in terms of the strategic thrust of the ASDP, and assess where additional funding would help achieve the desired effect in the sector. In order to be pragmatic, ASDP financial requirements need to be based on the current situation and then projected, on the basis of clear assumptions, into the future. Table 4 presents the overall situation for the 2002/03 Approved Estimates for the ASLM for both recurrent and development costs.

**Table 4: Agricultural Sector Lead Ministries Approved Budget Estimates for 2002/03
(TShs Million)**

	Recurrent			Development Total	Overall Total
	PE	OC	Total		
MAFS	3,625	11,033	14,658	18,604	33,262
MWLD ¹	2,054	5,440	7,494	4,619	12,113
MCM	226	5,672	5,898	1,197	7,095
PO-RALG & RS ²	180	112	292		292
LGAs	³ 7,340	2,090	9,430	95 ⁴	9,525
PMO ⁵				3,310	3,310
TOTALS	13,424	24,347	37,771	26,492	65,596⁶

The estimate of TShs 64.3 Billion (equivalent to US\$65.6 million at US\$1= TShs 980) represents the funds GOT has committed to expend from its own resources, and those donor resources which are captured through the official budgeting process. The sources of funds for the development estimates are primarily from donors, with GOT's contribution amounting to TShs 2.4 billion; less than 10 percent. There are, however, additional donor resources which are outside the budgetary process. The MoF's External Finance Department maintains a database to cover all donor commitments and, taking those for the agricultural sector, it would appear that there would be an additional TShs 16.7 billion, (equivalent to approximately US\$17 million) to be disbursed during 2002/03. This gives a total development estimate of approximately US\$43 million, and an overall budget estimate of US\$80.5 million, of which 46.7 percent is the recurrent budget expenditure.

Development estimates are based on the needs of projects and programmes. As such, they often include what would normally be termed as running costs, so in reality the purely investment content of the budget would be somewhat lower than the estimated US\$43 million reported as development budget.

7.3 Estimates for the Future

Increased investment in agriculture is required during the ASDP, and investment growth in the order of 20 percent per year would not be initially unwarranted. While there is ample justification from the acceptance of the ASDS and other strategy documents from government for major increases for investing in agriculture, including that through the public sector, two main considerations need to be taken into account. The first is that it is vital to increase investment by the private sector. The second is that pumping money through the public sector, though important, requires the absorptive capacity to utilise such investments effectively. The first

¹ The common services for water and livestock have been divided in proportion to the sector-specific departments.

² This is an estimate based on the actual budget estimates of the Regional Secretariat for Economic Services, with an average of three agricultural officers working in the agricultural sector.

³ This is taken from the RALG estimates for the LGAs with an estimation procedure for the PE costs for the six regions where they were not separated for the agricultural budget.

⁴ Only three regions reported any development fund allocation for agriculture

⁵ Only the development estimates for the IFAD and African Development Fund supported Rural Finance and Marketing Projects are included.

⁶ This total does not include funds for the Ministry of Works TShs 8.615 billion, and funds for agriculture credit under the export commodity guarantee scheme by the Bank of Tanzania TShs 6.0 billion.

vitality depends on elements in the second, and much of the aim of ASDP is to facilitate this process. It is the second that needs to be critically examined for content and priority. Indeed, as shown in the ASDS and the ASDP, capacity building is very much part of the investment programme in the public sector.

Guidance is needed to show where such additional funding should be directed to fulfil the ambitions of the ASDP. While a detailed analysis of where present investments through GOT and donors are being directed will be part of the initial work of the ASDP Secretariat, it is already possible to indicate a breakdown of current development expenditure according to broad categories of public investment in agriculture. This is shown in Table 5, which gives an estimate, based on existing budget information, of where development expenditure in the 2002/03 financial year will be used.

Table 5: Composition of Interventions in Agricultural Sector from GOT and Donors for 2002/03

<i>Area of Intervention</i>	TShs Million	Percent
Research	6,527	15
Extension	9,404	22
Livestock production	792	2
Crop production	5,164	12
Irrigation	6,919	16
Marketing	7,996	19
Policy and regulatory work	1,805	4
Food security	488	1
Institutional Support	3,749	9
Training Institutions	97	-
Total	42,940	100

These broad categories inevitably contain overlaps. For example, research, extension, institutional support and training institutions are included as separate categories, but most programmes contain elements of these components. Using these broad categories of interventions, and relating them to the ASDS priorities, it is clear that special attention should be given to Research, Extension, Policy and Regulatory Work, Marketing and Institutional Support. However, it must be emphasised that these broad generalisations should not be used to constrain plans for increased investment in other interventions, especially where they are supportive of the approach of ASDP and in line with the ASDS.

To obtain an initial estimate of the needs for increased investment in the sector, the priority increases in the selected areas of intervention are proposed. Particular priority is given to policy and regulatory work, which could be mounted relatively quickly. Also, programmes supporting institutional development and marketing could quite easily be developed, if additional funding was available, based on current programme experience. Research, Extension and Advisory Services will receive also above average support, but need to be based on a more demand-driven approach. However, all areas of intervention can justify increased funding, so a basic level of 10 percent annual increase has been applied.

Table 6 shows estimated growth in development expenditure for different areas of intervention of ASDP. Those areas above 10 percent, are where additional incremental funding would best serve

the ASDP in fulfilling the ASDS. The emphasis of ASDP is on two broad fronts: commercialising agriculture and decentralising to districts and field level. The first entails major increases in marketing and finance for farmers, traders and processors, and hence encouragement to invest. It also requires greater attention to policy and regulatory improvements which will provide such encouragement. It will not be difficult to increase both areas significantly. In the case of marketing and finance, the existing programmes are in selected areas and experience can be used to extend these (an estimate of 30 percent is used); in the case of policy and regulatory work the present funding level is not high and could readily be increased to include further work to enhance the attractiveness of investing in agriculture (an estimate of 40 percent is used). For the decentralisation and reorientation process there will be need for additional funding, so an estimate of increasing spending for institutional support is given as 30 percent.

In addition, the research and advisory services should continue to be targeted as overall engines for agricultural sector growth, as outlined in the PRSP. There will be elements of these in many programmes, and whether or not there are separate programmes for these areas, there will be a need for increased funding of at least 20 percent.

These are as yet crude estimates giving some order to the magnitude of what is required. It will be crucial that the detailed ASDP formulation to provide more shape and detail on what programmes and projects are required in the ASDP, so as to achieve the ASDS objectives.

Table 6. Proposed Growth in Development Expenditure for ASDP

Area of Intervention	% Annual Increase
Research	20
Extension and Advisory Services	20
Livestock production	10
Crop production	10
Irrigation	10
Marketing and Finance	30
Policy and Regulatory Work	40
Food Security	10
Institutional Support	30
Training Institutions	10
Total	20

Using the higher levels of increase for the priority areas of interventions, combined with the basic 10 percent for other areas, gives an overall 20 percent growth rate. This has been used to guide estimates for future growth of development spending in the sector.

Accurate estimates of development expenditure in the main components of ASDP are not possible. As noted in Chapter 4, closer analysis of funding requirements for Sub-Programme C will be required, though for the moment an allocation of 5 percent is provided.

The growth in recurrent expenditure is not expected to increase at the same rate as development expenditure. Nonetheless, there must be some growth to support development activities, but mainly in the first couple of years, in order to facilitate and guide ASDP related programmes at the national level. This would also be the case if the district level where there is already considerable untapped capacity, but where there will be a need to increase initially to help with implementation. It is projected that PE would increase by 8 percent for the first year, gradually

declining to an increase of 2 percent in year 5; OC would increase by 10 percent for the first two years, dropping to 5 percent for the remaining years. Thus, by the end of this period, there would be a ratio of 1:2 between PE and OC. This of course would be reviewed as progress is monitored, and as the government pay reform is undertaken, being due for completion in the final year of the ASDP.

Combining the projections for Development and Recurrent over the future 5-year period of ASDP gives an overall projected requirement of TShs 617.2 billion, or approximately US\$625 million. The breakdown of this is given in Table 7.

These preliminary estimates require considerably further refinement during ASDP implementation. They do, however, provide an initial assessment of the levels of funding that will be required to support the activities falling within the ASDP coordination framework. They represent a very significant increase in funding, which will be supported by continuing reforms and capacity building.

Table 7. Estimate of Overall ASDP Requirements (TShs Billion)

Sub-Programme	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Type A	19.9	29.5	42.1	58.6	80.1	230.3
<i>% A of Development</i>	<i>38.7%</i>	<i>47.7%</i>	<i>56.8%</i>	<i>65.9%</i>	<i>75.0%</i>	
Type B	29.0	29.2	28.3	25.9	21.4	133.8
<i>% B of Development</i>	<i>56.3%</i>	<i>47.3%</i>	<i>38.2%</i>	<i>29.1%</i>	<i>20.0%</i>	
Type C	2.6	3.1	3.7	4.4	5.3	19.2
<i>% C of Development</i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>	
Total Development	51.5	61.8	74.2	89.0	106.8	383.2
Personnel Emoluments ¹	14.5	15.4	16.1	16.8	17.3	73.3
<i>% PE of Recurrent</i>	<i>35.1%</i>	<i>34.3%</i>	<i>34.3%</i>	<i>34.1%</i>	<i>33.6%</i>	
Other Charges	26.8	29.4	30.9	32.5	34.1	144.6
<i>% OC of Recurrent</i>	<i>64.9%</i>	<i>65.7%</i>	<i>65.7%</i>	<i>65.9%</i>	<i>66.4%</i>	
Total Recurrent	41.3	44.8	47.1	49.3	51.4	217.9
Overall Total	92.8	106.6	121.3	138.3	158.2	617.2

¹ It is assumed that salary increases will be offset by reduction in total number of staff.

8. IMPLEMENTATION PROCEDURES

Direct ASDP management activities will be confined to the work of the Secretariat, the NSC, the ICC, FASWOG, ASAC and the ACS (see Section 6.1). These will be funded through a specific budget managed by the ASDP Secretariat. On the other hand, agricultural development activities falling under the coordination of ASDP are implemented through existing public institutions, and through contractual arrangements with private sector service providers, professional associations, academia, NGOs and other non-public institutions. This chapter summarises the planning and budgeting procedures of these activities, and the financing and accounting mechanisms that will be used. Details are presented in Annex 4.

8.1 Planning, Budgeting and Reporting

8.1.1 SUB-PROGRAMME A PLANNING

The planning of ASDP related activities follows standard Government of Tanzania (GOT) procedures, starting at the villages and moving to the preparation of DADPs as part of the DDPs. This eventually feeds into the plans for the four ASLMs and goes to the National Assembly for approval. The planning cycle starts in July of each year, when PO-RALG issues guidelines to councils with advice and information on how to prepare the plans. DADPs are reviewed by councils and regions in October, and approved by the Councils in November.

The DADP Guidelines¹, which closely follow the principles of the Opportunities and Obstacles to Development (O&OD) Participatory Rural Appraisal (PRA) approach, the content of the DADPs will originate from a participatory planning process involving local communities and the Village Councils. These initial plans are approved by the Village Assembly and then sent to the Ward Executive Officer (WEO), who reviews them with the Ward Development Committee (WDC). The WDC is not a decision-making body, rather it advises the WEO on the consolidation of the different village plans into a Ward Development Plan and Budget. This is then forwarded to the DED.

Once the Wards' plans arrive at the district, they are reviewed by the District Planning Officer (DPLO²) and presented to the Economic Affairs, Works and Environment Committee for comment. The whole district council is required to review and approve all District Plans and Budgets. In support of this process, the RS provides technical backstopping to the districts, monitors implementation and reports progress to PO-RALG.

ASDP follows standard Government reporting procedures, for which formats have been prepared. These include quarterly progress reports from Councils, Ministries and Regions; costing and expenditure reports, action plans and cash flow plans. In addition, there will be reporting to update the ASDP Database (discussed in Section 9.5).

8.1.2 SUB-PROGRAMMES B AND C PLANNING

The planning of the national level Sub-programmes B and C, also follows standard procedures. The process starts with the preparation of the Public Expenditure Review (PER) from September, following the issuance of generic TOR for its preparation. PER provides an update on sector performance, an assessment of the resources available, and an analysis of the annual plan and budget of the current year. PER is also a tool for predicting the needs for the future budgets for

¹ Implementation of Sub-Programme "A" is further developed in DADP Guidelines; draft document op. cit.

² Or the equivalent in urban councils.

the sector. Specifically, PER has two main objectives: (i) to provide support to the budget process and budget management; and (ii) to provide to the Government and other stakeholders, through external evaluation, feedback on public expenditure and management issues. The PER preliminary report is issued by mid-November to facilitate the preparation of budget guidelines, which are issued by MoF during the month of January. Thereafter, the guidelines are used by the Ministries to prepare their MTEFs¹. This process subsequently leads to budget submission for approval by the Parliament.

8.2 Financing Mechanisms

Public investment in support of ASDP activities will be channelled through a mixture of different funding sources and financial mechanisms; these include, but would not be limited to, Treasury Funds, Basket Funds, other donor (Non-Basket) funds, LGA Funds, and village and community funds. Some donors will support the sector-wide approach of ASDP and will contribute to a special ASDP holding account in the Bank of Tanzania. These would be the ASDP Basket Funds. Other donors will choose to use different mechanisms (see Figure 2).

Private sector investment, the funds used by farmers, traders and processors, contribute crucially to ASDP success. Many different mechanisms are used here. However, from the point of view of ASDP management *per se*, these are not ASDP Funds, and will not be accounted for within the programme.

Responsibility for ensuring that the legal and contractual obligations for financial management of funds used to finance ASDP activities are respected, lies with the Permanent Secretaries of the ASLM, the Regional Administrative Secretaries and the District Executive Directors. The Accountant General is responsible for ensuring that approved financial procedures are followed and that the Integrated Financial Management System (IFMS) is effectively applied. The NSC is responsible for ensuring that agreed procedures for the use of ASDP Funds are implemented.

Funds must effectively flow from the centre to the districts and the communities, where most ASDP implementation will be taking place. This process is based principally on grants from the ASDP Treasury Fund, Basket Fund and other donor funds to LGAs. In addition, the ASLM receive funds from the ASDP Holding Account for capacity-building, supervision and the monitoring of ASDP. Effective operation of this process, ensuring a smooth flow of funds, will be crucial to ASDP success.

ASDP Financing Committee will facilitate the process in three main ways. First, it will enhance cooperation between the external funding agencies during the budgeting process. Second, it will facilitate the provision of technical and financial resources to support ASDP implementation. Third, it will support regular reviews of ASDP management mechanisms.

All councils are eligible for ASDP grants, which can finance operating costs as well as development costs. Each quarter, releases of ASDP funds will be triggered by the receipt of each council's report for the previous quarter. PO-RALG has the statutory responsibility to ensure that each council submits plans and budgets, and that DDP planning and budgeting timetables are respected.

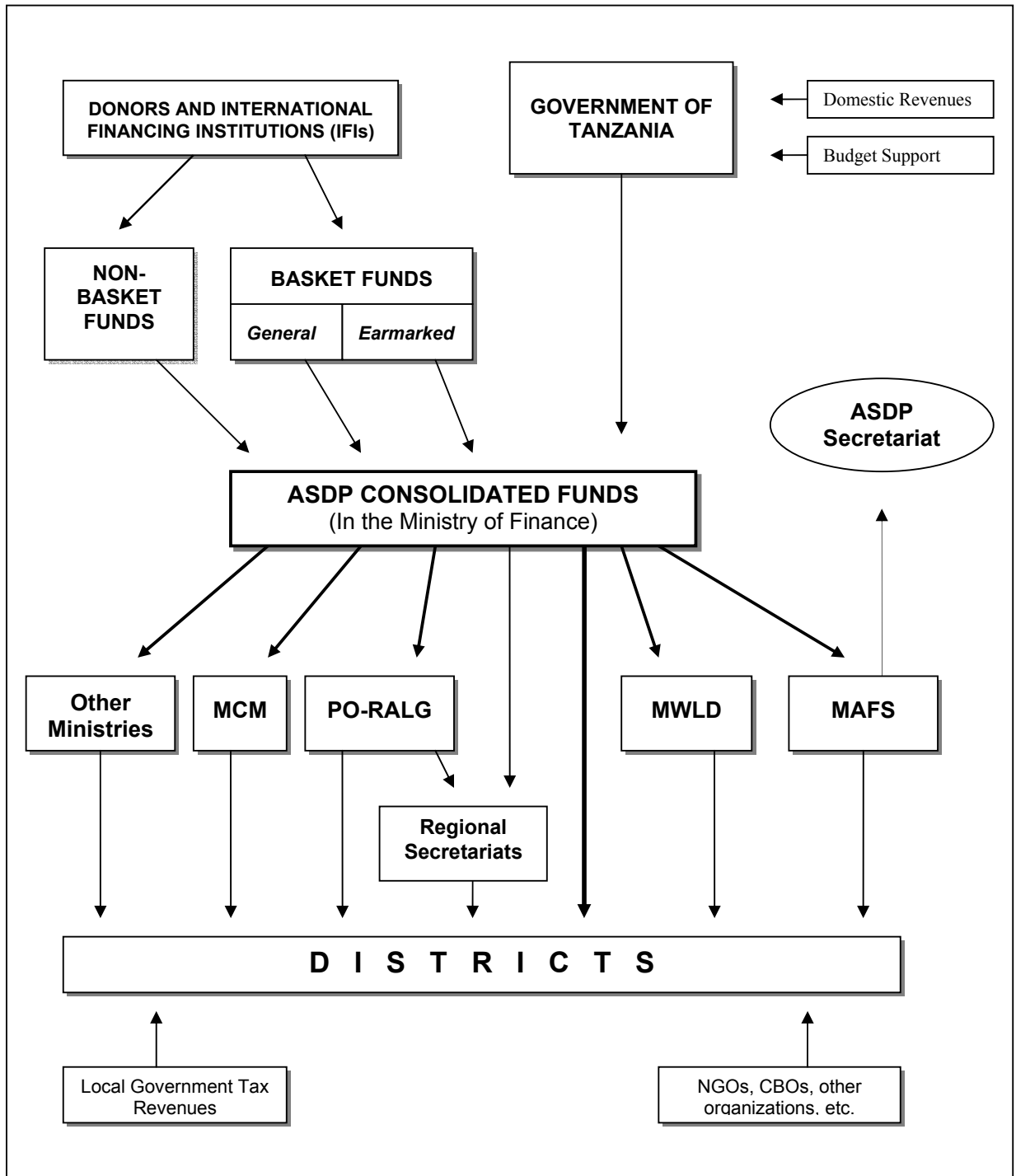
¹ ASDP interventions are included in the MTEF of MAFS, MWLD, MCM, PO-RALG, RS, LGAs and PMO.

8.3 Accounting and Auditing Mechanisms

Accounting for ASDP expenditure follows the rules and directions of central and local government financial regulations, as laid down in the Financial Regulations, Instructions and the IFMS Manual. The Chief Accountants of the four Lead Sector Ministries will ensure that the Accountant General releases the necessary account codes under the IFMS to record all the transactions necessary for ASDP implementation. ASDP accounting at the district level will follow the requirements of the Local Government Finance Act, the Local Authority Financial Memorandum and the Local Authorities Accounts Manual.

Annual external audits will be undertaken to enable the National Audit Office and the ASLM to ensure that ASDP funds are being properly managed and effectively used. They will control and appraise financial operations and verify financial statements and activity reports. There will be both a financial audit and a performance audit. They will provide assurance that donor contributions are being used for the purposes for which they are intended. The audits will also enable the ASDP Secretariat to assess the overall financial situation and to match expenditure against agreed targets and reported achievements. The auditors will also provide advice on any modifications needed in the financial control procedures. Audit reports from councils and ministries must be submitted within six months of the end of each financial year. There will be an Audit Sub-Committee of the ASDP Financing Committee (see Annex 4).

Figure 2: ASDP Funding Mechanisms and Flow of Funds



9. MONITORING AND EVALUATION

9.1 Background

Currently, M&E systems in the sector are disjointed, as each sector ministry and project undertakes its own M&E; they have therefore had reduced effectiveness in recent times¹. While several sections in MAFS conduct M&E work, staff capacity in general has declined. Large ongoing projects, such as the second phase of the National Agricultural Extension Project (NAEP II), the Tanzanian Agricultural Research Project (TARP II), and the Agricultural Sector Programme Support (ASPS) have M&E Units in place, but their work is not currently synthesised to provide a sector-wide assessment of performance. The MWLD and MCM are in process of forming their M&E offices. The PO-RALG M&E function is being finalised under the umbrella of the LGRP, and is focused mainly on meeting the routine data needs defined in the Poverty Monitoring Master Plan (PMMP)².

The M&E system for ASDP is coupled to the monitoring framework laid out in the PRSP and in the ASDS. This is for two reasons. First, ASDP is the operational vehicle for ASDS, which has been formulated to implement agricultural aspects of the PRS. Second, the ASDS is a sectoral component of the RDS. It also needs to be linked, with a clear identification of responsibilities and comparative advantages, with M&E systems of each ASLM, of participating projects and programmes and DADP monitoring systems within the districts.

9.2 Approach

The role defined for M&E within the ASDP needs to be different from past approaches. At the national level, and in the ASDP Secretariat in particular, the aim ought not to be to 'conduct M&E' of the entire ASDP, since to do this would require assessing the performance of each intervention and then judging its contribution to the overall objective of the ASDS. This will prove an impossible task from both a cost and practical point of view.

Instead, each intervention will have its own M&E function to measure performance, while at programme level, the focus will be on instituting M&E 'best practice', particularly in terms of encouraging better and more evaluable project design, selecting simpler and more affordable indicators, and ensuring the usability of M&E results. It should also contribute to the harmonisation and prioritisation of the PMMP indicators, e.g. through the refinement of the current key agricultural indicators, so that the contribution of the sector towards poverty reduction and economic growth is better measured.

At national level, therefore, two M&E tasks can be identified: one at the upstream end and one at the downstream end of the project management cycle.

1/ *Upstream* - Supporting better project designs, leading to a more connected intervention logic (between inputs, outputs and outcomes), better indicators and reporting flows. The Secretariat would assist by reviewing project proposals, participating in appraisal missions, and finally recommending whether a project should be endorsed by the NSC. It would organise training in project design for local Government and ministry staff, as well as for non-Government personnel

¹ Evidence is drawn from a study in 2001 by a World Bank consultancy: 'Results-based Monitoring and Evaluation in Tanzania', Draft Final Report, ITAD Ltd., August 2001, particularly Annex 5.

² URT: Poverty Monitoring Master Plan, Dar es Salaam, December 2001.

in the agricultural sector, including how to apply log-frame methods and set budgets for M&E activities.

2/ *Downstream* - Assessing overall trends in meeting ASDS objectives, through a synthesis of sub-sector results and district results, using suitable tools (mapping, core indicators and qualitative analysis). The Secretariat may contract specialists to conduct sub-sector reviews, assemble and draft annual reports and make presentations to the NSC and other stakeholders. The sector results so produced would be linked with the PMMP reporting obligations as discussed below.

Developing a log-frame: While the ASDS has a log-frame¹, the ASDP as its operational vehicle has not yet developed one. For the ASDS and ASDP M&E systems to be effective, the starting point is to define realistic and measurable objectives, based upon their respective time-frames, so that success (or failure) can be objectively judged. Box 5 outlines the reasons why the ASDS log-frame needs to be revised. The ASDP review workshop in Bagamoyo also agreed that as part of detailed ASDP formulation, an ASDP log-frame needs to be elaborated to cover the initial planning period. This would identify what can be achieved in a three-year time-frame to 2005, and would cost the necessary surveys and studies needed to measure sector performance.

9.3 Compliance with National Poverty Monitoring

The ASDP M&E framework fits within the broader poverty monitoring systems established under the PMMP. This requires routine tracking at national level of a core set of agricultural indicators. Initial agreement has been reached on these, and they now form part of the LGRP Routine Data system. In addition, agricultural statistics will also be produced from national surveys, such as the Agricultural Survey scheduled for 2003.

While national poverty monitoring is mandatory, the current emphasis of the ASDS stresses outputs that are not reflected in the PMMP, such as increasing private sector involvement in agriculture, enhancing public sector efficiency, and a focus on profitability and participation. The RDS and the Tanzania Socio-Economic Database (TSED) also define certain agricultural-related indicators. There will therefore be a need to harmonise the different indicator sets provided under the PMMP, LGRP, RDS, TSED and the ASDS, to avoid overlap².

9.4 Roles and Responsibilities

ASDP implementation will be monitored on a quarterly (expenditures), six-monthly (activity reports) and annual basis (outputs). A Sector-wide Review assessing progress towards the purpose and goal of the ASDP will be undertaken every third year. The results of this review will lead to mapping-out a future strategy and investment programme for the subsequent three years.

The ASDP Secretariat is responsible for overseeing the M&E activities at district, project and sub-sector level, providing guidance and quality control, and producing sector-level syntheses of results. The ASLMs are responsible for monitoring implementation of the sub-programmes that fall within their mandates. The NSC will review progress reports from all implementing

¹ See ASDS, Annex 3, pp.66-82.

² The need to harmonize these different indicator groups was highlighted recently in the paper on Rural Development Sector Work (draft) by the **World Bank**, April 2002, pp.44. It is also an issue raised in Good Practice in the Development of PRSP Indicators and Monitoring Systems, by Booth D and Lucas H, **ODI Working Paper** 172, July 2002.

institutions. Locally, the Economic Affairs, Works and Environment Standing Committee of rural councils, and the Economic Affairs, Health and Education Standing Committee of urban councils will be responsible for monitoring implementation of DADPs. This will be undertaken as part of overall DDP monitoring. The RSs will conduct reviews of the performance of DADPs in their respective regions, and maintain a database of interventions (see Section 9.5).

The monitoring programme's output will be evaluated during the Annual Conference of ASDP Stakeholders. However, to ensure transparency, all ASDP M&E reports (quarterly, semi-annual, annual, district, regional and national) will be available for review *in situ* by interested individuals and groups.

9.5 Agricultural Sector Database

Currently, little reliable information on agricultural projects and activities is readily available. Moreover, past efforts to collect such information consisted of stand-alone exercises, with no mechanism for regular update. Through the ASDP, a permanent system for collecting, processing, disseminating and using information on agricultural sector activities at the district, region and national level is being established. This will enable decision-makers to track investment and to guide finance and other support to where it is most needed.

As part of ASDP implementation, each RS will be requested to provide a comprehensive report on sector support activities on a district basis. Regions and districts in particular will need to appreciate the use to which they can put the database, and why they should maintain it.

During the detailed formulation of the ASDP, intensive efforts will be made to complete the support database, to install it at district and regional level, and to train staff in its use. Linkage with the PO-RALG programme inventory will also be established. The new ASDP database will draw on existing information held in the External Assistance Coordination Unit (EAC) of MAFS and with the FAO Country Office. It will be managed by the ASDP Secretariat and will be available to MAFS, MWLD, MCM, PO-RALG and other stakeholders.

An *information management study* will be undertaken in the course of detailed ASDP formulation, to review the future needs of the ASLMs and other stakeholders for statistical information on the sector, which will then be compared with the current capacity and systems available at national and LGA level in order to make recommendations for streamlining and further support.

9.6 Indicators

The ASDS monitoring system is guided by five general criteria established by the RDS. These are:

- observation of national standards;
- consistency with National Development Goals;
- cohesiveness between components;
- compliance with the implementation schedule; and
- stakeholder performance.

The first three will be addressed mainly during the ASDP detailed formulation , while the last two will be a particular focus of the annual performance review. While the ASDS log-frame has elaborated a number of indicators already, further specification of indicators will take place when the detailed investments and projects are formulated. In addition, the need to harmonise indicators with the PMMP requirements will have to be addressed.

9.7 Using the M&E Output

To be useful, the output of the M&E system must be used. It is therefore necessary to identify the users. The primary user is the ASDP Secretariat, in its programme oversight role. Second, are the four ASLMs. Third, are the other collaborating line ministries, the districts, donor organizations and private sector operators in the agriculture. The participation of all levels of users in the system is needed, and they should be encouraged to contribute ideas and comments to update and improve its design.

Effective use of M&E output will not happen by chance. Performance assessment of ASDP managers will include an evaluation of how well they have used M&E information in their decision-making. This will be achieved through a clearly structured system, which incorporates M&E feedback in management decisions.

Finally, during detailed formulation of the FPD, **guidelines** will be prepared on the M&E framework and procedures for ASDP, giving more specific and updated details on: the ASDS and ASDP log-frames; M&E activities and responsibilities at national, regional, district and local levels; the procedures for meeting the requirements of national poverty monitoring; and reporting and information flows.

10.

Box 5: Improving the Intervention Logic of the ASDS (and ASDP)

Given that ASDS provides the framework for the ASDP, it is relevant to examine the intervention logic of the ASDS log-frame, in order that its operational tool, the ASDP, also makes sense and is evaluable. The ASDS log-frame (in Annex 3 of the ASDS document) has the following goal, purpose and objectives:

Goal: **“Contribute to overall GDP growth, national and household incomes and growth in export earnings”.**

Purpose: **“To stimulate and facilitate agricultural sector growth and reduce rural poverty”.**

Strategic Objectives:

1. **“To create an enabling and favourable environment** for improving productivity and profitability of the agricultural sector”; and
2. **“To increase farm incomes** in order to reduce rural poverty and ensure households food security”.

Comments:

- The Purpose statement is to some extent a restatement of the two strategic objectives, and perhaps could be improved.
- A ‘purpose’ in a log-frame context should be achieved by the end of the ASDS time-frame. What is this time-frame: 5 years or 25 years? The indicators given are measured in 2010 – or 8 years from now.
- The Purpose indicators given relate to reductions in rural poverty. No indicator is given for the growth element of the purpose – this is found in the overall goal.
- The two Strategic Objectives are contrasting, and indeed it may be seen that the second follows from the first.
- There are no indicators given for either of the strategic objectives. What then is the status of these objectives – are they to be assessed and if so how?
- Nearly all of the Output level interventions contribute to only the first strategic objective, and very few are likely to directly result in increased farm incomes. Only a few of the specified actions refer to productive investments that lead to farm income growth (livestock disease prevention (3.5.3), improved use of mechanization (3.8.1).
- Some Outputs that are stated as enhancing institutional activities have indicators that do not measure these, but instead jump to the next level of changes in production (for example outputs 4.7.1,2,3 are not measured by the suggested indicators.

The ASDS intervention logic may be refined as follows: ‘through enhancing the institutional and regulatory framework (activities), increased investment and better public services will occur (outputs) that will in turn lead to greater production and profitability (purpose), higher incomes and so reduced rural poverty (goal)’. In a 10-15 years time frame the ASDS may achieve this. In a five-year time frame (the initial ASDP period), the measurable purpose of the ASDP may be conceived as the ‘output’ of the ASDS: i.e. increased (private sector) investment in agriculture and better (more efficient and cost-effective) public services.

Conclusion:

A reformulation of the ASDS log-frame is required during the next phase of ASDP preparation, in order to clarify the logic and then set appropriate indicators. It would then be appropriate to set the ASDP intervention logic within the ASDS, but with a shorter time-frame and with a more modest objective. Since the ASDP places greater stress on investments in district level productive activities with 70-80 percent of funding (see Table 5.1), the outputs of the productive activities will need to be identified and indicators defined. However, many of these will only be identified once the DADPs have been formulated.

10. RISKS

There are a number of risks that could affect the success of the ASDP:

Excessive rigidity and complexity and the sheer size of the programme may discourage partners and lead them to work outside ASDP. Effective implementation of ASDP will therefore entail effective coordination, greater discipline and openness from all actors. This may reduce the commitment of those who prefer to retain greater independence. In this regard, participation in ASDP should not be too confining, especially as flexibility is needed to respond to unexpected problems and opportunities.

There is a risk that large donor-funded projects having separate Project Coordination Units (PCUs) will override or by-pass the ASDP mechanisms and principles. To mitigate this risk, these projects will need to be reviewed and adapted so as to fit within the agreed framework.

The risk that the characteristics of Tanzania's district structure: their large number and their limited resources will impede the planned roll-out of ASDP sub-programmes, is addressed by the priority placed on funds reaching the district level, and the elaboration of financial and management mechanisms in Annexes 3 and 4.

There is a risk that, due to lack of appropriate incentives, the private sector will be reluctant or too slow to invest in agriculture, and thus limit the necessary growth needed to transform the sector. This risk can be addressed by the emphasis placed under ASDP in building partnerships with the private and NGO sector, and by removing as far as possible and as soon as possible, the constraints to their greater involvement. This will require an open and frank dialogue between the Government and the private sector. Adequate representation of the private sector will be needed in the respective ASDP advisory committees, and the *modus operandi* of the proposed Secretariat should allow its staff to play a facilitation role in bringing the private sector "on board".

There is the risk that information on the status of ASDP progress will not be shared, or available on time for stakeholders to take a rational view of results and impact. In the commercial and practical world where performance is a sensitive issue for managers and elected representatives, the reduction of this risk is highly complex. ASDP will endeavour to raise interest in, and demand for information on results at local level as well as national. This will be helped by the development of monitoring systems that focus on simple measures and on intermediate results delivered on time (from delivery of funds to measuring improvements in services, more attractive regulatory frameworks and rising investments).

Another significant risk is that DADPs will either become too complex or too meagre to provide a rational basis for major field level investment. It will be acknowledged from the outset that most districts only have limited planning capacity, but many demands from the different local sectoral and political interests on this capacity. The DADPs are therefore to be seen as only one part of a larger planning process.

11. DETAILED ASDP SUB-PROGRAMMES FORMULATION

After reaching an agreement between the GOT and Development partners on how to package interventions in a coherent manner, consistent with the ASDS and ASDP implementation framework, Task Forces, Working Groups and Formulation Teams are established for formulating new detailed ASDP interventions¹ (see Figure 3).

11.1 Task Forces

Task Forces are at the core of ASDP formulation. They mobilise highly qualified stakeholders, who are committed to contribute to the implementation of ASDS. They also ensure that future interventions capture, and build on, the most relevant and promising experiences which have been recorded in Tanzania, in the Region and elsewhere. However, availability and commitment of such expertise constitutes the major constraint. Therefore the proposed Task Forces need to welcome experts on both part-time and/or full-time basis, depending on their availability. The overall formulation process is also overseen by a Cross-Cutting and a Cross-Sectoral Support Group.

Task Forces oversee the formulation of *broad domains of interventions*, at sub-programme or component level, following recommendations of ASAC/FASWOG and endorsed by ASDP management (ICC/NSC). A Task Force comprises up to 15 eminent representatives from the various groups of stakeholders. It reports to ASDP management through ASAC/FASWOG. A Task Force is established for a long-term period, and is expected to meet monthly (or more frequently if needed). A Task Force has a budget to meet its operating and backstopping costs (e.g. through national and international expertise).

11.2 Working Groups

Working Groups can be considered as sub-task forces. They consist of a group of experts from concerned stakeholders who review obstacles and opportunities, and propose development and operational strategies and prioritise interventions on *specific domains of intervention*; generally at component or sub-component level. The formation of a Working Group can be proposed by ASDP management, a Task Force or a group of stakeholders. A Working Group may be established jointly under more than one Task Force, if closely inter-related issues have to be dealt with. A Working Group is expected to operate on a part-time basis for a given period of time, and to submit a final report (with the possibility to organise a retreat for the write up). Circumstances may dictate the need to have a full time Working Group Coordinator and/or national consultants to accelerate the process. A Working Group finalises its detailed Terms of Reference under the guidance of the Task Force and external backstopping; and prepares its budget to meet its operating and backstopping costs (e.g. through national and international expertise) for approval by ASDP management.

11.3 Formulation Teams

Formulation Teams prepare sets of interventions, to be consolidated into projects for specified financing source(s), or through government budget. Based on agreement between ASDP management and interested financiers on the scope of assistance, a team is established for a limited period of time, with a number of team participants working on a full-time basis. Once

¹ See detailed description and Terms of Reference for Task Forces identified as of March 2003 in “Establishment and Operation of Task Force” (draft 3; 6 march 2003).

prepared and endorsed by ASDP management, projects would be processed following established Government procedures.

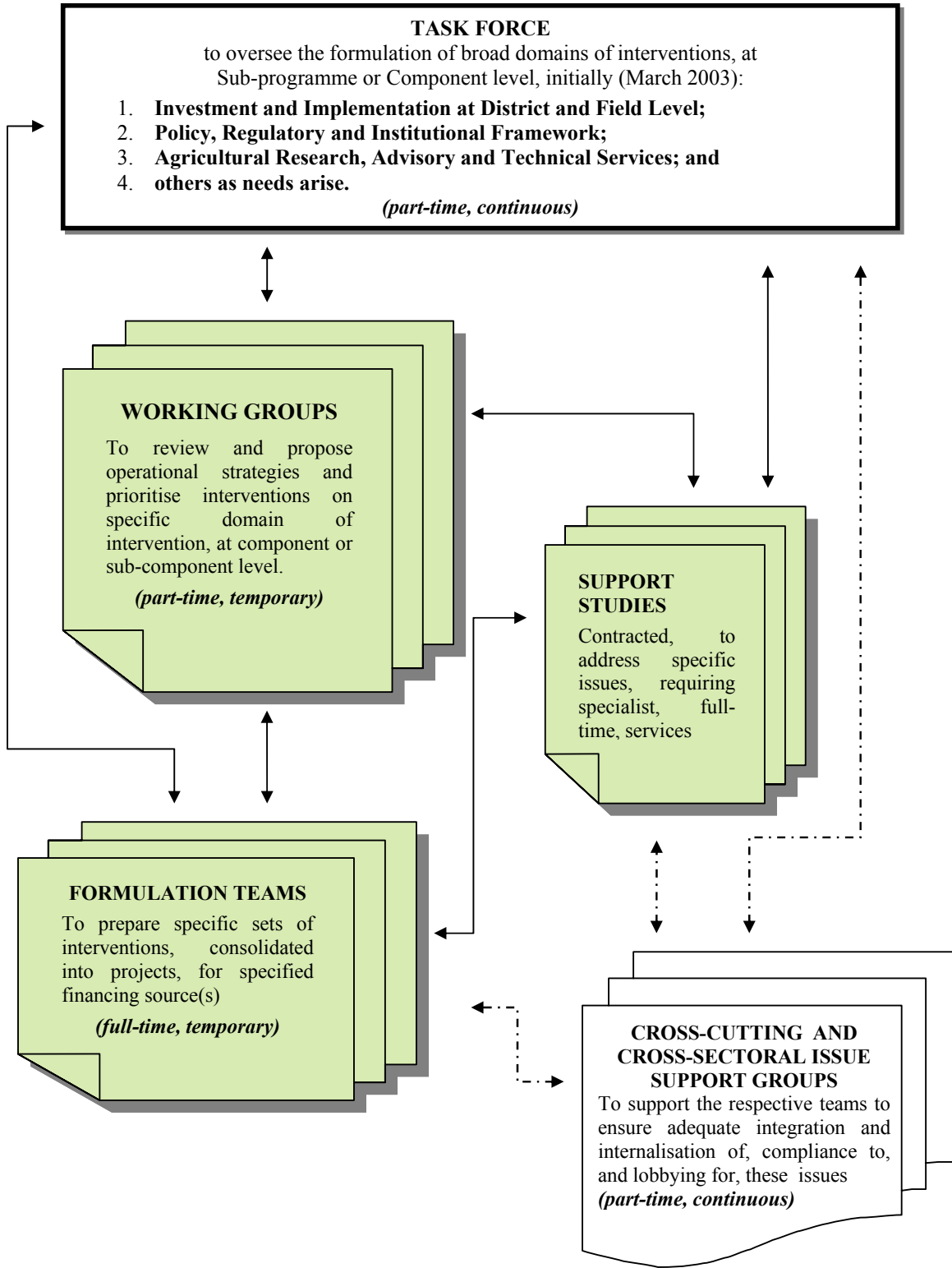
11.4 Sector Studies

A Task Force, Working Group or Formulation Team may require in-depth work which cannot be undertaken by the established teams (whether due to lack of expertise or availability), and which would be better done by specialist firms or teams of consultants. Examples include information gathering on an intervention/project area, institutional capacity assessment, review of private sector stakeholders capacity and willingness to participate, sector database and sensitisation, and social or environmental impact assessments. Such studies would be contracted as per agreed procedure between the ASDP Secretariat and the identified financier.

11.5 Cross-Cutting and Cross Sectoral Support Groups

The streamlining of these issues is an important thrust of ASDS and ASDP. Two support groups oversee cross-cutting and cross-sectoral issues would be formed to ensure adequate integration and internalisation of, compliance to, and lobbying for, these issues. Members are drawn from concerned public and private institutions on a long-term but part-time basis. Members of the support groups can attend meetings of concerned Task Forces, Working Groups or Formulation Teams. Should needs arise, they can also recommend to appoint as full member who is an expert of a given cross-cutting or cross-sectoral issue. The Support Groups can also recommend and prepare Terms of Reference for Studies (see Section 5 of ASDP/FPD).

Figure3: Task Forces, Working Groups and Formulation Teams: Conceptual Framework



12. ANNEX 1: THE STAKEHOLDER ENVIRONMENT

Agricultural development draws together various stakeholders with distinct roles, responsibilities and interests. These include the central government, local government, parastatal organizations, the private sector, local communities and individuals at household level. The role of the various actors in the implementation of ASDP and the institutional framework for their coordination is outlined below.

1. Public Sector Organizations

1.1 The Lead Ministries

The agricultural sector lead Ministries, namely MAFS, MCM, and MWLD supervise the implementation of the ASDP at national level and PO-RALG oversees its implementation at LGA level.

The lead Ministries, through the National Steering Committee (NSC, see Annex 3) will coordinate various actors in the course of ASDP implementation. Generally, the lead Ministries will set policy and the regulatory framework, create a conducive environment for implementation of ASDP and develop a monitoring and evaluation system to ensure a proper supervisory and feedback mechanism.

Specifically, under the auspices of the on-going civil service reforms, the lead Ministries will have the following roles:

- formulate and review sectoral policies and monitor the overall performance of the agricultural sector;
- provide and supervise the implementation of regulatory services for crop and livestock development, marketing and farmers' organizations;
- contribute to the development and promotion of improved agricultural practices;
- monitor the performance of both public and private sector agricultural sector support services in order to improve their quality and ensure competitive markets;
- promote the private sector's role in primary production, processing, marketing and the provision of agricultural services; and
- promote farmers' organizations for empowering farmers, developing their advocacy and lobbying capacity, and participation in service delivery and resource mobilization.

1.2 Other Ministries

There are many other ministries whose work contributes to agriculture through crosscutting issues. Cross-sectoral issues are crucial as they link the agricultural sector with other sectors and other parts of the economy, and they link agriculture with other essential aspects of farmers' daily lives. In this section, the key functions of other ministries linking with the mandates of the Agricultural Sector Lead Ministries are identified. First, within the **MWLD** itself rests the responsibility for water development: a fundamental resource for both plant and animal production; and essential to agriculture, farmers and everyone else in the sector. Other important ministries include:

1. **The Prime Minister's Office (PMO)** is responsible for the coordination of government business.¹
2. **The Vice President's Office (VPO)** coordinates and monitors the implementation of the PRSP for poverty reduction and oversees the government's response to environmental issues: both are highly relevant to the implementation of ASDP. The VPO is also responsible for oversight of NGOs' activities.
3. **The Ministry of Finance (MoF)** plans, allocates and monitors public sector funding for the agricultural sector. It is also responsible for mobilising bilateral and multilateral support for the sector. Through fiscal policy, the ministry will rationalise, harmonise and monitor taxes in the agricultural sector: which is a critical factor in improving incentives for increased production and processing.
4. **The Ministry of Works (MoW)** provides backstopping to LGAs for building and maintaining district and feeder roads. The ministry is also directly responsible for the construction and maintenance of regional and trunk roads. Rural infrastructure is essential to agricultural input and output marketing.
5. **The Ministry of Communication and Transport (MCT)** oversees improvements to national and local communication systems. This is required both to attract agricultural investment in the rural areas and to provide the practical infrastructure for improving the flow of market information.
6. **The Ministry of Lands and Human Settlements (MLHS)** has fundamental responsibilities relating to the access to and use of land. The ministry will facilitate improved land accessibility for agricultural investment, provide land adjudication, registration services, issues title deeds that facilitate land valuation and property marketing. Furthermore, given the poor levels of understanding in rural areas of the 1999 Land and Village Land Acts, the ministry faces a major task in ensuring that farming communities and local officials understand the implications and opportunities of the new legislation. The National Land Use Planning Commission (NLUPC) has also an important role and will be working with the Poverty Reduction Support Programme to improve current land tenure arrangements.
7. **The Ministry of Community Development, Gender and Children (MCDGC)** covers aspects of community empowerment and gender mainstreaming. These are two crosscutting issues which will have great significance in the implementation of ASDP.

¹ The PMO is also currently responsible for the implementation of a rural finance and an agricultural marketing project.

8. **The President's Office - Planning and Privatisation (PO-P&P)** will work to hasten the privatisation of agricultural parastatals for increased private sector productivity. Also, in collaboration with lead ministries and the Tanzania Investment Centre, it will prepare incentive packages for agricultural sector investments and advocate a more favourable environment for investment.
9. **The Ministry of Health (MoH)** must help keep farmers and all others working in the sector healthy and productive. This is primarily achieved through preventive and clinical services. Among the many other responsibilities are the need to sensitize rural communities to diseases such as HIV/AIDS, malaria and waterborne diseases, and problems such as alcoholism and drug abuse which have a significant impact on agricultural production.
10. **The Ministry of Labour, Youth and Sports (MLYS)** Has the mandate to empower youth to undertake rural jobs, start rural-based agribusiness and become farming entrepreneurs. Through this, the youth will provide the young blood needed for the implementation of the ASDP and reduce rural-urban migration.
11. **The Ministry of Natural Resources and Tourism (MNRT)** is an essential partner to the four ASLM. Its activities in supporting sustainable management of forest resources, especially through Participatory Forest Management (PFM), involve the same communities and farmers as the agricultural sector ministries. Forestry production is also necessary to provide fuel for agricultural processing in rural areas. MNRT is also responsible for catchment's management, beekeeping, biodiversity and germplasm conservation, wildlife management and fisheries. These represent natural resources management (NRM) activities that interact directly with many different aspects of agriculture.
12. **The Ministry of Trade and Industry (MTI)** is active in supporting the industrial processing of agricultural produce. It is also mandated to facilitate the development of Small- and Medium Enterprises (SME), facilitating trade in agricultural inputs and outputs, establish appropriate business regulations to stimulate international trade in Tanzanian agricultural produce. The ministry will play a key role in ASDP in improving the regulatory framework for marketing and processing agricultural inputs and products.
13. **The Ministry of Home Affairs (MHA)** supports the enforcement of agricultural sector legislation. It is also responsible for the protection of agricultural resources and investments, and is increasingly being called upon to undertake conflict resolution work; especially in relation to access to land and natural resources.
14. **The Ministry of Justice and Constitutional Affairs (MJCA)** dispenses justice as the need arises, both to protect life and property, and as an arbitrator in disputes and conflict. Respect for law and order is a fundamental condition for agricultural development.
15. **Civil Service Department (CSD)** to hasten transformation of Public Service to a more performing and dynamic meritocracy; also hasten Public Sector Reform Programme to create conducive environment for human resource to implement ASDP.

1.3 The Regional Secretariats

The Regional Secretariats have been streamlined under the Local Government Reform Programme to play four basic roles:

- Create a conducive environment for LGAs to operate efficiently.
- Assist LGAs in capacity building.
- Provide technical support to LGAs.

- Monitor the performance of LGAs.

In addition, for ASDP implementation the Regional Secretariats facilitate technical coordination between the sectoral Ministries and the LGAs.

1.4 The Local Government Authorities (LGAs)

In accordance with local government reform, LGAs play a critical role in the implementation of the ASDP. Essentially, they guide and implement the development initiatives needed to support improved production. These functions include promoting investment in the sector; participating in the formulation of policies and the regulatory and institutional framework; facilitating promotion of research; training and the provision of advisory services; facilitating private sector marketing and access to financial services; and ensuring for effective coordination with the other sectors. Promoting investment is a relatively new function for LGAs, hence staff training and re-orientation will be necessary. New methodologies will be developed such as developing District Agricultural Investment Information Packages, allocating land for agricultural production and identifying and preparing for investment areas of under-used potential. In particular the LGAs:

- formulate and implement DADPs as part of the District Development Plans (DDPs); this will be based on the PO-RALG Guidelines for participatory planning procedures and DADP Guidelines;
- prepare quarterly and annual progress reports;
- supervise the implementation of legislation relevant to the sector;
- supervise and coordinate the delivery of support services such as extension, the cooperatives' inspectorate, agricultural information and animal health services;
- mobilise resources (financial, human and facilities/equipment) for local development programmes;
- administration of villages for the purpose of stimulating sustained development;
- land administration, land use planning and management for effective and sustainable land utilization; and
- develop and maintain rural infrastructure.

1.5 Academic and Research Institutions

There are several academic institutions that play important research and training roles in the agricultural sector, in particular Sokoine University of Agriculture (SUA), the University of Dar es Salaam (UDSM) and the Economic and Social Research Foundation (ESRF). They have mandates that fall under three main categories:

- conduct long- and short-term training to meet professional needs in the sector including specific tailor-made training programmes for various clientele;
- conduct research as guided by the National Agricultural Research Master Plan and implement outreach programmes as one way of disseminating research results; and
- provide advisory services to the Government and private sector through consultancy and other means.

The Academic and Research Institutions contribute to the implementation of ASDP; in particular they:

- provide demand-driven training through both professional and short-term courses in policy formulation, analysis, strategic planning and management, agribusiness management, entrepreneurial skills and business management.

- participate in undertaking research activities for agricultural development.
- compete as service providers for consultancy work in the various sector studies, and for implementation (technical assistance);
- conduct research as guided by the National Agricultural Research Master Plan (currently being updated through the Research Medium Term Plan), and implement outreach programmes as one way of disseminating research results; and
- provide advisory services to the Government and the private sector through consultancy and other means.

1.6 Parastatal Organizations

Most of the agricultural parastatals have already been divested under the privatisation programme. Some remain to be privatised. However, there are a number of parastatals in the agricultural sector, such as Tanzania Official Seed Certification Agency (TOSCA), Tropical Pesticides Research Institute (TPRI), the National Pharmacy Board (NPB) and others like the National Environmental Management Council (NEMC), Tanzania Food and Nutrition Centre (TFNC) and Tanzania Bureau of Standards (TBS), which will continue to play critical public roles. In the course of the implementation of the ASDP, these parastatals will provide important regulatory services such as setting, monitoring and enforcing standards for the quality of agricultural inputs to ensure the safety of humans, livestock and the environment.

1.7 Commodity Boards

There are currently eight agricultural Commodity Boards, established by Acts of Parliament, for cashew, coffee, cotton, pyrethrum, sisal, sugar, tea and tobacco. Commodity Boards are parastatals operating under the auspices of the parent Ministry rather than by the stakeholders. However, the thrust of the ASDP is to restructure them to be self-regulatory bodies. The functions of the boards will include:

- formulate and implement development strategies,
- set operational rules and enforce them in their respective industries to ensure transparency and competition,
- institute a regulatory regime geared towards promotion of good quality products;
- finance research and extension services for the respective industry; and
- disseminate relevant information to stakeholders in the industry.

The National Dairy Development Board (NDDB) is an interim Board established in June 2002. It is replacing the former National Dairy Board that was established under the Dairy Industry Act (1965). The interim Board will spearhead, regulate and promote the development of the dairy industry in Tanzania. The Tanzania Veterinary Board (TVB) established in 1956 oversees and regulates the conduct of veterinary profession and practice in relation to animal health services.

2. Private Sector Organizations

The Government has withdrawn from production activities that are more efficiently performed by the private sector but it will continue to play a facilitating role. ASDP is formulated on the assumption that the private sector will provide primary production, marketing, input supply and processing services. There are many actors in the private sector, falling under different categories, each with specific responsibilities and roles to play.

2.1 The Producers: Farmers and Livestock Keepers

These are the people who actually make agriculture happen. This group includes a broad range of operators from small-scale subsistence crop producers and livestock keepers, who between them comprise more than 90% of farming population, and a limited number of medium and large-scale commercial farmers. It also covers formal and informal farmer associations and the co-operatives.

Successful transformation of agriculture – through the implementation of ASDP – will critically depend on helping smallholders move from subsistence production to commercial agriculture. This involves some five million rural families having the aspirations, skills and resources to change the way they farm, without affecting their ability to ensure their own food security.

The essential needs of Tanzanian smallholder farmers are known. It is recognised that access to land and natural resources; mechanization; credit and direct financial support to production; improved production technologies and post-harvest storage and processing; and markets are all fundamental requirements. Finding ways to put these in place lies at the root of agricultural development and will lead to breaking the cycle of poverty that still encircles the majority of rural families. As the framework for agricultural development, ASDP will support the emergence of new organisations and networks which will in turn lead to the evolution of peasant agriculture towards small-scale commercial enterprises.

At the same time, medium and large-scale farmers are encouraged to increase productivity through agriculture investment and to engage in processor and contract grower partnerships with smallholders. This will facilitate primary producer access to markets, inputs and technology, and will provide a sustainable raw material base for agro-processors and agri-business. Here, again, the constraints to growth and necessary responses are understood. These include secured access to land as a commodity and a source of collateral, improved marketing infrastructure, a more favourable tax structure, a streamlined regulatory environment, better and cheaper access to credit and more effective public sector support for marketing, processing and export activities.

2.2 Farmers' Organizations and Professional Associations.

ASDP will work closely with professional organisations at local and national levels. The three main associations representing medium- and large-scale farmers and agri-business are currently the Confederation of Tanzania Industry (CTI), the Tanzania Chamber of Commerce, Trade, Industry and Agriculture (TCCIA) and the newly established Tanzania Chamber of Agriculture and Livestock (TCAL). Furthermore, there are professional associations for technicians, such as the Agricultural Economists Society of Tanzania (AGREST), the Tanzanian Veterinary Association (TVA), the Tanzanian Women Leaders in Agriculture and Environment (TAWLAE) and the Tanzania Society of Animal Production (TSAP). These institutions have an important

role to play in providing the independent structure to support private sector development and in establishing a dialogue between farmers and policy makers. ASDP will provide support for technical training and facilitate information sharing and networking amongst concerned organisations. The most important roles for farmers' organizations in the implementation of the ASDP include:

- provide services such as inputs, credit and procurement of produce;
- lobbying and advocacy on behalf of their members;
- collect and disseminate agriculture information to members;
- conduct membership education;
- provide training on technical and organizational issues; and
- participate to ASDP managing and advisory bodies as appropriate.

2.3 Processors and Agribusiness Community

Growth does not come from increased production alone, but from a chain of profitable transactions involving private sector operators. This group includes importers and exporters, wholesale distributors, retail suppliers, stockists, farm produce buyers, transporters and processors of agricultural produce. The agri-business community will play a key role in engendering growth through the importation and distribution of agricultural inputs, the procurement and processing, as well as the exporting and marketing of agriculture produce. The main challenges facing agri-business are understood and have been clearly identified by the private sector. What are crucially needed here are continued reforms to the regulatory framework and adjustments in the tax structure. For agriculture to be profitable, there need to be fewer controls on marketing, an improvement of market infrastructure, better organisation of commodity auctions, support for export processing, and the development agri-business zones and export promotion schemes. Also, there are significant under-utilized resources already available, such as warehousing capacity. These and other initiatives are addressed through the ASDP.

2.4 Financial Institutions

The financial institutions that are important for the agricultural sector include formal and informal money lenders namely, commercial banks, micro finance institutions (MFIs) such as Savings and Credit Associations (SACAs), Savings and Credit Cooperatives Societies (SACCOS) and non-bank financial institutions, e.g.: NSSF. In the course of the implementation of ASDP the financial institutions are expected to provide financing for various types of agricultural investment.

Commercial Banks: represent one major source of financing for various types of agricultural investment, in particular for medium and large scale enterprises. However, for the Agricultural Sector to access the financing there is a need to review the collateral requirement.

SACCOS and SACAs: Strong micro-finance entities will be well suited to serving the farming community and will be able to cope with the expanding need of more and diverse financial products. These MFIs will be part of the expanded financial base in rural areas capable of providing cooperative and community financial services. During the implementation of the ASDP these MFIs will facilitate smallholder farmers to mobilise savings, provide credit for input supply and marketing information.

Cooperative and Community Banks: Rural community-based banks will play a role in financing the agricultural sector by extending loans to farmers, the rural-based agribusiness community and Cooperative Unions.

Bank of Tanzania: The Bank of Tanzania (BoT) will monitor interest rates and maintain a monetary policy that constitutes a favourable economic regime for ASDP implementation and agricultural sector growth. This includes a low inflation rate, a low lending rate and other relevant macroeconomic parameters.

2.5 Civil Society Organizations

This is a diverse group of actors, comprising both local and international organisations. Community-based organizations (CBOs) are also emerging as important players, especially with the present emphasis on participatory approaches. The most critical roles of NGOs and CBOs in the course of ASDP implementation include:

- Providing extension and credit services.
- Lobbying and advocacy for policy changes and development.
- Funding community-based interventions.
- Providing public services on a contract basis.

2.6 The Media

The media is crucial for information dissemination and public education. Lead Ministries will appoint media liaison persons to ensure that agriculture sector issues are adequately covered in the media.

2.7 Legal Services Providers

Legal services providers play an important role in litigation including drawing up and overseeing the enforcement of contracts. As commercial agriculture develops, the demand for such services will grow and it will be important to expand their provision to the rural areas where they are currently not available.

2.8 Development Partners

The development partners include multilateral and bilateral organizations and agencies that support Government and community organizations in the agricultural sector through grants and soft loans. Development partners also provide technical support in the implementation of agreed programmes. Most financial and technical assistance is now provided under the Tanzania Assistance Strategy (TAS), a framework for coordinating and managing external resources and for forging closer partnership between the Government and Development Partners. During the implementation of the ASDP the development partners will:

- Collaborate with other financing agencies and stakeholders in the formulation and financing of planned activities.
- Make available technical and financial resources.
- Institute and regularly review ASDP mechanisms for planning, management, monitoring and funding.

13. ANNEX 2: POSSIBLE ASDP INTERVENTIONS

Table 1 of this Annex presents, for the respective Sub-programmes and Components, possible public sector interventions to be supported by the ASDP. At this stage, these interventions are indicative, especially those for the Sub-programme “A” (Agricultural Sector Support and Implementation at District and Field Levels), where interventions will be identified through the participatory formulation of District Agricultural Development Plans (DADPs).

Table 2 presents examples of how ASDP will handle cross-cutting and cross-sectoral issues, showing the respective roles of the Agricultural Sector Lead Ministries and the other public institutions.

TABLE 1 (PART 1) - Sub-Programme A
Agricultural Sector Support and Implementation at District and Field Levels

COMPONENT	SUB-COMPONENTS	POSSIBLE INTERVENTIONS
A1: Investment and Implementation through the implementation of DADPs and DDPs <i>The production and processing of agricultural outputs</i> <i>Indicative funding allocation of 70 to 80 percent of Sub-programme “A”.</i>	Irrigation and Water development	<ul style="list-style-type: none"> ⇒ rehabilitation of existing irrigation schemes; ⇒ new irrigation schemes’ development. ⇒ acquisition of individual low lift pumps (treadle pumps or motorized pumps);.
	Range Management	<ul style="list-style-type: none"> ⇒ Improve natural pastures and produce pasture seeds; ⇒ Manage noxious weeds in natural range and pastures; ⇒ Demarcate and Allocate land for permanent grazing land for pastoralists and Agro pastoralists;
	Livestock Production and Animal Health	<ul style="list-style-type: none"> ⇒ develop medium and large-scale /livestock enterprises; ⇒ develop poultry and small stock production technologies; ⇒ build Infrastructure for the control of livestock diseases and maintain them to required standards;
	Better Land Husbandry	<ul style="list-style-type: none"> ⇒ water and soil conservation; ⇒ planting agro-forestry trees; ⇒ biological or mechanical sub-soiling; ⇒ introduce cover crops to increase soil organic matter and cover crop seed production;
	Crop production and protection	<ul style="list-style-type: none"> ⇒ generalize integrated pest management (IPM) ⇒ smallholder-based improved seed production
	Storage and post harvest and agro-processing	<ul style="list-style-type: none"> ⇒ develop improved pre- and post-harvest loss reduction technologies ⇒ improved household storage; ⇒ commercial warehouses’ development;.
	Mechanisation	<ul style="list-style-type: none"> ⇒ access labour saving technology for agricultural production, processing and marketing; ⇒ reduced tillage/no-tillage farming; ⇒ for increased mechanization;
	Sustainable Natural Resource Use:	<ul style="list-style-type: none"> ⇒ inventory and monitoring of natural resource base; ⇒ plan integrated natural resource use; ⇒ promote and advise on improved and equitable access to natural resources; ⇒ advise on rational use and exploitation of natural resources for agricultural production;

<p>A2 Policy, Regulatory and Institutional Framework</p> <p><i>Supporting an enabling environment at LGAs for all farmers.</i></p>	<p>Policy Framework</p> <p>Regulatory Framework</p> <p>District Institutions</p> <p>Agricultural Information and Advocacy</p> <p>Community-level Farmers' Groups Investment (in particular for DADP planning and implementation)</p>	<ul style="list-style-type: none"> ⇒ supervise implementation of and compliance with sector policies; ⇒ supervise and enforce sector legislation; ⇒ Review and enact sector by-laws in accordance with legislation; ⇒ provide quality public service to the agricultural sector; ⇒ promote good governance; ⇒ ensure effective sector-wide coordination; ⇒ provide sector-wide oversight; ⇒ establish organizational structures, operating policies and procedures for PASS; ⇒ collect, process, disseminate and store information; ⇒ strengthen the capacity for information management and agricultural advocacy; ⇒ promote Farmers' Group Formation; ⇒ support Farmers' Group Initiative; ⇒ support community empowerment; ⇒ support Innovative farmers;
<p>A3 Research, Advisory and Technical Services and Training</p> <p><i>Establishing the support services for agricultural growth</i></p>	<p>Client-oriented research</p> <p>Animal and Plant Multiplication and conservation</p> <p>Producers' Advisory Service</p> <p>Training Producers</p> <p>Strengthening of Service Providers (public and private)</p>	<ul style="list-style-type: none"> ⇒ harness local capacity to finance and contract research; ⇒ on-farm participatory technology development; ⇒ smallholder seed production; ⇒ agro-forestry and fruit tree nurseries; ⇒ animal breeding, including artificial insemination; ⇒ training front-line extension staff; ⇒ Provide extensions and advisory services; ⇒ private sector participation in advisory service delivery; ⇒ specialist courses and farmers' field schools; ⇒ develop contracting in/contracting out procedures to complement public and private service providers' delivery capacity; ⇒ strengthen plant protection and animal health services; ⇒ control activities for scheduled diseases and zoonoses; ⇒ harness local capacity to contribute to financing technical services;
<p>A.4 Private Sector Development, Market Development and Agricultural Finance</p> <p><i>(Supporting the commercialization of agricultural growth)</i></p>	<p>Private Sector Development</p> <p>Market Development</p> <p>Producers' Organisations</p> <p>Financial Institutions and Services</p>	<ul style="list-style-type: none"> ⇒ develop information package to attract small, medium and large-scale agricultural sector investment; ⇒ develop incentive package for private sector investment in agriculture sector production, marketing, processing and services; ⇒ promote medium and large scale agricultural enterprises; ⇒ develop contract farming; ⇒ link producers with local and international markets; ⇒ oversight of markets; ⇒ development of market infrastructure ⇒ support smallholder and large scale producers' organizations and ensure adequate representativeness in ASDP managing and advisory bodies; ⇒ promote development of local financial institutions and services; ⇒ support provision of training in financial service provision;

A.5 Cross-cutting and Cross-sectoral Issues <i>(see also Table 2)</i>	Mainstream agriculture in cross-cutting issues	⇒ ensure DED and DPLO integrate cross-cutting and cross-sectoral linkages for agriculture sector in DDP;
	Mainstream cross-cutting issues in agriculture	⇒ ensure DASAC team understand importance of and plan for cross-cutting and cross-sectoral issues in agriculture sector.

**TABLE 1 (PART 2) - Sub-Programme B
Agricultural Sector Support at National Level**

COMPONENT	SUB-COMPONENTS	POSSIBLE INTERVENTIONS
B. 1 Policy, Regulatory and Institutional Framework <i>(Creating a national enabling environment for all farmers and other actors in the sector)</i>	Policy, Regulatory and Institutional Framework Agricultural Sector Information Advocacy	⇒ review and update sub-sector policies; ⇒ review and update sub-sector legislation; ⇒ strengthen sub-sector regulatory and institutional capacity; ⇒ strengthen sectoral coordination capacity; ⇒ institutional strengthening; ⇒ collect, process, disseminate and store information; ⇒ Review of globalisation and its effects on the Agriculture sector. ⇒ Sensitise on opportunities and threats of globalisation on agriculture. ⇒ Promote the interests of Tanzanian agriculture nationally and internationally
B.2. Research, Advisory and Technical Services, and Training. <i>(Establishing the basis for agricultural growth)</i>	Research Genetic Material Multiplication and Conservation Advisory Services Technical Services Training	⇒ Improve oversight capacity for agricultural sector research ¹ ⇒ Harness national capacity to finance and support research ⇒ Promote Strategic Research ⇒ Inventory and conserve indigenous germplasm ⇒ Promote public/private partnerships for better access to improved genetic material ⇒ Improve oversight capacity for agricultural sector extension ⇒ Provide advice on extension operation and management to districts and other service providers ⇒ technical backstopping to districts and other service providers ⇒ Provide services for the prevention, preparedness and management of agricultural emergencies ⇒ Provide specialised skills and services ⇒ Improve oversight capacity for quality of training services ⇒ Harness national capacity to finance and support training ⇒ Provide training
B.3 Private Sector Development, Marketing and Agricultural Finance	Marketing Agricultural Finance	⇒ Improve oversight capacity for market efficiency ⇒ Develop Agricultural Commodity Trade Strategy ⇒ Promote the formation and registration of rural groups and associations

¹ This would include research into production, processing and marketing

	Private Sector Development	<ul style="list-style-type: none">⇒ Promote the provision of micro-finance to rural areas⇒ Streamline procedures for improved service delivery for private sector development⇒ Develop incentive packages for private sector investment in agricultural sector production, marketing, processing and services⇒ Promote contract farming
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TABLE 1 (PART 3) - Sub-Programme C
Cross-cutting and Cross-sectoral Issues

COMPONENT	SUB-COMPONENTS	POSSIBLE INTERVENTIONS
C. 1 CROSS CUTTING ISSUES	<i>May include amongst other:</i> HIV/AIDS Gender Environment Governance Youth Empowerment	Interventions ⇒ internalize HIVAIDS issues in extension and research through seminars, advocacy and sensitization; ⇒ mainstream Gender issues in all programme interventions; ⇒ through research and extension, stakeholders to be educated on best farming and livestock practices that will conserve the environment; ⇒ support education and sensitization seminars to stakeholders to ensure that the sector is managed efficiently in transparent manner; ⇒ internalize youth empowerment in programme interventions;
C. 2 CROSS SECTORAL ISSUES	Education Reform Civil Service Reform LGA Reforms Financial Sector Reforms Land Legislation Energy Water Rural infrastructure (e.g. road warehouses, telecommunications, dams, market structure, stock-routes and dips) Natural Resources (e.g. fisheries, forestry, wildlife and mining) Communications Taxation Trade Barriers Licensing (within and outside the Ministry)	⇒ lobby and influence agricultural sector syllabus in school curricula; ⇒ undertake studies and give advice on the sector manning levels and lobby for good remuneration for sectors employees; ⇒ lobby to ensure the sector is awarded high priority in the on going LGRP in order for it to get increased block grants; ⇒ undertake studies and advice the Government to adjust/reduce agricultural sector taxes in order to make the sector viable and profitable; ⇒ support education and amendment of land legislation in order to make it more favourable to stakeholders; ⇒ lobby, and support implementation of rural energy services e.g. promotion of wind energy uses, efficient charcoal/bran/saw dust stoves, solar energy etc.; ⇒ consult and collaborate with other stakeholders on best practices of conserving, harnessing water resources for different uses; ⇒ undertake studies on demand of the afore mentioned infrastructure and lobby with relevant authorities to implement them through their budgets and programmes; ⇒ lobby and advice on how best Natural Resources could be utilized; ⇒ lobby for improvement in Communication facilities in order to attract agricultural sector investments in potential areas; ⇒ lobby for reduced agricultural taxes; ⇒ lobby to remove or reduced trade barriers between regions or states; ⇒ lobby for streamlining the processing of licenses.

Table 2: The Role of Agricultural Sector Lead Ministries and Other Public Institutions in Managing Cross-Sectoral and Cross-Cutting Issues: Examples

	Sub-Components	Interventions	Collaborating, Implementing Ministries/ Institutions
A. CROSS CUTTING ISSUES	<i>May include amongst other:-</i>	<i>Interventions</i>	
	i. HIV/AIDS	➤ Internalize HIV/AIDS issues in extension and research through seminars, advocacy and sensitization.	Technical facilitation from TACAIDS and Ministry of Health.
	ii. Gender	➤ Mainstream Gender issues in all programme interventions.	Facilitation from MCDWA and TNGP.
	iii. Environment	➤ Through research and extension stakeholders to be educated on best farming and livestock keeping practices that will conserve the environment.	Facilitation from VPO - Environment Department and from NEMC.
	iv. Governance	➤ Organize education and sensitization seminars for stakeholders, to ensure that agricultural sector is managed efficiently and in transparent manner	Resource persons from various institutions
	v. Empowerment of Youth	➤ Internalize youth empowerment in programme interventions.	Facilitation from the Ministry of Labour and Youth Development.
B. CROSS SECTORAL ISSUES	i) Education	➤ Lobby to incorporate agricultural matters in school curricula.	Ministries of National Education and Culture and Higher Education.
	ii) Civil Service	➤ Undertake studies and provide advice on the sector staffing levels and lobby for better remuneration for sectors employees.	Civil Service Department.
	iii) Local Government Reforms	➤ Lobby to ensure that the sector is awarded high priority in the ongoing LGRP in order for it to benefit from adequate block grants.	LGRP and the Treasury.
	iv) Financial Sector Reforms	➤ Undertake studies and advise the Government to adjust/reduce agricultural sector taxes in order to make the sector viable and profitable.	The Treasury.
	v) Land Legislation	➤ Develop sensitization and educational activities on the Land Acts Nos.4 & 5 of 1999. ➤ Support education and amendment of land legislation in order to make it more favourable to stakeholders.	Ministry of Lands and Human Settlement.
	vi) Energy	➤ Lobby to implement rural energy services e.g. promotion of wind energy uses, efficient charcoal/bran/saw dust stoves, solar energy etc.	Ministry of Energy and Minerals.

vii) Water	➤ Consult and collaborate with other stakeholders on best practices of conserving, harnessing water resources for different uses.	Ministries of Livestock and Water Development, Natural Resources, Energy and Minerals and Environment Department.
viii) Rural infrastructure (e.g. roads, warehouses, telecommunications, dams, market structures, stock-routes and dips)	➤ Undertake studies on demand of the afore mentioned infrastructure and lobby with relevant authorities to implement them through their budgets and programmes.	Ministry of Works, LGAs and NGOs etc.
ix) Natural Resources (e.g. Fisheries, Forestry, Wildlife and Mining)	➤ Lobby and advice on how best Natural Resources could be used.	Ministry of Natural Resources and Tourism.
x) Communications	➤ Lobby for improvement in Communication facilities in order to attract Agricultural sector investments in potential areas.	Ministry of Communication and Transport.
xi) Taxation	➤ Lobby for reduced agricultural taxes.	Ministry of Finance.
xii) Trade Barriers	➤ Lobby for removal or reduced trade barriers between regions or states.	Ministry of Trade and Industries.
xiii) Licensing (within and outside the Ministry)	➤ Lobby for streamlining the processing of licenses.	Ministry of Trade and Industries, sector Ministries etc.

14. ANNEX 3: COORDINATION AND MANAGEMENT

1. Introduction

1. The Agricultural Sector Development Programme (ASDP) provides a wide policy, institutional and expenditure framework for the development of the agricultural sector. It is the outcome of a Government initiative carried out with the involvement of stakeholders and development partners to re-orientate and re-invigorate the sector's performance in order to contribute to increased growth and poverty reduction. The ASDP is meant to operationalise the Agricultural Sector Development Strategy (ASDS) that was approved in August 2001. The ASDS is closely related with other Government strategies that focus on tackling poverty, such as the Rural Development Strategy (RDS) and the Poverty Reduction Strategy (PRS).
2. The ASDP forms the basis on which resources from Government and Development Partners will be allocated to the sector to implement the priority interventions identified.
3. Agricultural development management in Tanzania draws together a number of stakeholders with varying roles, responsibilities and interests. These include the central government, local government, parastatal organizations, the private sector, local communities and individuals at household level. These various institutions and organisations collaborate to achieve sustained development of the sector.
4. This Annex presents the coordination and management arrangements of the Agricultural Sector Development Programme (ASDP), both at national level, including the ASDP Secretariat, and at regional and district level. While this Annex outlines the involvement of stakeholders in the ASDP implementation which is further discussed in Annex 1 and in the Main Text. In this Annex the monitoring and evaluation of ASDP activities are presented in the context of the ASDP Secretariat only, as the proposed M&E procedures are presented in the Main Text.

2. Coordination of ASDP at National Level

5. The wide range of actors that will be involved in the ASDP will require a harmonised and coordinated framework for effective and efficient management of activities and resources. This will be achieved at the national and at the district level through the following bodies (see also Figure 1 of the Main Text).

National Steering Committee (NSC)

6. The National Steering Committee (NSC) is responsible for the overall coordination and policy making of ASDP. It is composed of:
 - **the Permanent Secretaries of the Agricultural Sector Lead Ministries (ASLMs)**, namely the: (i) Ministry of Agriculture and Food Security (MAFS); (ii) Ministry of Cooperatives and Marketing (MCM); (iii) Ministry of Water and Livestock Development (MWLD); and (iv) President's Office, Regional Administration and Local Government (PO-RALG);
 - **the Permanent Secretaries of the collaborating Ministries**, including the following: Prime Minister's Office (PMO), Ministry of Finance (MoF), Ministry of Communication and Transport (MCT), Ministry of Lands and Human Settlement (MLHS), Ministry of Community Development, Gender and Children (MCDGC), President's Office – Planning and Privatization (PO-P&P), Vice President's Office (VPO), Ministry of Health (MoH), Ministry of Energy and Minerals (MEM), Ministry of Labour, Youth Development and Sports (MLYDS), Ministry of Works (MoW), Ministry of Industries and Trade (MIT), and Ministry of Natural Resources and Tourism (MNRT); and
 - **five Representatives of the Private Stakeholders**, including farmers associations and NGOs, appointed by the Private Sector Foundation.
 - **Four representatives of Development Partners**
7. The NSC is chaired by the Permanent Secretary of MAFS, which is the agricultural sector coordinating ministry. Its members meet at least every quarter. NSC is responsible for coordinating ASDP implementation at national level and monitoring its performance to ensure that the goals and objectives of the ASDS are achieved. The specific functions of the NSC are to:
 - oversee the development and implementation of policy decisions underlying ASDS and ASDP.
 - monitor ASDP implementation in terms of:
 - a) adherence to the implementation schedule;
 - b) fulfilment of set national standards;
 - c) consistency to national policies as stipulated in the constitution or relevant legislation; and
 - d) stakeholders' performance in relation to fulfilling their mandate as defined in the ASDP;
 - provide high level inter-Ministerial coordination; and
 - allocate resources for the implementation of the ASDP.

Inter-Ministerial Coordination Committee (ICC)

8. The Inter-Ministerial Coordination Committee (ICC) is composed of the Permanent Secretaries of the four ASLMs (MAFS, MWLD, MCM and PO-RALG). The ICC is chaired by the Permanent Secretary of MAFS and meets at least quarterly to prepare ground for the NSC meetings. It may meet more often as needs arise.

Food and Agriculture Sector Working Group (FASWOG)

9. The Food and Agriculture Sector Working Group (FASWOG) is a consultative forum composed of representatives from ASLMs, other Ministries (e.g. PMO, MoF, and PO-P&P) and from multilateral and bilateral development partners, i.e. donor agencies and International Financing Institutions (IFIs), which are active in the agricultural sector.

FASWOG is chaired by the Permanent Secretary of MAFS. FAO is the Secretariat of FASWOG. FASWOG meets once a month to discuss issues of common interest in the agricultural sector. Specifically, FASWOG role is to:

- coordinate and network for donor support and share information on food and agriculture initiatives and operations;
- play an advocacy and proactive role in putting food and agriculture issues high on the development agenda; and
- have an interactive donor-government forum on food and agriculture, to build strong linkages and a transparent dialogue between the Government and donors to ensure better coordination of donor assistance in the sector, at both the central and district level.

Agricultural Sector Advisory Committee (ASAC)

10. The Agricultural Sector Advisory Committee (ASAC) is an advisory body to NSC which meets on a quarterly basis to discuss issues related to ASDP implementation. It is composed of a wide representation of public and private institutions to ensure that all stakeholders are widely involved in ASDP implementation. The ASAC has 15 members, including seven representatives from the lead and collaborating ministries, seven representatives from the private sector (agricultural commodity groups, farmers' associations, NGOs, Civil Society, etc.) and one from the development partners. The Chairperson of ASAC comes from the private sector.

11. Membership is based on individual skills, commitment and capacity to contribute to ASDP implementation. The identification and selection of representatives of the private sector ensures that adequate weight is accorded to the representation of the farmers (especially small scale farmers) who are the end beneficiaries of ASDP activities. The participation of NGOs and the Civil Society is not an end in itself but a way to create greater awareness and advocacy of issues and problems facing the farming communities at large. Therefore representatives of NGOs and Civil Society must have profound knowledge of such problems and issues and be prepared to play a major advocacy role to find appropriate solutions.

Annual Conference of Stakeholders (ACS)

The views of the various stakeholders are of considerable importance in the implementation of ASDP. A major avenue for obtaining these views is through an Annual Conference of Stakeholders (ACS) in the agricultural sector organised by the lead Ministries. This Conference gathers a much wider audience than the ASAC, and allows representatives of all stakeholders in the sector to be informed of, and express their views on, the ASDP implementation progress. The ASDP Secretariat is entrusted with the mandate to ensure a fair and wide representation of the farming and rural communities, NGO and Civil Society.

12. The President of the United Republic of Tanzania or his representative chairs the stakeholders' annual conference. This annual event takes place on early September of every year. This enables the lead Ministries to take into account stakeholders' views in the annual ASDP planning and budgeting process. As a consultative forum for ASDP, the conference specifically:
- reviews progress in ASDP implementation and achievement of its objectives on an annual basis
 - discusses problems constraining progress and ways of overcoming them;
 - considers current and future marketing prospects;
 - advises on policy or institutional changes;
 - advises on changes in the funding levels for different sub-programmes if necessary; and
 - advises on any other matter adversely affecting the agricultural sector.

The ASDP Secretariat

13. ASDP undertakes a wide range of activities stretching across a large number of stakeholders from the public and the private sector as well. Besides the four ASLMs dealing directly with sector issues, other ministries deal with cross-cutting and cross-sectoral aspects which affect directly or indirectly the rural communities (e.g. rural infrastructure, rural health and education, youth, gender issues, environment and natural resources etc., see Main Text). The private sector is also represented by institutions and individuals who may have common or conflicting interests.
14. In view of the above, the Secretariat overall objective is to facilitate coordination and collaboration amongst ASDP stakeholders to ensure that they are and remain aware of the goal of the ASDP, which is the well being of the rural communities at large. The ASDP Secretariat is based in Dar Es Salaam and consists of a core team composed of experienced professionals. The specific mandates of the ASDP Secretariat are to:
- coordinate the implementation of ASDP;
 - facilitate the mobilisation of resources for agricultural sector development;
 - enhance stakeholder involvement in ASDP implementation;
 - facilitate the ASDP budgeting and financing process;
 - monitor & evaluate ASDP implementation; and
 - commission and supervise sector related studies as the need arises.

Table 1 presents the activities undertaken by the Secretariat for each of the above mandates.

15. The Secretariat is staffed by a core team of professionals who carry out the necessary activities on a day-to-day basis. The core team composition can be adjusted as needs arise, but initially comprises: a Coordinator, a Programme Specialist, and a Finance and Administration Officer. The Secretariat reports to the Permanent Secretary of MAFS, who is the Chairman of the ICC and NSC. In addition, each DPP office of the four Lead Ministries designate a Programme Officer who is responsible, on a full time basis, for coordinating ASDP activities and preparing sector-related MTEFs.

Table 1: ASDP SECRETARIAT - MANDATES AND ACTIVITIES

MANDATES	ACTIVITIES
1. Coordinate the implementation of ASDP	1.1 Conduct discussions with interested development partners and other stakeholders; 1.2 Provide information regarding ASDP implementation progress to the collaborating ministries, development partners and other stakeholders; 1.3 Prepare guidelines for ASDP reporting by lead ministries, collaborating ministries and development partners; 1.4 Review ASDP-related progress reports and bring any issues to the attention of ICC and ASAC; 1.5 Develop and manage a database on ongoing and planned activities; 1.6 Serve as secretariat to the NSC, ICC, AFC, ASAC and ACS; and 1.7 Coordinate the review and updating of the ASDS.
2. Facilitate the mobilisation of resources for agricultural sector development	2.5 Facilitate the detailed formulation of sub-programmes; 2.6 Be actively involved in selected task forces as appropriate; 2.7 Advice on the formulation process of sub-programmes; 2.8 Oversee the finalisation and approval process of the sub-programmes; and 2.5 Coordinate development partners' consultations for resource mobilisation.
3. Enhance stakeholder involvement in ASDP implementation	3.1 Ensure adequate representation and active participation of stakeholders in the ASDP implementation process and ASAC and ACS; 3.2 Provide continuous information on the status of ASDP implementation through mass media, newsletters, stakeholder roundtable meetings; and 3.3 Participate in stakeholders' meetings dealing with agricultural sector related issues.
4. Facilitate the ASDP budgeting and financing process	4.1 Review progress reports, draft PER and MTEF and prepare comments and appropriate recommendations to ICC, ASAC, ACS and ASDP Financing Committee in accordance with established guidelines; and 4.2 Review DADPs (plans and budgets) and make recommendations for resource allocation to ICC and ASDP Financing Committee.
5. Monitor & Evaluate ASDP implementation	5.1 Design a monitoring & evaluation framework (guidelines, log-frame, indicators, timeframe, responsibilities ...) for use by ASDP implementers 5.2 Establish criteria for the design of sector interventions, and screen new interventions for their adherence to these criteria 5.3 Review and consolidate quarterly and annual reports and make appropriate recommendations to ICC, ASAC, ACS and AFC; 5.4 Organise the Periodic Reviews and commission impact assessment studies; and 5.5 Assess sector performance in terms of its contribution to the Poverty Monitoring Master Plan and the RDS.
6. Commission and supervise sector related studies as the need arises	6.1 Identify areas requiring further investigation in collaboration with lead ministries and development partners; 6.2 Identify sources of finance; 6.3 Prepare terms of reference for studies; 6.4 Procure services of consultants; 6.5 Supervise progress of studies and review output; and 6.6 Make appropriate recommendations to NSC, ASAC, ICC and FASWOG.

16. During ASDP implementation, the Secretariat will be flexible enough to accommodate any changes in terms of activities and staff composition as needs arise. A review will be carried out after years three years of ASDP implementation to take stock of progress made and any implementation issues and recommend any changes or adjustments. The proposed organisational structure is presented in Figure 1.
17. The Secretariat team will be assisted, as needs arise, by short- and long-term local and international consultants, for example for: (i) the detailed formulation of Sub-programmes and Components (to join Formulation Task Forces, see Main Text, Chapter 11); (ii) monitoring and evaluation, as well as impact and beneficiaries assessments and (iii) database development .
18. Under the overall direction and guidance from the Permanent Secretary of MAFS, the ASDP Secretariat Coordinator provides leadership for the facilitation of ASDP implementation. Because of the nature and the level of relations with officials from both public and private institutions, the coordinator is expected to be a seasoned professional with a long experience in the management of agricultural sector activities and with proven leadership, communication, coordination and negotiation skills.

The detailed work plan and budget for the ASDP Secretariat is presented in a separate document Some activities already identified and for which funding is being sought are presented in Box 1.

Box 1: Examples of Secretariat Activities

The following activities, for which finance beyond the normal operational expenses are required have been identified:

- **Secretariat to NSC, ICC, ACS and ASAC:** it is expected that additional expenses will be incurred for the organisation of the regular meetings of NSC, ICC and ASAC (travel and DSA) and for report preparation.
- **Communication and Advocacy:** funds are needed for expenses related to communication, including regular radio and TV programmes and the publication of an ASDP newsletter.
- **ASDP Detailed Formulation:** the coordinator and his collaborators will participate in various meetings in and outside Dar es Salaam for the detailed formulation of the ASDP sub-programmes and components. Costs include travel and DSA. Study tours will also be organised in neighbouring countries which have undergone similar experiences, such as Uganda, Zambia, Malawi and Mozambique.
- **Training modules:** there is a need to develop and carry out training modules for ASDP Secretariat staff and for the staff of the lead Ministries and districts. Such training modules may include methodological aspects of policy and programme formulation, monitoring and evaluation, district planning and budgeting and others. A Training Needs Assessment (TNA) would be conducted by the ASDP Secretariat with the assistance from consultants.
- **Sector Related Studies:** funds will be earmarked for studies which can contribute to a better understanding of the sector and which can provide additional information for the formulation of sub-programmes and components. Such studies may include the following: (i) a functional analysis of the Lead Ministries; (ii) a competitiveness study of Tanzanian agriculture; (iii) review and evaluation of extension and research methods; (iv) a study on rural financing; (v) a study on farmers' organisations etc. One of the activities of the ASDP Secretariat will be to identify the areas which need additional investigations and the level of priority of proposed studies, taking into consideration their relevance to ASDP implementation.

3. Coordination of ASDP at Sub-Sector, Regional and District Levels

Sub-Sector Level

19. Each lead Ministry implements sub-sector ASDP activities in close collaboration with other lead and collaborating Ministries and various stakeholders, including development partners and beneficiaries. There is an ASDP Programme Officer in each DPP's office of the Lead Ministries who coordinates ASDP implementation at Ministerial level. In close collaboration with the technical departments, he/she:
 - Prepares the work plans and budgets for sub programmes;
 - follow up implementation of sub-programmes and components relevant to the Ministry;
 - prepares quarterly, mid-year and annual implementation reports and submit in a timely manner to the ASDP Secretariat; and
 - undertake monitoring and evaluation of the specific verifiable indicators under their jurisdiction and provide adequate information to the ASDP Secretariat.
20. The Heads of Departments will hold regular meetings which will play a very important management function and will be a forum to discuss ASDP implementation at Ministerial level. Each head of department will present quarterly, mid-year and annual work schedules and report on progress in ASDP implementation relative to agreed ASDP targets.
21. Similarly, collaborating Ministries designate ASDP Focal Points in their relevant departments.

Regional Secretariat Level

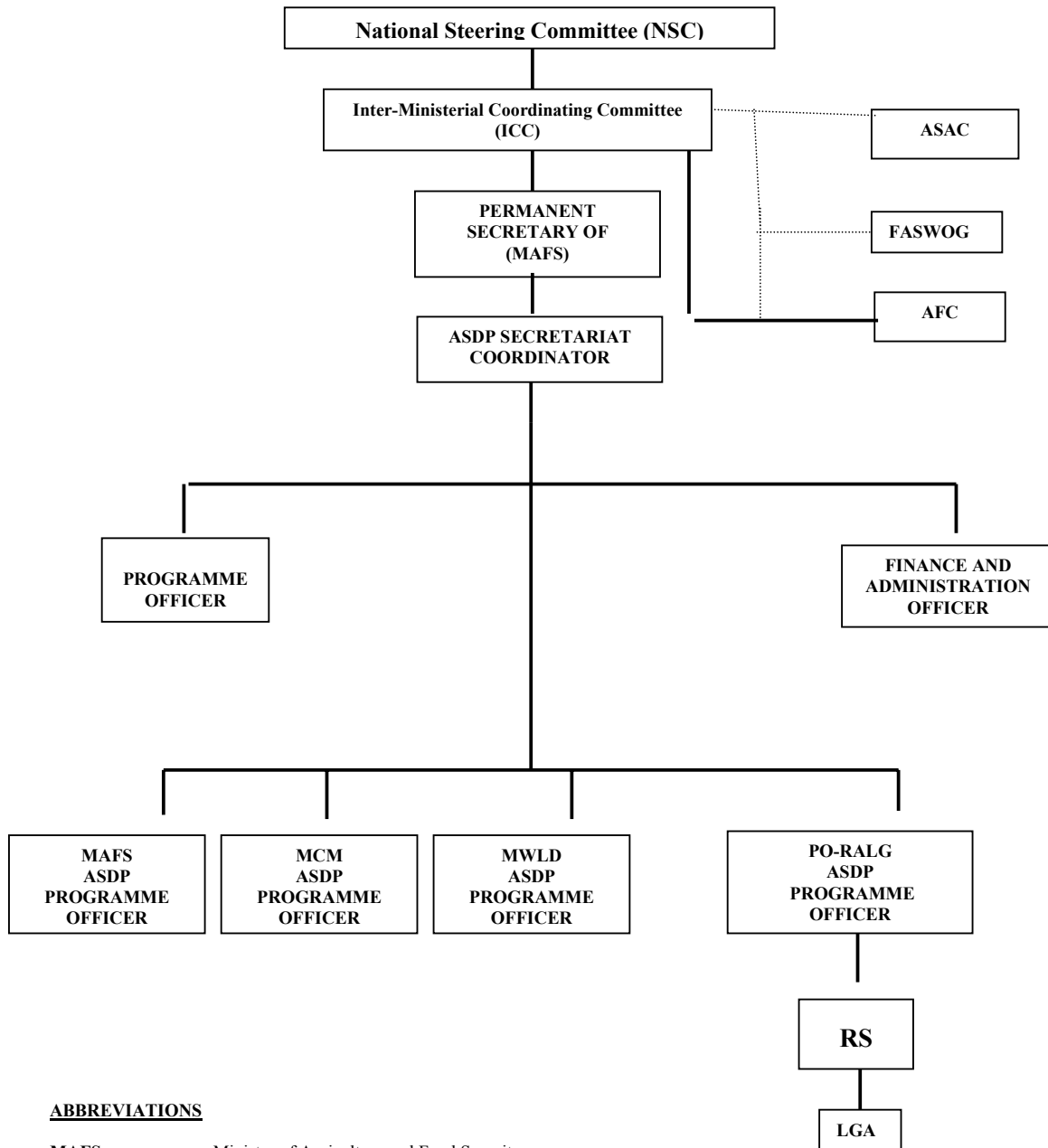
22. The Regional Advisors for the agricultural sector:
 - coordinate ASDP activities implemented by Local Government Authorities (LGAs) within their Region;
 - provide technical backstopping to the LGAs;
 - monitor implementation and accountability of DADPs through DDPs; and
 - compile and submit progress reports to PO-RALG and sector ministries.

Local Government Authority Level

23. At LGA level the ASDP coordination will be achieved through the following mechanisms (see also Guidelines for the Preparation of District Agricultural Development Plans, DADPs, October 2002):
24. **District Agricultural Sector Advisory Committee (DASAC):** This is a forum at the district level that will discuss issues of common interest on agricultural development. The DASAC advises the District Management Team (DMT) and other relevant council committees on matters related to the agricultural sector. The Chairperson of DASAC comes from the private sector. The DASAC meet quarterly, and is composed of the following stakeholders:
 - District Agricultural and Livestock Officer;
 - Cooperatives Officer;
 - Livestock/crop Officer;
 - District Planning Officer
 - Representatives of relevant NGOs active in agriculture;

- Representatives of relevant NGOs active in gender sensitisation;
 - Representatives of farmers'/livestock keepers' associations;
 - Primary cooperatives representatives; and
 - Representatives of the private sector/agribusiness community.
- 25. District Management Team (DMT) Meetings:** In this forum, chaired by the District Executive Director (DED), Heads of technical departments discuss issues and problems at the district level. The heads of departments' responsibilities in the implementations of the ASDP, inter alia, are to:
- assist the DED, who is the district chief executive officer and accounting officer, to execute his/her duties as directed by the council; and
 - prepare and submit progress reports that include financial and physical reports to the Finance, Administration and Planning Committee.
- 26. Finance, Administration and Planning Committee (FAPC):** This committee deliberates on ASDP progress reports (financial and physical) and submit reports to the full Council. The composition of the FAPC is as follows: The Chairperson of the District Council as Chairperson; the Chairperson of all District Council standing committees; the Members of Parliaments in the District; and the District Council Departmental heads as ex-officio members.
- 27.** The function of the committee in the preparation and implementation of DADP will be to receive and review consolidated plans and budget proposals from the ward level. Specifically FAPC will:
- prioritize activities and allocate funds where council resources are needed to supplement the local initiatives;
 - take note of all plans and budgets of activities fully resourced at the lower levels and advise where essential;
 - endorse submission of the plans and budget to the Regional Secretariat for review, consultation and advice by Regional Consultative Committee (RCC);
 - incorporate changes/comments made by RCC to the plans and budget; and
 - endorse submission of the final DADP proposals to the District Full Council for review and approval.
- 28. The District Full Council (DFC):** The responsibility of the DFC is to review and approve the District Plans and Budgets. The composition of the DFC includes:
- members elected from each ward of the district council;
 - Member(s) of Parliament representing the constituencies within the area of the district;
 - elected women members of different political parties;
 - nominated Members of Parliament in the jurisdiction of the council; and
 - District Council Executive Director is the Secretary to the Council.

Figure 1: ASDP Secretariat - Proposed Organisational Structure



ABBREVIATIONS

MAFS:	Ministry of Agriculture and Food Security
ASDP:	Agricultural Sector Development Programme
ICC:	Inter-ministerial Coordination Committee
ASAC:	Agricultural Sector Advisory Committee
FASWOG:	Food and Agriculture Sector Working Group
AFC:	ASDP Financing Committee
MCM:	Ministry of Cooperatives and Marketing
MWLD:	Ministry of Water and Livestock Development
LGA:	Local Government Authority
PO-RALG:	President's office-Regional administration and local Government
RS	Regional Secretariat

15. ANNEX 1, APPENDIX 1: ASDP SECRETARIAT

15.1 JOB DESCRIPTIONS FOR KEY STAFF

1. ASDP COORDINATOR

Duties and Responsibilities

Under the overall guidance and direction of the National Steering Committee (NSC) – the Permanent Secretary MAFS. The ASDP Coordinator will provide leadership for the overall coordination of ASDP implementation. More specifically, he/she will be responsible for the following:

- Assuming responsibility for general management and coordination of ASDP related activities;
- Preparing and submitting to NSC an ASDP annual work programme and budget;
- Managing all resources of the Secretariat;
- Ensuring participation of the Secretariat in Stakeholders' meetings;
- Coordinating advocacy for the ASDP activities;
- Coordinating activities related to resource mobilisation for the ASDP, including the organisation of donor roundtables meetings;
- Facilitating communication links between partners that provide support to ASDP;
- Liaising on a regular basis with the lead ministries, collaborating ministries and other development partners on issues pertaining to ASDP implementation;
- Conducting dialogue with stakeholders in the agricultural sector, including NGOs, Civil Society and development partners to ensure complementarity and to build consensus around ASDP objectives;
- Acting as Secretary to NSC, ICC, ASAC, AFC and ASC.
- Making appropriate policy recommendations through briefs and memoranda to NSC, ICC, ASAC, AFC and ASC.
- Facilitating the annual Stakeholder Conference;
- Overseeing the recruitment of support staff and short term consultants.

Minimum Qualifications and Experience Required

- Advanced degree in Economics, Agricultural Sciences, Agricultural Economics, Rural Sociology or a related fields;
- 10 to 15 years experience in management of rural development projects and programmes;
- Ability to deal with high level personnel from both public and private sectors;
- Proven leadership and coordination skills;
- Excellent oral and written communication skills;
- Strong negotiation skills.

2. PROGRAMME SPECIALIST

Duties and Responsibilities

Under the overall direction and guidance of the ASDP Coordinator, the Programme Officer is responsible for the following:

- Preparing appropriate guidelines/formats for ASDP reporting by lead ministries, collaborating ministries and development partners;
- Reviewing ASDP related progress reports and bring any issues/problems to the attention of NSC, ICC and ASAC;
- Providing and share information regarding ASDP implementation progress to the collaborating ministries, development partners and other stakeholders;
- Conducting dialogue and discussions with interested development partners and other stakeholders;
- Assisting the Coordinator in the organisation of donor roundtables meetings for resource mobilisation;
- Facilitate the constitution of task working groups for the detailed formulation of sub-programmes and participating in selected task working groups.
- Following up and providing advice in the formulation process;
- Assisting in identifying areas requiring further investigations and sources of finance;
- Preparing terms of reference for identified studies;
- Supervising progress of studies and review various reports;
- Preparing appropriate recommendations;
- Representing the Coordinator in various meetings.
- Any other duty as assigned by the ASDP Coordinator.

Minimum Qualifications and Experience Required

- Advanced degree in Economics, Agricultural Economics, Agriculture or related field;
- At least 10 years experience in project management, project implementation, project/programme formulation.
- Excellent oral and writing communication skills;
- Strong analytical skills;
- Ability to prepare clear and well structured reports.

3. MONITORING AND EVALUATION SPECIALIST

Duties and Responsibilities

Under the overall direction and guidance from the ASDP Coordinator, the M&E Specialist will be responsible for the following tasks:

(i) Monitoring and Evaluation

- Coordinating the elaboration of a monitoring & evaluation framework (guidelines, core indicators, timeframes, responsibilities) for use by ASDP implementers;
- Providing support to District and Regional Planners, and other ASDP implementing units, for improving project design, including quality support for logframes and M&E data collection systems.
- Assisting in the review of annual work plans and budgets;
- Consolidating progress reports (quarterly and annual) and make appropriate recommendations to NSC, ICC, ASAC, ASC and AFC;
- Oversee the development and maintenance of the agricultural sector support database
- Facilitating the undertaking of the mid-term review exercise and the implementation of the recommendations;
- Commissioning impact (including beneficiaries) assessment studies and reviewing their implementation.

Minimum Qualifications and Experience Required

- An advanced degree in Agriculture, Agricultural Economics, Economics, Statistics or related fields;
- Additional training in MIS or data processing or surveys highly desirable;
- At least 10 years experience in project/programme management and implementation, monitoring and evaluation of projects and programmes, impact assessment, project formulation, design and update of databases.
- Ability to use word processing, spreadsheets and database software.

In Phase 2 of ASDP formulation, a number of follow-up tasks will be undertaken relating to elaboration of the M&E framework. These will include (i) a review of existing M&E systems and capacity in the sector in order to identify best practice and training needs; (ii) a review of the different sector-related indicator sets (see §9.6); (iii) drafting of TORs for M&E roles within the ASDP Secretariat plus others; (iv) a study on information management needs for the agricultural sector in order to propose rationalisation / strengthening of the existing MIS in ASLMs; and (v) work to complete the database on sector support activities (and link with PO-RALG's inventory of programmes).

4. COMMUNICATION AND ADVOCACY SPECIALIST

Under the overall direction and guidance from the Coordinator, the Communication and Advocacy Specialist contributes to stimulating and maintaining stakeholder involvement in ASDP. More specifically, he/she will perform the following tasks:

- Prepare a communication and advocacy Plan of Action for ASDP;
- Plan and coordinate all communication and advocacy campaigns through mass media, newsletters, and stakeholder roundtable meetings;
- Publish and edit a regular ASDP newsletter and other booklets as appropriate;
- Assist the Coordinator in facilitating communication links between partners that provide support to ASDP;

- Facilitate interpretation and translation of ASDP advocacy as the need arises.

Minimum Qualifications and Experience Required

- An advanced degree in Mass Communication, Extension, Education or related fields.
- At least 5 years experience in mass communication, public relations, advocacy campaigns etc.
- Strong oral and writing communication skills;
- Ability to use word processing and desktop publishing software.

5. FINANCE AND ADMINISTRATION OFFICER.

Duties and Responsibilities

The Finance and Administration Officer will be responsible for the following tasks:

Finance/Accounting

- Assist the Coordinator on issues regarding budgets and forecasts according to contractual agreements;
- Ensure that documents presented for payment are properly authorised and in line with laid down procedures;
- Ensure that financial and administrative internal control systems are in place and operational;
- Ensure that financial and accounting reports are produced as and when required;
- Provide advice to the ASDP Secretariat on all financial matters;
- Ensure timely preparation and audit of the financial statements;
- Ensure appropriate follow up of issues and implementation of audit recommendations.

Administration:

- Assist the Coordinator in executing day to day managerial and logistical tasks related to the implementation of ASDP;
- Maintain and keep secured records of the official documents related to ASDP;
- Ensure that ASDP performs its tasks efficiently through facilitation for the provision of essential equipment and supplies;
- Facilitate human resource function of the programme inclusive of recruitment of programme staff and acquisition of appropriate work permits for external consultants;
- Assist the coordinator to administer contracts of consultants providing services to ASDP;
- Carry out any other functions deemed necessary and important for the smooth administration of ASDP.

Minimum Qualifications and Experience Required:

- A degree in Finance, Accounting, Economics, Business Administration or related fields.
- At least 5 years experience in accounting and administration acquired in a public or private institution.
- Knowledge and ability to use accounting and financial computer software.

16. ANNEX 4: PLANNING AND BUDGETING

INTRODUCTION

The ASDS guides public interventions to foster agricultural development in Tanzania. For implementing the Agricultural Sector Development Strategy (ASDS), the proposed interventions have been consolidated into three major sub-programmes, each comprising components and sub-components (see Main Text, Chapter 4). Examples of possible interventions have been identified for the respective sub-components (see Annex 2). Under the Agricultural Sector Development Programme (ASDP), discrete projects will continue to exist, and new projects will be formulated as needs arise. However, on-going and pipeline operations will not merely be an aggregation of projects, they will be streamlined to be consistent with the ASDS, and the ASDP implementation framework. Overall, the primary function of the ASDP is to bring public and private stakeholders together to implement the ASDS, in a coordinated manner. .

Direct ASDP management activities are confined to the work of the National Steering Committee (NSC), the Inter-ministerial Coordinating Committee (ICC), the Food and Agriculture Sector Working Group (FASWOG), the Agricultural Sector Advisory Committee (ASAC) and the Annual Conference of Stakeholders (ACS), as well as to the ASDP Secretariat (refer to Annex 3). These management activities are funded through a specific budget managed by the ASDP Secretariat. On the other hand agricultural development activities, falling under the coordination of ASDP, are implemented through existing public institutions, and through contractual arrangements with private sector service providers, professional associations, academia, NGOs and other non-public institutions. This Annex presents the planning and budgeting procedures of these activities, and outlines the financing and accounting mechanisms that are to be used for the various ASDP funding mechanisms, namely Treasury Funds, Basket Funds, non-basket funds for discrete projects, local funds, etc.

Specific guidelines, or implementation manuals, further detail the planning and budgeting procedures, the accounting and auditing mechanisms (for both the Local Government Administration (LGA) level and the National level), guidelines for the preparation of District Agricultural Development Plans (DADPs), and the national Medium-Term Expenditure Frameworks (MTEFs) for 2003/4-2005/6. Other guidelines will be prepared as needs arise.

PLANNING AND BUDGETING

2.1 Objective

This Chapter outlines the planning and budgeting procedures to be followed by the Agricultural Sector Lead Ministries¹ and the LGAs in implementing the ASDP. It also provides the linkage between the ASDP planning and budgeting, and the Government Public Expenditure Review (PER) and the Medium-Term Expenditure Framework (MTEF) processes. At the outset, it is important to stress that ASDP is not a tool for centrally planned agricultural development: rather it is an instrument for improved coordination and facilitation, and for guiding investment towards national and local priorities.

2.2 Planning and Budgeting Procedures at LGA Level

Plans are prepared on a sector-wide basis at the Council level and prepared according to PO-RALG participatory planning procedures. They are built up through community participation and incorporated into District Agricultural Development Plans (DADPs), which are in turn consolidated within the respective District Development Plans (DDPs). The planning process is elaborated in Section 1.2.1 below.

2.2.1 District Agricultural Development Programmes

LGAs will ensure that DADPs are formulated through participatory planning. They will also be responsible for implementing and monitoring the agreed interventions. The Economic Affairs, Works and Environment Committee (EAWEC) for rural districts, or the Economic Affairs, Health and Education Committee (EAHEC) for urban council will oversee this planning and implementation process as technical council committees, while the full council will oversee implementation as a decision-making body on policy issues.

The DADP will be formulated in the context of the DDP. The various stages in the preparation of the DADP and DDP are outlined below, though detailed Guidelines on DADP Preparation are presented in a separate document². The preparation of the DDP starts at village level.

The Village Council is composed of not less than 15 and not more than 25 members including:

- chairperson, to be elected by the Village Assembly;
- chairpersons of all the *vitongoji* (*sub-village*) in the village;
- other members elected by the Village Assembly (including minimum 25% shall be women); and
- Village Executive Officer who is the secretary to the Village Council.

¹ Ministry of Agriculture and Food Security (MAFS), Ministry of Water and Livestock Development (MWLD), Ministry of Cooperative and Marketing (MCM) and President Office – Regional Administration and Local Government (PO-RALG).

² See **URT 2002: Guidelines for the Process of Participatory Planning of District Agricultural Development** (“DADP guidelines”) – Draft of 28 October 2002.

The responsibilities of the Village Council in the preparation of DADPs are:

- to provide information and guidelines to the Village Assembly at the start of the planning process. This information includes the scale of external resources allocated from the Central Government, donors, NGOs, and other services available for the village; and
- to receive and review the proposals prepared by the *vitongoji*, and consolidate them into the village plan and budget, for submission to the Village Assembly.

The Village Assembly consists of every person who is ordinarily resident in the village and who has attained an apparent age of 18 years. It will be responsible for discussing the proposed village plan and budget, and is required to approve it with or without amendments. After the Village Assembly has approved the plans and budget, the Village Executive Officer will submit them, together with the minutes of both the Village Council and Village Assembly, to the Ward Executive Officer.

Ward Development Committee is an advisory body which coordinates the development activities in the ward; it is not a decision making body. As such, it has no authority to reject planned activities from villages. It consists of:

- the Councillor, who is the Chairman;
- chairpersons of all village councils within the ward;
- any member of the district council residing in the ward; and
- ward agricultural extension staff as ex-officio members.

The Ward Development Committee will discuss and prioritize activities and projects, from the villages' plans and budgets. It will identify those villages that are fully funded, the activities and projects which require additional funds, and those projects with joint village implementation. The Ward Executive Officer will coordinate plans and budgets from villages into a single Ward Development Plan and Budget to be presented to the District Council Executive Director for onward processing at the District level.

At the **District Level**, the District Planning Officer will review all plans and budgets and arrange them by sector and in the order of similarity before presenting them to the EAWEC for rural districts or the EAHEC for urban councils for reviewing, screening and advice. The function of the committee in the preparation of DADP will be to receive and review consolidated plans and budget proposals from the ward level. Specifically EAWEC/EAHEC will:

- prioritize activities and allocate funds where council resources are needed to supplement the local initiatives;
- take note of all plans and budgets of activities fully resourced at the lower levels and advise where essential;
- endorse submission of the plans and budget to the Regional Secretariat for review, consultation and advice by Regional Consultative Committee (RCC);
- Incorporate changes/comments made by RCC to the plans and budget; and
- Endorse submission of the final DADP proposals to the District Full Council for review and approval.

The Full Council responsibility is to review and approve the Council Plans and Budgets. The composition of the Full Council is:

- members elected from each ward of the district council;
- Member(s) of Parliament representing the constituencies within the area of the district;

- elected women members of different political parties;
- nominated Members of Parliament in the jurisdiction of the council; and
- District Council Executive Director/Town Council Director is the Secretary to the Council.

2.2.2 Regional Secretariats

In the preparation of DADPs, the roles and responsibilities of the Regional Secretariats are to:

- provide technical backstopping for the Councils;
- monitor the development and implementation of DADPs in their respective regions;
- translate the DADP preparation guidelines into implementable programmes; and
- prepare and submit consolidated progress reports to PO-RALG and sector Ministries.

2.3 Planning and Budgeting at the Sub-sector Level

The planning of ASDP activities in PO-RALG, MAFS, MWLD and MCM are coordinated by the ASDP Secretariat¹. It follows the normal Government planning process with ASDP activities included in the holistic national development plans, following the agreement of the ASDP National Steering Committee (NSC)². Annual plans derived from this process will form the basis of budget preparation, that will also follow the normal Government procedures. As part of this, the specific ASDP activities will be included in the relevant Ministry's budget to be approved by the National Assembly.

In order to implement ASDP components and sub-components, it will be necessary for MAFS, MWLD, MCM to identify and cost in detail the agreed interventions, of which a number will be agreed upon as part of discrete, donor-funded projects (see Main Text, Chapter 4). The procedures to be followed will be those in force for the preparation of the Government Budget, taking into account the various funding sources (e.g. treasury funds, donor funds (whether through basket mechanisms or not)). The specific steps required to bring the ASDP-funded expenditure into the budget are:

- ASDP NSC will review long-term goals set by the PO-RALG, MAFS, MWLD, and MCM to confirm that activities are in line with the ASDS.
- MAFS, MWLD and MCM will review line Ministry activities while the PO-RALG will also review the activities to be undertaken by councils. This will involve reviewing each Ministry's strategies to identify objectives, targets, activities and the required resources.
- PO-RALG, MAFS, MWLD and MCM will determine outputs by activities.
- PO-RALG, MAFS, MWLD and MCM will quantify the inputs for each activity in financial terms.
- PO-RALG, MAFS, MWLD and MCM will review estimates prepared to ensure that they do not exceed expenditure ceilings and are in accordance with priorities.
- PO-RALG, MAFS, MWLD and MCM will set activity efficiency criteria (activity: cost ratios) to be used.
- The ASDP Finance Committee (see Section ...) will review the relevant sections of the MTEFs before submission to the Ministry of Finance (MoF), and provide

¹ And possibly other Government Bodies dealing with agricultural sector interventions (e.g. the Prime Minister's Office (PMO) for Marketing and Rural Finance projects funded by IFAD and ADF).

² See also Annex 3.

comments through MAFS, MWLD MCM and PO-RALG in respect of forecast expenditure of ASDP Funds.

According to the Government performance budgeting operations the planning cycle starts on 1st of July each year. The planning and budgeting cycle to be adhered to by the lead Ministries is summarized in Table 1.

Table 1. A Summary of Planning and Budgeting Cycle Indicating Timing of and Responsibilities for Activities by Agricultural Sector Lead Ministries

	Activity	Responsibility	Timing
1	Prepare the 4 th quarter's progress report for the last year for submission to ASAC for technical scrutiny and submit to ASDP National Steering Committee for review and approval and to Ministry of Finance (MOF) Start implementing the programme for the current year.	PO-RALG, MCM, MAFS &MWLD	1 July
2	Prepare last year's performance report. The report will be submitted to ASAC for technical review and consolidation, to ASDP National Steering Committee for review and scrutiny and to MOF. The report will also be tabled to the annual conference of stakeholders. The annual performance report comments by stakeholders will be an input in the preparation of the next year's plan and budget.	PO-RALG, MCM, MAFS &MWLD	August
3	Prepare 1 st quarter progress report for submission to ASAC and ASDP National Steering Committee. Prepare Terms of Reference for preparation of Public Expenditure Review (PER) for the sector ^a Organize annual conference for stakeholders to review previous year performance	PO-RALG, MCM, MAFS &MWLD	Sept.
4	Submit 1 st quarter progress report to MoF Preparation of PER.	PO-RALG, MCM, MAFS &MWLD PER Sector Working Group	October
5	Preparation of PER Start preparation of next year's plan and budget	PER Sector Working Group PO-RALG, MCM, MAFS &MWLD	November
6	Prepare preliminary/indicative physical plans and budget.	Head of Technical Department.	1st week December
7	Submit preliminary/indicative budget and PER to ASDP National Steering Committee.	DPPs of PO-RALG, MCM, MAFS &MWLD	2 nd week December
8	Submit preliminary/indicative budget to MoF	PO-RALG, MCM, MAFS &MWLD	3 rd week December
9	Submit PER to MoF Prepare 2 nd quarter Progress Report.	Sector Coordinator PO-RALG, MCM, MAFS &MWLD	3 rd week December December December
10	Receive budget guidelines and ceilings Submit 2 nd quarter Progress Report.	MoF PO-RALG, MCM, MAFS &MWLD	1 st week January
11	Issue Ministerial Budget guidelines to technical departments	DPPs of MAFS, MCM, PO-RALG & MWLD	January
12	Preparation of fully costed and ceiling budgets.	Head of Technical Departments	Mid-February
13	Review and consolidate proposals	DPPs of MAFS, MCM, PO-RALG & MWLD	3 rd week February
14	Submit budget proposal to ASDP Steering committee	ASAC	4th week February
15	Submit budget proposal to MoF	MAFS, MCM, PO-RALG & MWLD	March
16	Negotiation with Treasury on budget allocation for the next year Prepare 3 rd quarter Progress Report and submit to ASAC and ASDP National Steering Committee	MAFS, MCM, PO-RALG & MWLD	March
17	Prepare budget memorandum Submit 3 rd Quarter Progress Report to MoF	DPPs of MAFS, MCM, PO-RALG & MWLD	April
18	Preparation of Budget speech	DPPs of MAFS, MCM, PO-RALG & MWLD	April
19	Submit budget proposal to the parliamentarian Sector	MAFS, MCM & MWLD	May

	Budget committee.		
20	Submit Budget proposal to Parliament Prepare and submit consolidated Action Plan to MoF for the next year.	MAFS, MCM, PO-RALG & MWLD DPPs of MAFS, MCM, PO-RALG & MWLD.	June.

Note: PER will provide an update on sector performance, assessment of the resources available and analysis of the annual plan and budget of the current year. PER is crucial in analysis of the MTEF and in predicting the needs of the future budgets for the sector as an initiative of supporting government budget preparations. Furthermore, PER provides an input into budget guidelines.

2.4 Local Government Planning Outputs

In this section the outputs of the planning process are outlined. The processes are described in detail in the Local Government Participatory Planning Manual. The outputs of the Council planning process and the approval levels are:

Output	Prepared by	Approved by	Scrutinised by
5 Year DADP Document	Council	Council	Region; PO-RALG, ASLM and ASDP National Steering Committee
District Annual Plan of Action Document	Council	Council	Region; PO-RALG; ASDP National Steering Committee and ASDP Finance Committee ¹

Planning and budgeting at LGA level is depicted in Table 2. This provides the budgeting linkages between the LGAs and the Central Government.

¹ See section 2.4.3.

Table 2: Planning and Budgeting Timetable for LGAs

	Activity	Responsibility for Action	Timing
1	Information about planning process passed to councils at all level.	PO-RALG	Annually - May
2	Preparation of <i>DADP/Plan of Action and Budget (PoAB)</i>	Councils	July
3	DADP discussed at council level	CD	September
4	DADP reviewed at Regional level	RS	September
5	Councils prepare budget based on approved DADP	CD	October
6	Budgets reviewed at Regional level	RS	October
7	Council budgets approved by the Council	CD	November
8	Council budgets reviewed reconciled with national budget guidelines through PO-RALG	PO-RALG	Early December
9	DADP (plans and budgets) submitted to ASDP National Steering Committee	ICC	Mid December
10	Plans and budgets presented to ASDP Finance Committee	MAFS, MWLD, MCM & PO-RALG	Late December

2.5 Planning and Budgeting Reporting Format

The ASDP reporting format will use the existing government systems. In order to produce accurate, timely and relevant information there are pre-designed forms that are normally issued by the Treasury annually. The types of reporting formats will be presented in the implementation manual.

FINANCING AND ACCOUNTING MECHANISMS

This Chapter describes procedures and accounting policies that are specifically required for the allocation and management of ASDP Funds. The purpose of financial management and accounting procedures is to enable those who will be involved in the day-to-day activities of the Programme to perform their duties in an orderly, effective and efficient manner while at the same time providing the necessary information for effective decision making. The ASDP is implemented in accordance with Government financial procedures, acts, regulations and notices, as well as in accordance with specific ASDP procedures which are outlined in this Chapter (to be fully described in an implementation manual). For non-Government funding sources, financing and accounting mechanisms have to comply with the particular rules of a concerned donor or International Financing Institution (IFI)

3.1 Financing Mechanisms

The Government and its development partners make available financial resources to implement the ASDP. ASDP funds include Treasury Funds, Basket Funds (earmarked or general), other donors' funds (Non-Basket Funds) and Local community funds (see Figure 1):

- **Treasury Funds:** All financial resources contributed through the budget and the Ministry of Finance for the agricultural sector are Treasury funds (including donors' and IFIs' budget support);
- **Basket Funds:** Certain development partners will contribute to a special Holding Account in the BoT for ASDP financing. Two options will be available:
 - **General Basket Fund:** where funds are not allocated by donors/IFIs to a specific component or intervention, and can be allocated by ASDP management according to agreed priorities; and
 - **Earmarked Basket Funds:** where funds are allocated for an agreed set of interventions; for example several donors/IFIs may agree to use an earmarked Basket Fund to support extension and research activities, or the ASDP Secretariat; in which case funds are allocated according to the agreed work plan and budget for the captioned project or set of interventions); .
- **Non Basket Funds:** some donors or IFIs may wish to finance interventions or projects in support of ASDP agreed priorities, but with their own financing mechanisms, i.e. outside the basket funding mechanism; and
- **Local Community Funds:** LGAs will contribute a portion of their revenue for ASDP purposes, and donors and NGOs will also contribute to ASDP activities at district level. These contributions are called Local Community Funds.

3.1.1 Funding ASDP Activities at the National Level

The implementation of ASDP activities at PO-RALG, MAFS, MWLD and MCM are financed (see Figure 1):

- from domestic revenues collected by the Government (Treasury Funds);
- through committed grants and loans by Development Partners (donors or IFIs) into the ASDP Basket Funds (general or earmarked);
- through funds received into the Consolidated Funds as budgetary support (through Treasury); and
- through projects financed by Development Partners (donors/IFIs), to be reflected in the Government budgeting process including PER and MTEF (Non-Basket Funds).

3.1.2 Funding at LGA Level for District Agricultural Development Programmes

The sources of funding for agricultural projects and interventions at the council level are:

- conditional grants from central government as part of ASDP Treasury Funds;
- Local Government tax revenues;
- grants from the ASDP Basket Fund,
- donors' and IFIs' projects through Non-Basket funds to be reflected in the Government budgeting process including PER and MTEF; and
- NGOs and CBOs projects and programmes, expected to be gradually reflected in the Government budgeting process.

3.1.3 Guidelines for allocation of Grants to LGAs

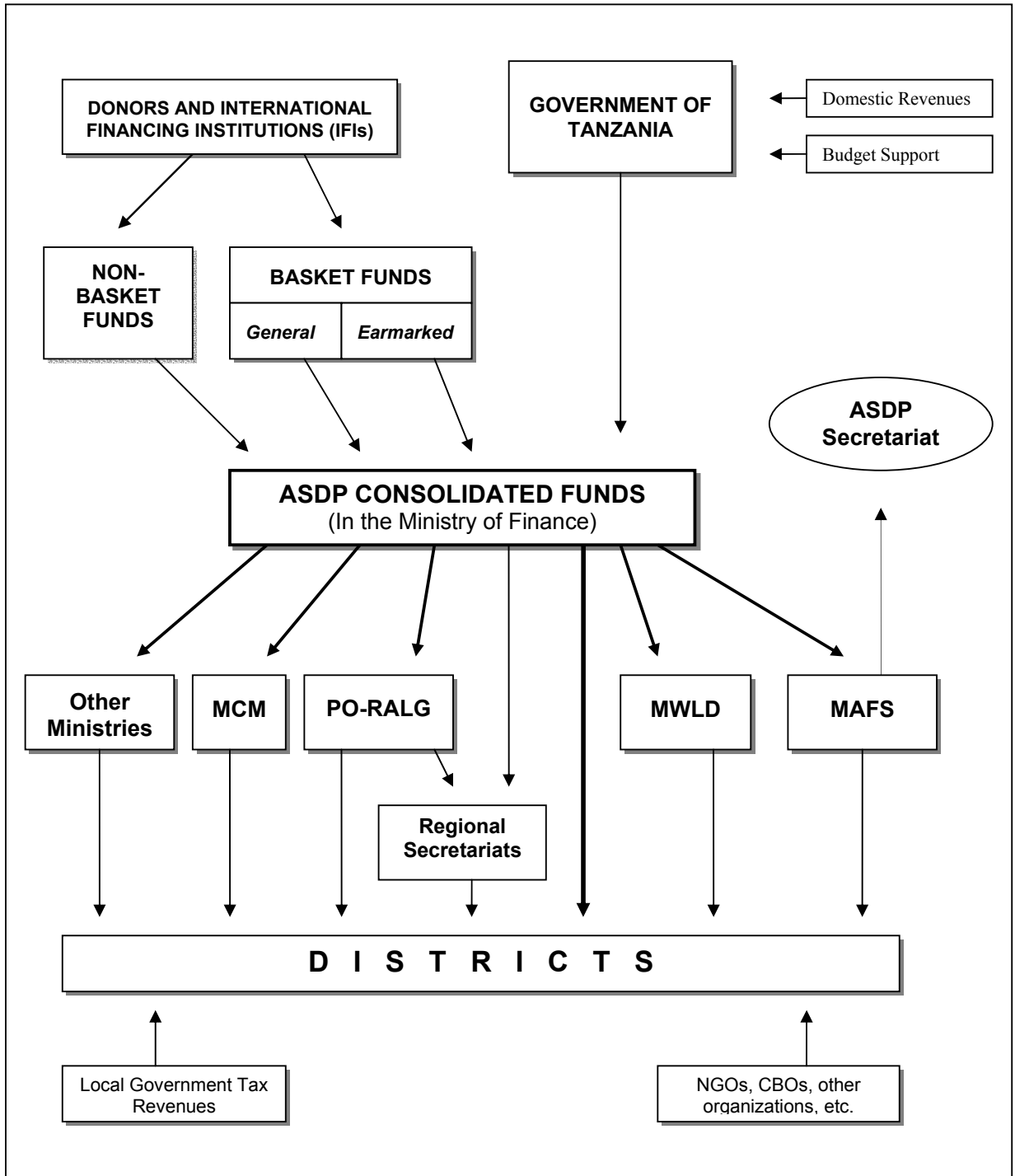
The guidelines for the allocation of grants from the ASDP Treasury Fund and Basket Funds to LGAs are outlined below¹:

- ASDP will use grants to allow resources to flow for agricultural sector development through the districts to finance agreed expenditure items. The annual grants are intended to support the implementation of DADP as agreed under DDP.
- The DADP and annual action plan will be prepared in line with the national policies and Guidelines.
- The grants are available to all districts. The allocation of resources is based on the needs and plans presented in the DADP and an assessment of the utilisation capacity of the District for agriculture activities.
- PO-RALG, MAFS, MWLD, MCM and the RS will receive funds from ASDP for capacity building, supervision and monitoring of ASDP implementation.
- The proportion of the ASDP resource envelope available to the central Ministries will be decided by the ASDP Finance Committee. The proportion will be subject to annual review and agreed by the ASDP Finance Committee. This decision will be made in the context of the information from the PER process and before the annual issue of the GoT budget guidelines.

The Government ensures that sound financial management and reporting systems be applied in the course of using the resources put at its disposal by donors. These procedures serve as a guide to all individuals and institutions implementing ASDP activities, so that sound financial management systems are established and maintained. These procedures provide information on responsibility and accountability, disbursement procedures, accounting processes, resource management and reporting. They also provide the format of schedules that are necessary for implementing the requirements of the financial system. The ASDP Financing Committee revises the financial mechanisms and reporting procedures, from time to time as needs may arise, based on the experience gained and reports on the implementation of the ASDP to ICC.

¹ See DADP Guidelines, op. cit.

Figure 1: ASDP Funding Mechanisms and Flow of Funds



3.2 Financial Procedures Responsibilities.

Responsibility for ensuring that the financing and accounting are adhered to and applied consistently during the implementation of the programme rests with:

- Permanent Secretaries members of the ICC, namely:
- President Office-Regional Administration and Local Government;
- Ministry of Agriculture and Food Security; Ministry of Water and Livestock Development; Ministry of Co-operatives and Marketing;
- Regional Administrative Secretaries; and
- District Council Directors.

The Accountant General (ACCGEN), as the overseer of the Government accounting systems, will be responsible for ensuring that the requirements of the Integrated Financial Management System (IFMS) will be observed. The Chief Accountants of MAFS, MWLD, MCM, PO-RALG, RAS and the Council Treasurers will monitor compliance with the official procedures including those laid down in this Chapter. The line staff in MAFS, MWLD, MCM, PO-RALG, RAS, and the councils, and where appropriate donor/IFI-funded project managers will ensure that the day-to-day activities related to ASDP follow the approved procedures. In addition, the National Audit Office (NAO) and the internal auditors located at regional offices and those serving the councils have the responsibility of evaluating the compliance and effectiveness of the accounting procedures and controls.

3.3 ASDP Institutions' Responsibilities

The ASDP management framework is summarised in Chapter 6 of the Main Report and presented in detail in Annex 3. This section briefly identifies the financial management responsibilities of each ASDP institution.

3.3.1 The ASDP National Steering Committee (NSC) and Secretariat

The NSC is ultimately responsible for ensuring that the Procedures for the use of ASDP Funds by the respective participating ministries are implemented.

The ASDP Secretariat has a Finance and Administration Officer who will be responsible for the day-to-day management of the Secretariat's own budget, and for which the PS MAFS is the accounting officer. The ASDP Secretariat will also be the Secretary of the ASDP Finance Committee.

3.3.2 FASWOG

The responsibilities of FASWOG with respect to financial management and accounting for the ASDP are to:

- collaborate with financing agencies and other stakeholders in the formulation and financing of planned activities, generally through projects;
- facilitate availability of technical and financial resources to support ASDP implementation through different funding mechanisms.

3.3.3 ASDP Finance Committee

The ASDP Finance Committee reports to the ICC. Membership of the Committee includes:

- one representative from each ASDP donor;

- the Permanent Secretaries of PO-RALG, MAFS, MWLD and MCM;
- the Permanent Secretary of MoF;
- the Directors for Policy and Planning (DPPs) of PO-RALG, MAFS, MWLD and MCM; and
- the Chairperson of ASAC.

The Permanent Secretary of MAFS chairs the ASDP Financing Committee. The Committee's responsibilities include the following:

- monitor and supervise central Government, local government and development partners' resources available to the ASDP;
- review and comment on the consolidated district budgets and plans, and the central ministry's MTEFs and supporting projects for the implementation of the ASDP;
- approve quarterly cash flow prognoses;
- endorse and discuss audit reports and take appropriate follow-up action;
- institute and regularly review ASDP mechanisms for planning, management, monitoring, evaluation and funding;
- receive and approve the ASDP quarterly and annual reports, and take appropriate follow-up action;
- authorise release of funds from the ASDP Holding Account to the Consolidated Account¹.

The Finance Committee will form an Audit Sub-committee with specific responsibility to:

- review internal audit reports.
- advise the Accounting Officers of the respective Ministries on actions to be taken on matters raised in the audit reports; and
- any other duties as may be assigned by the ASDP Finance Committee

3.3.4 Bank of Tanzania

The responsibilities of the Bank of Tanzania (BoT) in respect of the ASDP Funds are to:

- maintain the ASDP Holding Account as agreed by the ASDP Finance Committee.
- issue quarterly Internal Audit Reports on the Holding Account; and
- produce ASDP Holding Account Bank Statements and Certificate of Balance signed by the Accountant General timely.

3.3.5 Accountant General

The Accountant General's responsibilities are to:

- operate the ASDP Holding Account as instructed by the ASDP Finance Committee.
- instruct the BoT to disburse funds to the Consolidated Account as approved by the ASDP Finance Committee;
- carry out monthly bank reconciliation of the ASDP Holding Account and report this to the ASDP Finance Committee on a quarterly basis;
- issue Exchequer Issue Notifications to the spending units; and
- ensure the financial management systems in the Ministries are being managed properly.

¹ All revenues or other moneys raised or received for the purposes of the Government shall be paid into and from a Consolidated Fund. No money shall be withdrawn from the Consolidated Fund except upon the authority of a Warrant under the hand of the Paymaster –General addressed to the Accountant-General.

3.3.6 President's Office - Regional Administration and Local Government

Regarding ASDP Funds, PO-RALG is responsible for overall supervision of the LGAs and shall:

- collaborate with MAFS, MWLD, and MCM in overseeing the preparation of development and annual plans, budgets and periodic reports on the utilisation of ASDP funds;
- supervise the District and Municipal Councils on matters relating to the implementation of the ASDP at council level;
- ensure that all councils and Regional Secretariats (RS) submit their periodic reports in time;
- prepare a summary report for all councils and submit it to the ASDP Finance Committee with recommendations;
- in collaboration with MAFS, MWLD, and MCM, ensure that reports for the ASDP Finance Committee are prepared and tabled on time ;
- scrutinise the Council's returns to ensure that the councils are meeting the minimum national standards and performance indicators that will be set by PO-RALG based on the advice of ASDP Finance Committee;
- prepare requests for the ACCGEN to issue Exchequer Issue Notifications and transfer funds to councils and PO-RALG;
- ensure that all aspects of the Programme implemented at ministry level including capacity building and facilitation are done prudently; and
- prepare plans and guidelines for councils in the use and allocation of ASDP Funds by using the Local Government Participatory Planning Manual.

3.3.7 MAFS, MWLD and MCM

General responsibilities of the three technical lead Ministries MAFS, MWLD and MCM with regard to the use of ASDP Funds include to:

- ensure that reports for the components that it handles are prepared and tabled in time to the ASDP Finance Committee and the National Steering Committee;
- advise, in collaboration with PO-RALG, on the preparation of annual plans, budgets and periodical reports on the utilisation of ASDP Funds.
- recommend to ASDP Finance Committee with PO-RALG the disbursement of funds to District councils; and
- Prepare requests for the ACCGEN to issue Exchequer Issue Notifications and transfer funds to MAFS, MWLD and MCM.

Specifically, the Chief Accountants of the three ministries are responsible for day-to-day operations of the accounting system. These include the maintenance of proper books of accounts, custody of accounting documents and ensuring that financial transactions are entered into the IFMS in accordance with the financial laws and regulations and with procedures laid down in this chapter.

3.3.8 Chief Internal Auditors of PO-RALG, MAFS, MWLD and MCM.

ASDP accounting takes place within the existing government accounting structures. The substantive accounting officers in the Ministries, Regions and Councils will be overall in-charge of the accounting functions of the Programme.

The role of the Chief Internal Auditors (CIAs) is to appraise the soundness and applications of accounting, financial and operational controls in accordance with Regulation No-34 of the Public Finance Regulation 2001. In the case of ASDP, the roles of the Internal Auditors, as stipulated in Regulation No.-34, are to review and report on:

- proper control over the receipt, custody and utilization of financial resources;
- conformity with financial and operational procedures laid down in any legislation or any regulation or instruction issued;
- the correct classification and allocation of revenue and expenditure accounts;
- the reliability and integrity of financial and operating data;
- the system in place to safeguard assets and, as appropriate, the verification of the existence of such assets;
- operations to ascertain whether results are consistent with established objectives and goals of the ASDP.
- The adequacy of action by management in response to internal audit reports, and assist management in the implementation of recommendations made; and
- The adequacy of controls built into computerised systems in place.

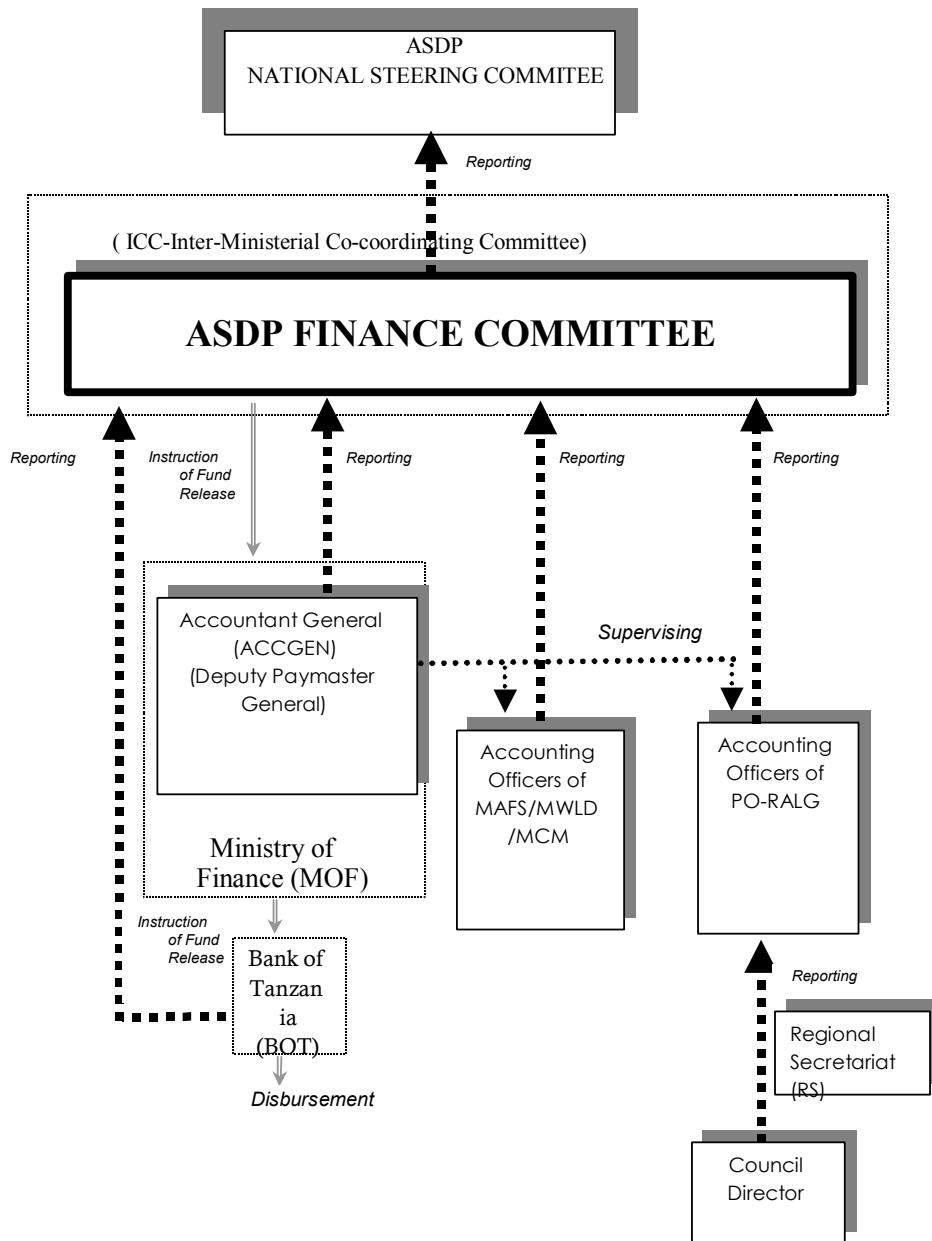
In, addition the CIA will respond, subject to available resources, to requests for audit assistance or advice as may be requested by the Accounting Officers or Heads of Departments. The internal audit reports are copied to and reviewed by the ASDP Finance Committee Audit Sub-committee.

3.3.9 Regional Secretariat.

The Regional Secretariat (RS) is an extension of PO-RALG in the regions. It has specialists to support services in the social, physical planning and engineering, economic development and management sectors. It must be strengthened in terms of manpower and capacity building in order to assist the LGAs effectively. The Regional Secretariat's will carry out the following roles in regard to the use of ASDP Funds:

- check returns for conformity with national policies and guidelines, arithmetical accuracy, accuracy of opening and closing balances, items that look unreasonable in terms of size, and follow up with the councils or ministry as deemed fit; and
- support the local authorities' internal audit through their internal audit functions.

Figure 2. ADMINISTRATION OF ASDP FUNDS



3.3.10 Local Government Authorities

The Councils are responsible for district level planning, budgeting, procurement and reporting. In order for the rural and urban councils to carry out these responsibilities effectively, financial management capacity should continue to be strengthened at that level. With respect to the use of ASDP Funds, the Councils' responsibility is to:

- safeguard funds made available to them including opening and operating bank accounts;
- ensure that the funds are used within the national guidelines for the ASDP;
- prepare periodic performance reports;
- ensure that government regulations and procedures are adhered to in the course of implementing the programme in the LGA, and ensure the compliance with the laid down procedures in this Chapter; and
- ensure that all quarterly and annual reports (financial and performance) are tabled before the councillors.

3.2 Contributions to ASDP Funds

The GoT will comply with its financial commitments to the agricultural sector agreed in the PRSP and PRBS. These include quarterly allocations to the agricultural sector and ensuring that the MTEF as approved by Parliament is fully funded. The financial management and accounting framework for ASDP assumes that the contributors to the programme will provide funds in advance, based upon the agreed budgets of the agricultural ministries and the District councils. The ASDP Finance Committee will indicate, on an annual basis, the funding requirements that will guide the partners on the amount of funds to be transferred to Treasury directly or through the ASDP Holding Account. Contributors to the ASDP Holding Account will disburse into it on a six- monthly basis. The amount disbursed will be based on the agreed proportion of the total annual contribution to the ASDP Holding Account. The earmarked contributions will be disbursed to the ASDP Holding Account based on agreed earmarked cash flow. The amounts transferred to the Consolidated Fund will be used to ensure full funding of the Agricultural Sector Development Programme Budget only.

ANNEX 5: DOCUMENTS CONSULTED

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