

CHAPTER 3

GOVERNMENT ROLES IN SELF-RELIANT RURAL DEVELOPMENT

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3.1 Question of Government Roles in Self-Reliant Rural Development

3.1.1 Government Roles

The government is expected to play the following four roles.

- Law enforcement
- Statutory permission and authorization
- Policy formulation
- Technical extension (services) - consolidation of the administrative services with external assistance

One important role of the government is its statutory obligation to enforce laws and procedures for statutory permission and authorisation passed by the legislative organ. It is necessary for the central government to formulate national development, economic, agricultural and other policies and plans and to gather and analyse statistical data for such policies and plans. There is a trend of decentralisation where development plans at the district level are formulated by district governments which then play a leading role in the implementation of these plans. Meanwhile, law enforcement, statutory permission and authorisation and the formulation of policies (particularly by the central government) appear to be well established government roles. The situation of their execution, however, varies depending on individual governments. Needless to say, the establishment of a system which is capable of executing government roles is urgently required as the maintenance of order under the law is an essential precondition for stable economic activities.

Meanwhile, agricultural corporations and other similar organizations which used to play a central role in the purchase, collection of products and marketing in the agricultural sector have been generally retrenching in Africa because of the structural adjustment policy led by the World Bank and the IMF, particularly the privatisation of such corporations. In the case of Uganda for example, agricultural corporations handling the purchase of agricultural products and the sale of fertiliser, etc. have been either privatised or reorganized. There has been a progressive shift towards a market economy, even for agricultural extension and other types of work. The budget of an African government is generally dominated by the current expenditure, including the personnel expenses, and the development budget for the construction of roads and schools, etc. considerably relies on external assistance. In other words, governments in Africa can only stretch themselves as far as the recruitment of administrative staff and still find it difficult to secure the means of transportation and project budgets. The reliance of African governments on external assistance is not restricted to financial assistance as they rely on external experts for the provision of the necessary manpower for the formulation of development plans and poverty reduction papers. Through such assistance over a long period of time, however, there are many excellent administrators, primarily those who have studied in Europe or the US, in action today, at least at

the central government level. Most African countries have introduced a decentralisation policy under the pressure of donors and aid organizations but are facing a problem of rent seeking, etc. (corruption), partly because of the low salary level of administrative staff. It is, therefore, crucial to take this situation into proper consideration when examining the roles of the government.

3.1.2 Government Roles in the Trend of Decentralisation and Their Feasibility

The background for the introduction of decentralisation can be summarised as follows.

- Impacts of the global trend of decentralisation
- Need to perform government roles which are closer to the lives of local population than before (question of theoretical conformity)
- Necessity for cross-sectoral local organizations to proceed with rural development, etc.
- Need to secure new places for action for administrative staff
- External assistance for project budgets, etc. at the local level

Presumably because of the inefficient state of project implementation by governments, there are increasing expectations for NGOs and population' cooperatives, etc. to become the front runners in project implementation and rural development with them playing a substantial role as project implementers. With further clarification of the roles to be played by NGOs, etc. as local consultants,¹ there is a growing question of how to sustain their roles following the end of external assistance. Meanwhile, assistance for governments, particularly local authorities, is likely to be intensified together with administrative and fiscal reviews in the midst of the new trend of reviewing the roles of local authorities in decentralisation programmes assisted by the World Bank, the EC and the UK, etc.

The new trend of decentralisation can be summarised as follows.

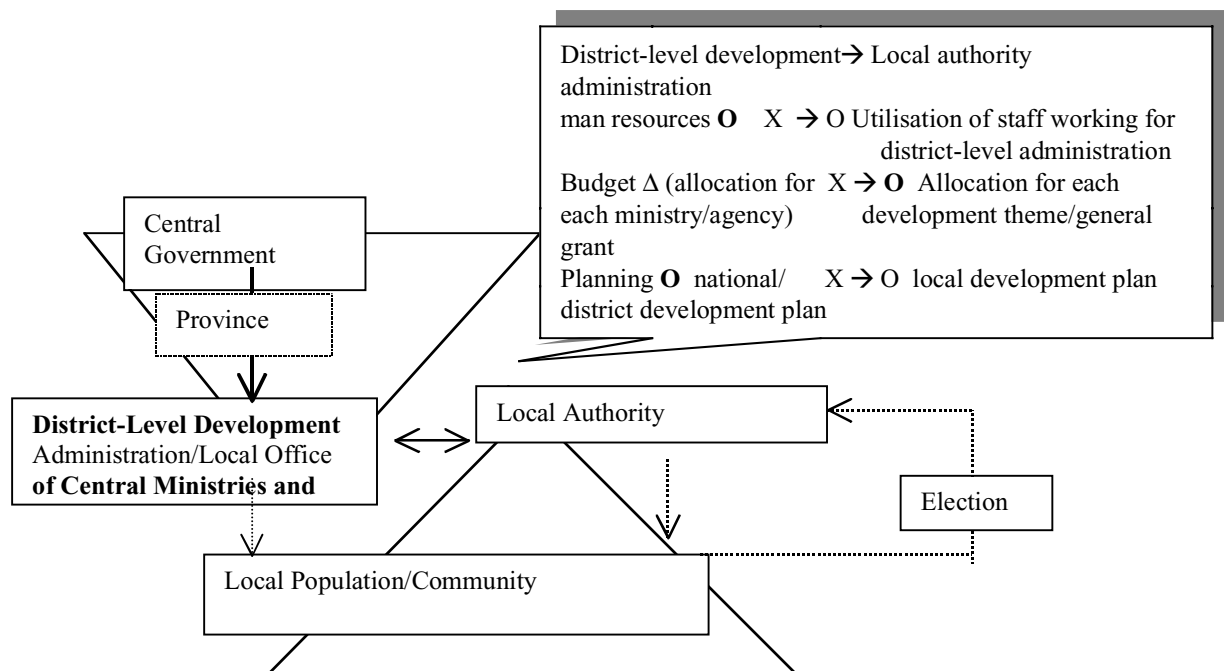
- Decentralisation (strengthening and integration of local offices of the central government _ strengthening of local authorities through elections)
- Basic concept: Transfer of personnel from the central government (deconcentration) _ strengthening of the local autonomy (devolution)
- Human resources: Transfer from the central government (enhancement of the implementation capacity) _ limited implementation capacity of local authorities except those of large cities
- Funding sources: Vertically divided funding sources with some exceptions _ possibility of securing own funding sources as well as direct external assistance

¹ France has questioned whether or not NGOs are true representatives of the public. In contrast, the US and UK have been implementing rural development using such international NGOs with an extremely high implementation capacity as the CARE and Action Aid as the implementers.

- Important points: Necessity to understand the reality of the target area for local (rural) development as well as the gap between the current implementation capacity and the new trend and also to develop a realistic response

The role of local authorities in decentralisation actually means strengthening of the role played by local authorities (mainly city authorities) which are elected by the local population and which are closely linked to local lives, as important implementers of local (urban and rural) development. As such, this idea differs from the conventional idea of decentralisation (deconcentration) which attempts to strengthen local authorities as local agents of the central government to promote local development² (see Fig. 3-1).

Fig. 3.1 Dual Structure of Rural Development (District-Level Development Administration and Local Authority)



Source: Project Forming Study in Kenya 2003

² Decentralisation can be largely classified into two categories: (i) deconcentration under which engineers, etc. are transferred from central government agencies (vertically divided) to local offices and are then horizontally integrated by a district or provincial governor appointed by the president's office or ministry of internal affairs and (ii) devolution under which power and funding sources are transferred to local authorities elected by the local population.

The present reality is that the roles of local authorities composed of mayors and councillors elected by the local population are extremely limited because of shortfalls in terms of human resources and budget. As such, local authorities are trying to enhance their capacity while attempting to secure their own funding sources, including direct external assistance. Central to their capacity building efforts is the need to provide such basic services to support the daily lives of local population as health and sanitation (including waste treatment), water supply and sewerage, education and support for the informal sector.³ Careful attention should be paid to the fact that although the implementation capacity of local authorities of large cities is relatively established, the coverage of rural areas by the various services provided by local authorities should not be taken for granted because of the possibility that administrative boundaries established by the central government may separate urban areas and rural areas.

In regard to the roles to be played by local authorities in rural development, a key issue is the implementation capacity of these authorities although it is necessary to note the fact that their administrative coverage is likely to include rural areas. Under these circumstances, it is essential to examine the roles of local authorities in rural development, taking the actual administrative hierarchy and implementation capacity of each African country into consideration. For the time being, however, it may be a better idea to examine the roles of the government in terms of utilisation of the local offices of the government. The mechanism (system) introduced is not static but is modified and stabilised through a process where it is “re-interpreted” within the framework of the planning as well as implementation capacity of the existing local authority in the area in question and also the framework of the social context (relational and contextual) of the area, and is then implemented, followed by further “re-interpretation” of the implementation by the actors. What is crucial is for examination of the roles of the government to start with a proper understanding of the dynamism of this process. Here, the roles and responsibilities of donors planning to strengthen local authorities are believed to be continually important to clarify any confusion in this transitional period without aggravating such confusion.

There can be four implementers performing the government’s roles in rural development as listed below.

- Independent unit (members are publicly recruited)
- Unit collaborating with the administration
- NGO or other entrusted external body
- Individuals collaborating with the administration

The World Bank and other organizations publicly recruit staff,⁴ build a project office and leave an independent unit to provide cooperation in the case of long-term cooperation lasting for 10 or even 15 years. If the target area consists of several sites or covers several districts/provinces, etc.,

³ The informal sector means such economic activities as micro-scale furniture making and processing as well as the marketing of agricultural products which neither appear in statistics nor are registered. In Africa, these account for a sizable proportion of the overall economic activities. African governments are planning to provide active assistance for groups (cooperatives) of which the members do not act as individuals.

⁴ Probably as a reflection of the insufficient development of the private sector, many of the staff members are actually provided by the administration.

an independent unit (office) is set up at a site or district/province where such a branch office is required in addition to the head office. In the case of a cooperation period of three to five years, the GTZ, etc. employ personnel temporarily transferred from the administration as project staff to form a unit for the implementation of cooperation activities. The USAID uses an international NGO to implement rural development on a contract basis in some cases and the use of such a NGO is also meant to foster the private sector. Japan provides assistance for rural development mainly through enhanced collaboration with (technology transfer for) the administration acting as the counterpart.

In terms of the efficiency of cooperation activities, the use of an independent unit or NGO is believed to be the best option. However, when the sustainability of a project and technology transfer, i.e. the establishment of the know-how and technology within the government of a recipient country, are taken into consideration, collaboration with the administration for the implementation of cooperation activities is essential. In this sense, Japan's technology transfer through collaboration with the administration is an effective method. As the extent of this collaboration varies depending on the situation of the limited budget and human resources as well as level of commitment of the government of a recipient country, the reality appears to be that technology transfer in the field takes a different form from one case to another.

Several problems exist in regard to the counterpart (C/P) for cooperation activities although the actual composition of the problems differs depending on the recipient country or target area.

- In most cases of external assistance, some kind of administrative expenses are paid to the C/P
- Well-experienced and highly capable administrators are head-hunted for units and others receiving external assistance.
- Administrators with greater responsibility, such as local heads, tend to be regularly transferred to other positions every two or three years.
- Necessity to examine the desirable form(s) of external assistance in response to the diversification of administrative services

One feasible cooperation system for Japan is the establishment of implementation units through collaboration with the administration or the entrusting of the work to C/Ps based on the long-standing practice of collaborating with C/Ps. Given the different circumstances of each recipient country or organization, it will be necessary to examine the plausible method of collaboration in a concrete manner for each case based on the knowledge and lessons learned from a pilot study while taking the organizational structure and implementation capacity of the C/P into consideration.

In countries where the jurisdiction of local authorities only covers urban areas, particularly in West Africa, the World Bank is planning to implement a 20 year project under which each village constitutes a direct implementation unit while seeking cost sharing⁵ based on the idea that the leading implementers of rural development are villages (village territory management committees). The planned project will be implemented by these independent units. In this case,

⁵ One intention here is to familiarize local Population with the concept of tax.

the roles of the government are to perform its statutory obligations and to act as a technical service organization⁶ to assist project implementation in the village units. The future progress of this project must be carefully monitored in view of its important implications for the roles to be played by governments in rural development.

3.1.3 Government Roles in Rural Development

Self-reliant rural development means rural development pursued by rural population on their own initiative which is made possible through the successful empowerment of rural population as well as village organizations. In a sense, governments must act as the facilitators of rural development in addition to such other roles as providers of agricultural technology services for poor farmers and others and the spreading of knowledge of and enforcement of laws as guardians of the law. In Africa, however, governments are required to perform the autonomic role of promoting the participation of rural population in development activities while acting as an organization to watch the same people as guardians of the law as a practice inherited from colonial times. Despite this historical negative legacy inherited by administrators in Africa, they should continually try to strengthen their role as facilitators of rural development, particularly the strengthening of village organizations, while providing agricultural technology services.

African countries are multi-ethnic countries and their establishment as sovereign states is the result of the colonial policies of European countries, the influence of which still lingers today. The concept of a state among the people of Africa where the national boundaries have been determined by colonial policies is bound to be unique. The findings of various village surveys suggest a real possibility that consciousness of ethnic identity, which significantly affects daily life, is more dominant than consciousness of a national identity. Moreover, people's consciousness of the state or government may well differ between rural population who are relatively isolated and urban dwellers who have access to a wide range of information.

Because of such a historical background, local population strongly identify with a clan or local social group rooted in their ethnic origin. However, this does not mean that there is no consciousness of a national identity as such consciousness has been developed through the election of national leaders, international sporting events and/or international relationships (conflicts). Given the present situation of the development budget being primarily dependent on external assistance, the roles of governments as generally conceived by local population are likely to be guardian of the law (law enforcer) and the actor conducting public works for schools, hospitals and roads, etc. The role of the government as a facilitator of rural development does not appear to be firmly established as described earlier.

Because of this diversity of the consciousness of people of "the state", "ethnicity", "area" and "village", it appears unrealistic to try to universally press for a policy with the same menu in Africa. In this context, practical examination of the government roles and their feasibility through process monitoring, such as a pilot study, is deemed to be essential.

⁶ The idea is that villages will request the administration's provision of fee-paying services. The shift of the technical services provided by the administration towards a "market economy" forms the background for this idea.

3.2 Government Roles in Rural Development in Transitional Period of Decentralisation: Case of Tanzania

This section explains the factors influencing the roles of the Government of Tanzania in agricultural and rural development to clarify the problems faced by the government in the transitional period of decentralisation and then examines desirable ways for Japan to provide cooperation in the coming years.

3.2.1 Main Factors Influencing Government Roles in Rural Development

(1) Formulation of Agricultural and Rural Development Strategies in Line with World Bank/IMF

The Government of Tanzania has been greatly influenced by the policies of international aid organizations in the process of formulating agricultural and rural development strategies. The recent trend of aid for Tanzania clearly suggests that the present agricultural and rural development strategies are based on World Bank/IMF Policies.

Tanzania is a typical country in which structural adjustment policies have been promoted by the World Bank/IMF since the 1980's, following by the promotion of a poverty reduction regime since the late 1990's. Under the structural adjustment policies, reform of the economic structure has progress in many sub-Saharan countries, including Tanzania, but the problems of accumulated debts and poverty remain unsolved. The World Bank/IMF made a request to heavily indebted poor countries (HIPC) and all countries receiving IDA loans for the preparation of a poverty reduction strategy paper (PRSP) in 1999 with a view to formulating comprehensive as well as long-term strategies and policies to address the remaining problems.

As the preparation and implementation of a PRSP was a requisite for the reduction of accumulated debts, the Government of Tanzania made great efforts to prepare a PRSP with its completion in October, 2000. This PRSP was subsequently implemented by the Government of Tanzania to achieve poverty reducing, using debt reduction as an incentive. In November, 2000, the process of formulating the Agricultural Sector Development Strategy (ASDS) commenced as part of the PRSP implementation process. The work to prepare the ASDS was led by a task force⁷ consisting of representatives of donors and various organizations, including government offices, with a representative of the Ministry of Agriculture and Food Security acting as the chairman. The final version of the ASDS was completed in October, 2001.⁸ Based on these achievements, Tanzania was officially awarded debt reduction by the end of 2001.

⁷ The task force here means the FASWOG Task Force (chaired by the Under-Secretary of the Ministry of Agriculture and Food Security) established under the FOSWOG (Food and Agricultural Sector Working Group), a consultative committee of the Ministry of Agriculture and Food Security. The main bodies represented in this task force are the Ministry of Agriculture and Food Security, the Ministry of Water and Livestock, the Ministry of Distribution and Cooperatives, the Agency of Local Autonomy and donors (Denmark, DFID, EU, IrelandAid, FAO, JICA and the World Bank).

⁸ The IDCJ has been providing assistance for the preparation and implementation of the ASDS, ASDP and DADPs through "the Support Program on Rural and Agriculture Sector Development in the United Republic of Tanzania" from March, 2001 as work entrusted by the JICA.

The Government of Tanzania later commenced the formulation of the Agricultural Sector Development Programme (ASDP) to implement the ASDS. As in the case of the ASDS, the work to prepare a framework paper for the ASDP was led by the same task force and the paper was officially completed in March, 2003. At present, task forces for individual tasks are being formed and action plans to implement the ASDP are being prepared.

(2) Assistance for Agricultural and Rural Development by District Governments Based on District

Around July, 2002, the Government of Tanzania commenced the preparatory work for the formulation of district agricultural development programmes⁹ along with the ASDP formulation process which commenced in December, 2001. This DADP formulation process started because DADPs were given the status of “an innovative feature”¹⁰ in the ASDS. As the promotion of decentralisation from the late 1990’s before the commencement of the ASDS formulation process formed the background for the ASDS and ASDP formulation processes, it was inevitable that the authority for the formulation of DADPs would shift towards district governments so that these local governments would play a central role in agricultural and rural development at the local level.

The preparatory work for the formulation of DADPs began with the preparation of the Guidelines for District Agricultural Development Programmes. The same task force involved in the preparation of the ASDS and the ASDP played a leading role and the Guidelines were completed in December, 2002. To start with, application of the Guidelines to some four pilot districts in the first year of DADP preparation was planned. At the beginning of 2003, however, the central government decided to apply the Guidelines to 114 districts nationwide. By April of the same year, a DADP incorporating priority projects was submitted by each district to the central government and was finally approved by the central government in September, followed by the allocation of the quarterly budget. A DADP in its first year is currently being implemented in 114 districts.

(3) Progress of Reform of Local Administration

As already described above, the formulation and implementation of the ASDS and the ASDP by the Government of Tanzania in recent years has taken place together with decentralisation which is based on the decentralisation policy introduced in 1997 and which has been promoted through the full-scale implementation of the Local Government Reform Programme (LGRP) since 1999.

⁹ While the ASDP was formulated in parallel with the DADPs, the status of the latter as part of three sub-programmes was clearly indicated in the ASDP framework paper completed in March, 2003. These three sub-programmes are (i) assistance for the agricultural sector and implementation at the district/field level, (2) assistance for the agricultural sector at the national level and (3) issues related to other sectors. DADPs fall under sub-programme (2). It is stated in the ASDP that 75%, 20% and 5% of the agricultural budget are distributed to sub-programmes (1), (2) and (3) respectively.

¹⁰ URT, Agricultural Sector Development Strategy, October, 2001, pp 18 - 19

According to the LGRP, the reform in question is supposed to be completed by the end of 2004 in all districts in three phases.¹¹ The principal focus of reform is placed on the improvement of governance, improvement of the fiscal efficiency, management of human resources, development of organizations and consolidation of the legal framework.

The implementation of the LGRP, however, is lagging far behind the original schedule, resulting in the general view that the original schedule was unrealistic. This slow progress of decentralisation is caused by various problems which remain unsolved. The progress report for the LGRP which was published by the Agency of Local Autonomy at the end of 2002 emphasises that the fundamental cause of the slow progress is the absence of a “mind set” or mental preparedness on the part of the central and local governments to proceed with reform despite some progress in terms of the institutional and legal frameworks.¹² The same report also points out other causes, including the existence of opposition to reform, insufficient ability of the Agency of Local Autonomy and local governments to implement the LGRP, inappropriate operation of public funds and the excessive burden posed by the work to implement reform on government staff.¹³

The current plan is to complete the entire reform process by 2011 based on the self-help efforts of district governments from 2008 with central government assistance being provided up to 2008. According to this plan, the original schedule based on three phases is cancelled and the target districts of the original phase 2 and phase 3 will simultaneously proceed with reform.

(4) Spread of Participatory Planning Approach

During the 1990's, there was a growing popularity of the participatory planning approach at the local level in Tanzania, reflecting the increasing interest in participatory development among aid organizations. It was pointed out this participatory approach involving local communities was sometimes primarily implemented to satisfy an external demand that that it would not necessarily lead to the formulation of a plan/project based on a comprehensive perspective as the fields in which outsiders were interested were often limited.¹⁴

To solve these problems, the Agency of Local Autonomy has commenced the full-scale extension of participatory development plans.¹⁵ Such a participatory planning approach encouraged by the government is called O&OD, the main characteristic of which is that it starts with the identification of advantageous opportunities instead of starting with the analysis of problems to find solutions as in the case of conventional participatory plans.

¹¹ Phases 1, 2 and 3 target 38 districts, 45 districts and 31 districts respectively.

¹² PO-RALG, URT, *Progress Report on the Implementation of the Local Government Reform Programme: A Brief Prepared for the Consultative Group Meeting, 2 – 5 December, 2002*, November, 2003, pp 3 - 4

¹³ PO-RALG, op. cit. p. 3

¹⁴ PO-RALG, URT, Guidelines for Preparing Participatory Development Plans Based on Opportunities and Obstacles to Development (O&OD), April, 2002, p. 4 (provisional English version of the original Swahili document)

¹⁵ The legal basis is the Provincial Administration Act (Act. No. 19) of 1977 and the Local Autonomy Act (Act. No. 6) of 1999.

This O&OD has not yet reached the stage of its full application nationwide and has so far only been applied in several districts as pilot application. Presently, the Agency of Local Autonomy has secured the budget for the application of O & OD in some 12 – 15 districts by June, 2004 (FY 2003/2004). Meanwhile, the UNICEF plans to continually assist this O&OD and has pledged its assistance for the application of O&OD in 18 districts by June, 2005.

Figure 3.2 Main Factors Influencing Government Roles in Rural Development

Factor	1999	2000	2001	2002	2003	2004	2005
HIPC Initiative (debt reduction for those HIPC's which meet certain conditions)	• Debt reduction was decided as the compression point (CP) was attained.						
Poverty Reduction Regime (poverty reduction approach by the government centering on the PRSP)	• Preparation of the PRSP Realisation of the PRSP						
Formulation and implementation of the ASDS and ASDP (finalisation and promotion of agricultural development policies by the central government)	<ul style="list-style-type: none"> • Formulation of the ASDS • Preparation of the ASDP framework paper • Formulation and implementation of the detailed ASDP 						
Formulation and implementation of the DADP (finalisation and promotion of agricultural/rural development policies by each district government)	<ul style="list-style-type: none"> • Formulation of the DADP Guidelines • Formulation and implementation of the DADP 						
Decentralisation (promotion of the LGRP)	• LGRP						
Extension of the Participatory Development Scheme (promotion of comprehensive development led by local population through the extension of O&OD)	• Application of O&OD						

3.2.2 Expected Government Roles in Agricultural/Rural Development

(1) Two Expected Roles of the Government

The recent development strategies and policies of the Government of Tanzania suggest that there are two principles roles which the government is expected to play.

< Role of Facilitating Productive Activities Led by the Private Sector >

The government role of assisting productive activities led by the private sector in agricultural development is clearly stated in the ASDS. The primary objectives of the ASDS are to increase the level of income from agriculture and to improve the agricultural productivity as well as profitability to achieve the first objective. The ASDS paper consistently calls for (i) the increased involvement of the private sector in agricultural development and (ii) the development of the necessary conditions by the government to achieve the objectives of the ASDS. The relevant section of the ASDS paper reads: “The private sector should expand its role of providing services based on the demands of small farmers while the public sector should gradually limit its role to the supply of goods and services for those in which the private sector has no interest.”¹⁶

< Role of Facilitating Development Led by Rural Population >

Another major role expected of the government is the facilitation of development led by rural population. The Agency of Local Autonomy has, in fact, been attempting the wide use of the O&OD approach for planning. This O&OD approach rectifies (i) the shortcomings of external intervention in rural areas based on the limited interests of outsiders under the name of a participatory approach and (ii) the resulting lack of the comprehensive perspective required for rural development. Moreover, the O&OD approach aims at optimising the distribution of resources as rural population formulate a programme which is not restricted to a specific field(s) to improve their rural life from the viewpoint of insiders instead of the viewpoint of outsiders. A programme formulated in this manner indicates activities to be supported by local resources and activities for which the input of external resources is hoped for. As such, activities requiring an external funding source are clearly presented even though self-help is the basis for planning.¹⁷

The government role here is to facilitate the plan/programme formulation process which is led by rural population. In addition, those activities requiring external or government assistance among the priority issues in rural areas can be specified by integrating the plans formulated by rural communities. To be more precise, a mechanism by which district governments can examine their desirable roles in view of the current situation of rural villages will develop.

(2) Reform Expected of the Government to Perform the Two Roles

The reform or changes expected of the government coincide with the priority issues for the reform of the local administration. According to the LGRP progress report, reform of the following points is particularly stressed.¹⁸

¹⁶ URT, Agricultural Sector Development Strategy, October, 2001, p. viii

¹⁷ PO-RALG, op. cit. p. 34 (see Footnote 14)

* The format used for village-level planning has a section for inputs corresponding to the development targets and those “costs which can be borne by the village” and “costs which cannot be borne by the village” to ensure appropriate inputs.

¹⁸ PO-RALG, op. cit. pp. 5 – 9 (see Footnote 12)

- Improvement of governance: elimination of corruption; promotion of participatory planning and budget compilation; improvement of the disclosure and transparency of information
- Improvement of fiscal efficiency: promotion of devolution; improvement of the fiscal management ability of district governments; expansion of the revenue sources; optimisation of the taxation system
- Management of human resources and development of organizations: transfer of the right of personnel management to district governments; improvement of the administrative ability of district government staff
- Development of legal framework: optimisation of the legal systems relating to poverty reduction, education and health; necessary revision of the existing laws

3.2.3 Problems Faced by Local Governments at the Front Line of Agricultural/Rural Development

(1) Gap Between the Strategy and the Reality

While the ASDS on which DADPs are based calls for the increased involvement of the private sector in rural development and the development of the necessary conditions by the government, there is a large gap between this strategy and the reality. District governments have no choice but to try to improve the situation based on the reality even though they would like to follow the strategy. The ASDS should, in fact, present itself as a long-term strategy and is unsuitable for the reality of local areas as a short/medium-term strategy for the intended implementation period of five years. In fact, the optimisation of resource distribution, which is a precondition for the successful implementation of the strategy, is beyond the reach of areas where the market is not yet developed.

The ASDS was originally born as part of the poverty reduction regime adopted by the World Bank/IMF. This regime itself was necessitated by the failure of the structural adjustment promoted by the World Bank/IMF. As the structural adjustment primarily emphasised reform of the economic structure, it failed to give sufficient consideration to the social sector, resulting in a shifting of the strain on to the poor. The poverty reduction regime has become a main measure to rectify such a shortcoming.

This poverty reduction regime, however, belongs to the neoclassical school in that it basically presupposes a perfect market. In areas of Tanzania where the market is undeveloped, there is little incentive for intervention by the private sector. Neither have advanced areas in terms of a market economy been effectively functioning as a tractive force for neighbouring areas. The reasons for this are not only the geographical/physical conditions but also the undevelopment of the distribution and market information systems and, more pertinently, the lack of a precondition, i.e. optimisation behaviour on the part of the economic actors. Under these circumstances, the occurrence of a gap between the strategy and the reality is inevitable.

(2) Influence of Slow Development of a “Mind Set” for Decentralisation by Central and District G

The reluctance of the central government to completely transfer the fund management authority to local areas is greatly influenced by persistent doubt regarding the governance, fiscal management capacity and administrative capacity of district governments. Meanwhile, district governments which almost entirely rely on the central government and donors for funding¹⁹ lose their flexibility to implement various activities when the purposes for which the provided funds are used are restricted and their role of facilitating village level development may well be accordingly limited.

It is extremely difficult for the central government to find the best timing for complete decentralisation based on correct recognition of the progress of reform at the district level, including improvement of the administrative and fiscal management ability. The same problem occurs when a donor plans to assist a district government. Another cause for the delay of decentralisation is the lack of a proper “mind set” for decentralisation on the part of district governments. The slow development of this mind set appears to be partially caused by the influential power of the central government and donors over district governments which rely on them for funding.

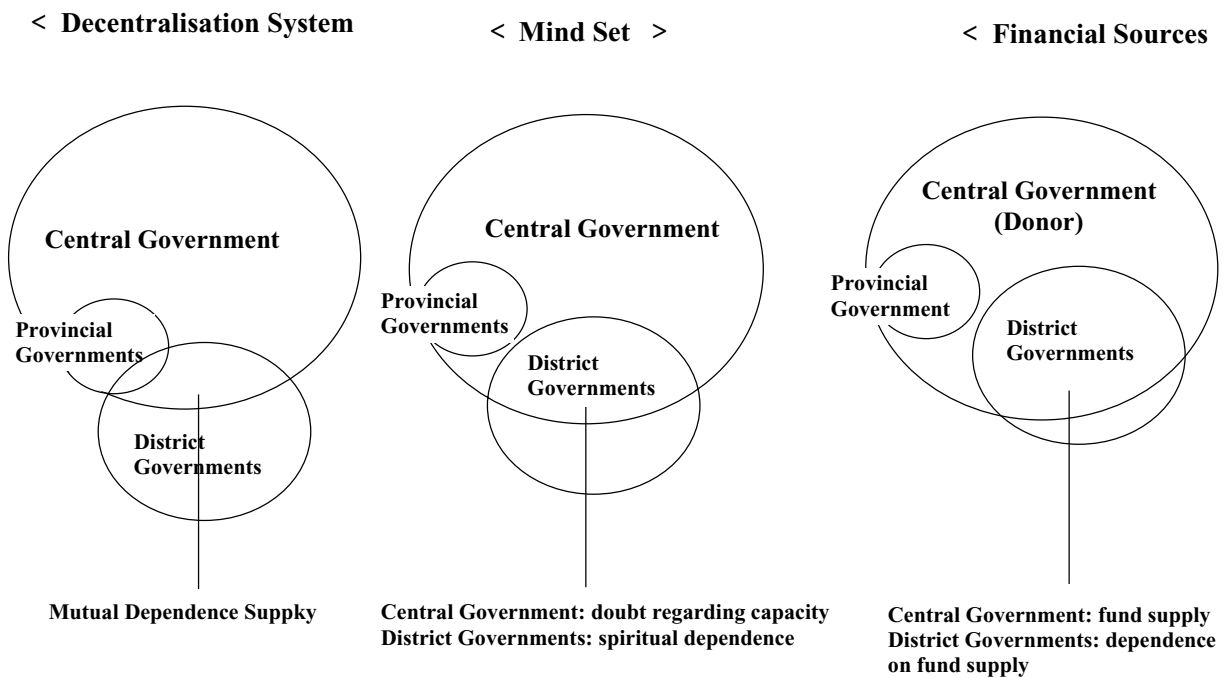
Figure 3.3 shows schematic diagrammes based on the inter-governmental relationship model of Del Wright²⁰ of the relationship involving the central government, provincial governments and district governments. Here, it is shown that while the decentralisation system is taking shape²¹, there is a lack of a “mind set” and the level of dependence of district governments on funding by the central government (donors) is still high.

¹⁹ According to data of the Ministry of Finance, less than 20% of the revenue of local governments comes from their own revenue sources.

²⁰ The modified diagrammes used here are based on Del Wright’s model quoted by Professor Ikegami of Kinki University (in Muramatsu, M., 1988) in the following report.
JICA: Project-type Study, Formulation of Rural Development Approach for Africa: The Study on Self-Reliant Rural Development Methods for Africa, March, 2003, p. 103

²¹ PO-RALG, op. cit., pp 3 – 4 (see Footnote 12). The LGRP Progress Report cites a number of main achievements: 1) clear proposal of reform policies, 2) progress of development of the legal framework, 3) sharing of information by the central government with district governments as well as the private sector, 4) completion of the reorganization of provincial governments in line with the intended reform, 5) completion of the reorganization of the 38 target districts in phase 1, 6) move by the central government to decentralize the fiscal authority and 7) implementation of measures designed to improve the administrative and financial management capacity of provincial governments.

Figure 3.3 Relationship Between Central, Provincial and District Governments in the Transitional



(3) Imbalance Between and Inadequacy of Fund Supply and Demand in Rural Areas

Tanzania is seeing the emergence of an imbalance between and inadequacy of the fund demand based on the development need in rural areas and the fund supply by outsiders. There are several causes of this imbalance and inadequacy.

Firstly, as the principles held by rural population differ from those held by central and district government officials²², the funding demand of rural population does not necessarily coincide with the fund supply by the governments. The reason is that the former is based on needs originating from the more traditional rural life while the latter is often based on issues in which the central government or donors are interested.

Secondly, even though there is a need for comprehensive funding at the village level, the funds of the central government or donors are often disbursed to finance specified sectors, sub-sectors or programmes. As district governments with few revenue sources of their own are obliged to use funds in the manner intended by the fund providers, they are unable to control the fund distribution between sectors and sub-sectors.

Thirdly, a frequent practice at the village level with few own funding sources is the preparation of a so-called wish list which primarily intends the acquisition of funding irrespective of the actual

²² This is also pointed out by Professor Ikegami of Kinki University in JICA, op. cit. p. 104 (see Footnote 20)

needs of the village. Accordingly, when the budgetary limit for assistance by an outsider is not clearly indicated, the fund demand tends to become high.

Under these circumstances, the popularity of planning using the O&OD approach is increasing. This approach specifies priority activities at the village level and prepares a funding plan for each activity, indicating “the portion which can be paid by the village” and “the portion which cannot be paid by the village”. The district government should assemble its own budget, taking those activities which can neither be paid for by villages nor for which alternative funding sources cannot be found into consideration. Unless the fiscal management authority is completely transferred to district governments, however, there is still a strong likelihood that the budget distribution by district governments will be controlled by such fund providers as the central government and donors.

(4) Reverse Current of Centralisation in DADP Formulation Process

While the formulation and implementation of DADPs in the first year did take place in Tanzania, the actual planning process was identical to the conventional top-down process rather than the envisaged process of rural population playing a leading role with district governments acting as facilitators. There are two main reasons for this.

Firstly, the final decision on the budget by the Ministry of Agriculture and Food Security, the main fund provider in the first year, was not based on the priority ranking indicated by the district DADPs and the budget was allocated to those sub-sectors which were approved by the central government.²³ As a result, those districts relying on the central government for funding to implement their DADPs could not implement the DADPs according to local needs. Such distribution of funds by the Ministry of Agriculture and Food Security not only failed to pay sufficient attention to the local characteristics but also went against the current of decentralisation.

Secondly, in most districts, the planning process led by rural population could not be implemented due to time and financial constraints. As such, the governments of these districts had no alternative but to prepare a patchwork plan paper using information obtained by participatory projects in the past. In fact, actual DADP preparation only commenced after a sensitisation seminar organized by the central government in six places throughout the country in February this year. Nevertheless, district governments were required to submit their DADPs to the Agency of Local Autonomy by mid-April, only eight weeks later. Such a short preparation period made it impossible for district governments to ensure plan submission by all villages and to prepare an agricultural development programme integrating all these plans.

The present situation described above clearly indicates that the formulation process for a DADP, which is designed to allow each district government to play its roles in agricultural/rural

²³ Funding by the central government for DADPs is only authorized for five purposes: 1) installation of a coffee pulpar, 2) repair of a small-scale irrigation system, 3) repair of a multi-purpose reservoir, 4) repair of a chemical tank used for the prevention of animal diseases and 5) the strengthening of SACCOS (Saving and Credit Cooperative Societies).

development in view of the characteristics and actual conditions of the district, is not following the current of decentralisation. Even though the Government of Tanzania is currently gradually moving to the formulation and implementation of DADPs in the second year, the process is already lagging behind schedule. While the formulation of DADPs at the district level should be taking place now in order to be in time for the budget compilation process of the central government for next year, neither the training nor seminars for district government staff to facilitate DADP planning have yet taken place. It is, therefore, highly likely that the problems encountered this year will be repeated next year.

3.2.4 Desirable Japanese Cooperation to Assist the Roles of Tanzanian Government in Agricultural/Rural Development

(1) Basic Stance of Japanese Cooperation

1) Role of Facilitators

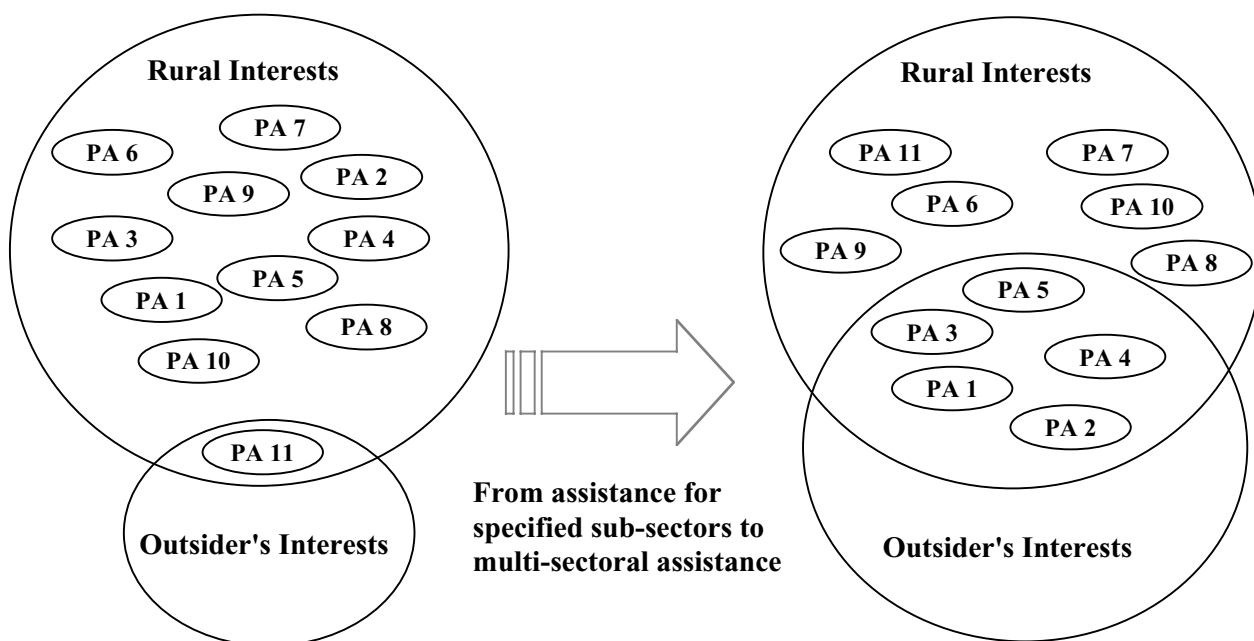
Many aid organizations (and donors) have adopted the development of “ownership” as one of the guiding principles for their assistance in the last few years. This stance of making recipients develop their ownership implies that outsiders play a leading role. It is, therefore, desirable for these organizations to assist central and local governments as facilitators to act as a catalyst on the grounds that these governments already have ownership and require encouragement to perform their ownership.

The same applies to the relationship between the central government and district governments and between district governments and rural villages. Between the central government and district governments, the process of decentralisation is slowly progressing to enhance the authority of the latter. Between district governments and villages, the growing popularity of the O&OD approach is slowly developing a system whereby district governments incorporate the potential identified by villages in the DADP. For outsiders such as ourselves, it is essential to remain in the background and to facilitate the present current although it is necessary to work on both the central and local governments to prevent any reversal of the current when signs of such a reversal are detected.

2) Multi-Sectoral Assistance

The realisation of “self-reliant rural development” must be based on the idea of “the fulfilment of rural needs by rural population themselves”. External assistance only becomes a reality when the understanding of outsiders coincides with rural needs. Up to the present, Japan has been very good at providing cooperation designed to assist specified sub-sectors. At the same time, however, the insistence on specified sub-sectors has narrowed the range in which the understanding of outsiders coincides with rural needs. There has been a tendency for Japanese cooperation to become supply-driven cooperation to forcibly enlarge the range of coincidence.

Figure 3.4 Enlargement of Range of Cooperation by Outsiders to Coincide with Rural Needs



PA: Priority Activity

The O&OD approach is an effective means of guiding sector-based rural development programmes towards more comprehensive programmes and its use as the base for cooperation is desirable. The assistance of outsiders (the government and donors) for rural areas through the O&OD approach should be directed towards those matters which rural population cannot afford to pay despite a strong need. If Japanese cooperation is restricted to specified sub-sectors, the available scope of assistance to meet rural needs is narrowed, resulting in a decline of Japan's contribution to the improvement of rural life. Moreover, there is a strong possibility that rural population learning of the restricted scope of Japanese cooperation intentionally selecting those issues for which Japanese funding is likely to be received as priority activities in their plans. Should this happen, even though the planning process will appear to be demand-driven, it will, in fact, be supply-driven.

(2) Cooperation Approach for Agricultural/Rural Development in Tanzania: Combined Use of B&P

It is hoped that Japan will adopt a cooperation approach which combines basket type cooperation and project type cooperation. The former should be used to prompt budget management and efficient distribution led by the Government of Tanzania while the latter should aim at the internalisation of the necessary development work through implementation in the form of pilot projects.

1) Basket Type Cooperation

One significant advantage of financial input to a basket is that fund management led by the Government of Tanzania enables efficient distribution of the budget. This basket type cooperation can rectify the imbalance between the current budget and the development budget (large-scale development of infrastructure, etc.) originating from excessive capital input in the development of infrastructure and capital goods, a conventional practice of Japan and some other donors up to the present. As the introduction of a basket is to be determined by the Government of Tanzania and donors in the coming years based on the concept of a sector programme, the targets are not yet clear. While an agricultural sub-sector may become a target, a basket may be introduced to meet funding gaps within the agricultural sector. In either case, it is desirable for Japan to launch basket type cooperation for the purposes of assisting budget management and efficient distribution led by the Government of Tanzania and demonstrating the stance of Japanese cooperation of “urging the performance of ownership”.

2) Project Type Cooperation

Project type cooperation must continue at the same time. The project type cooperation of donors is viewed as being particularly effective when a project is given the status of a pilot project. The implementation of a pilot project outside the government budget of Tanzania can be justified on an ad-hoc basis. Moreover, when the effectiveness is verified, the work concerned can be internalised as work of the Government of Tanzania. Conversely, this means that when Japan plans to implement a project, the biggest objective must be to internalise the project-inspired work as routine work of the Government of Tanzania after verification of the effectiveness of the project.

In its project type cooperation, Japan has so far restricted the purpose of use of the provided funds to that within the scope of a project. Under this project type cooperation, no active funding has been made to boost the current budget (to meet the cost of activities and the procurement cost of goods and services as part of activities). The resulting shortage of the current budget of counterpart governments has prevented the self-reliant development of projects. In the coming years, therefore, it will be essential to fund the current budget in consideration of the fact that projects are implemented outside the budget framework of the Government of Tanzania so that projects can balance the current budget and the development project. The precondition for this financial input to the current budget should be that such input is only made to fill a conceived funding void because of the inability of the Government of Tanzania to provide the necessary funds to internalise the funded work.

In view of the increasing role of DADPs with the implementation of the ASDS and the ASDP in the coming years, it is inevitable that growing emphasis will be placed on assistance for rural areas. While it may be an idea for Japan to provide assistance for districts through project type cooperation, such assistance should take the form of pilot projects with insistence of the basic stance of internalising Japan’s cooperation. To successfully achieve this type of assistance, activities should always be led by district government officials.

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