

ASDP Framework Document 第一ドラフト

ANNEX 2B: SUB-PROGRAMMES

S/NO	SUB -PROGRAMMES
1.0	STRENGTHENING THE INSTITUTIONAL FRAMEWORK
1.1	Institutional Support
2.0	CREATING A FAVOURABLE ENVIRONMENT FOR COMMERCIAL ACTIVITIES
2.1	Commercial sector support
2.2	Cooperative Promotion
3.0	PUBLIC AND PRIVATE ROLES IN IMPROVING SUPPORTING SERVICES
3.1	Agro - Mechanization
3.2	Agro - Processing
3.3	Agricultural Extension
3.4	Crop protection
3.5	Agricultural research
3.6	Agricultural training
3.7	Soil Conservation and soil fertility
3.8	Irrigation and water management
3.9	Agricultural information
3.10	Post -Harvest management
3.11	Range Development and Management
3.12	Animal Health
3.13	Rural Financing
3.14	Cooperative Inspectorate
4.0	STRENGTHENING MARKETING EFFICIENCY FOR INPUT AND OUTPUT
4.1	Agricultural inputs
4.2	Marketing Infrastructure
4.3	Contract farming
4.4	Marketing Research and Promotion
5.0	MAINSREAMING PLANNING FOR AGRICULTURAL DEVELOPMENT IN OTHER SECTORS
5.1	Rural Infrastructure
5.2	Other crosscutting Issues

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ANNEX 3: ASSIGNMENT OF ASDP TEAM MEMBERS

S/NO	SUB -PROGRAMMES	RESPONSIBLE OFFICER
1.0	STRENGTHENING THE INSTITUTIONAL FRAMEWORK	
1.1	Institutional Support	Mr. Mavalla, I. Kaduma, Mapunda & Lemuge
2.0	CREATING A FAVOURABLE ENVIRONMENT FOR COMMERCIAL ACTIVITIES	
2.1	Commercial sector support	Mr. Mpak, S. Mwinjaka & Kanyasi
2.2	Cooperative Promotion	Mr. Mapunda, Kagaruki
3.0	PUBLIC AND PRIVATE ROLES IN IMPROVING SUPPORTING SERVICES	
3.1	Agro - Mechanization	Mr. Mavalla, Mpak
3.2	Agro - Processing	Mr. Mavalla, Mpak, Mwinjaka
3.3	Agricultural Extension	Mr. Mavalla, Mpak, I. Kaduma, Lemuge
3.4	Crop protection	Mr. Mavalla, Mpak
3.5	Agricultural research	Mr. Mavalla, Mwinjaka
3.6	Agricultural training	Mr. Mpak, Mr. Rwezaua
3.7	Soil Conservation and soil fertility	Mr. Mavalla, Mpak, Kanyasi
3.8	Irrigation and water management	Mr. Mavalla, Mpak
3.9	Agricultural information	Mr. Mpak, I. Kaduma, Kagaruki
3.10	Post - Harvest management	Mr. Mavalla, Mpak
3.11	Range Development and Management	Mr. I. Kaduma, Rwezaua, Mwinjaka
3.12	Animal Health	Mr. I. Kaduma, Rwezaua
3.13	Rural Financing	Mr. Mapunda, Kagaruki, Mpak
3.14	Cooperative Inspectorate	Mr. Mapunda, Kagaruki
4.0	STRENGTHENING MARKETING EFFICIENCY FOR INPUT AND OUTPUT	
4.1	Agricultural inputs	Mr. Mavalla, Rwezaua, Kagaruki
4.2	Marketing Infrastructure	Mr. Mapunda, Kanyasi, I. Kaduma
4.3	Contract farming	Mr. Mpak, Mwinjaka, Kagaruki
4.4	Marketing Research and Promotion	Mr. Mapunda, Kagaruki
5.0	MAINSREAMING PLANNING FOR AGRICULTURAL DEVELOPMENT IN OTHER SECTORS	
5.1	Rural Infrastructure	Mr. Kanyasi, Lemuge
5.2	Other crosscutting Issues	Mr. Mpak, Mwinjaka, Lemuge, Mapunda

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Background

One of the potential advantages of a sector-wide approach to policy implementation, as envisaged in the Agricultural Sector Development Programme currently being developed, is that it provides the opportunity to adopt Common Procedures for financial accountability. This approach can achieve three broad objectives:

- Government plans can be based on prioritising all funding sources
- Financial management capacity can be concentrated on strengthening the Government system and not dissipated in developing parallel systems
- It allows easier financial reconciliation and transparency as there are fewer accounts to operate.

The need to develop appropriate Common Procedures is particularly pertinent for the ASDP where funds will need to be disbursed through 4 Lead Ministries to a variety of institutions and organisations.

The Government Technical Team established to formulate the ASDP and drawn from members of the 4 Lead Ministries, lacks detailed knowledge in the area of systems of financial accountability and therefore needs the assistance of a Consultant with experience of developing Common Procedures for sector-wide programmes.

Terms of Reference

Reporting to The Team Leader, the Consultant will assist the Government Technical Team in the development of appropriate Common Procedures for financial accountability for the effective funding and implementation of the ASDP.

Specific tasks will include:

- Advising the Technical Team on the relative advantages and disadvantages of different forms of Common Procedures for funding and financial accountability and the particular problems likely to be encountered in the specific case of the ASDP
- Assisting the Technical Team in discussions with those development partners likely to contribute funds to the ASDP, in order to determine their requirements in terms of financial accountability and their attitudes towards different forms of Common Procedures
- Examining the current financial accounting procedures and capacity in the various Lead Ministries to determine their ability to meet the requirements of various forms of financing and reporting Common Procedures
- Devising a financial accounting system(s) that can be implemented and developed over time to achieve the objectives outlined above for Common Procedures approaches to financial accountability

Time Frame

Three weeks from 1 February 2002

Expected Output

A detailed report containing common accounting procedures and financing options appropriate for ASDP.

THE UNITED REPUBLIC OF TANZANIA
 AGRICULTURAL SECTOR LEAD MINISTRIES



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FOREWORD

(To be drafted jointly by Ministry of Agriculture and Food Security, Ministry of Cooperatives and Marketing and Ministry of Water and Livestock Development and President's Office - Regional and Local Government).

LIST OF ABBREVIATIONS AND ACRONYMS

ACCGEN	Accountant General
ASDP	Agricultural Sector Development Programme
ASDS	Agricultural Sector Development Strategy.
BFC	Banket Financing Committee
BoT	Bank of Tanzania
B/fwd	Balance brought forward
CA	Chief Accountant
CAG	Controller and Auditor General
CAO	Council Agriculture Officer
CBO	Community Based Organization
CD	Council Director (District Executive Director)
C/fwd	Balance Carried forward
CIA	Chief Internal Auditor
CPO	Central Payment Office
CSD	Civil Service Department
CSO	Civil Society Organisation
DADP	District Agricultural Development Programme
DALDO	District Agricultural and Livestock Officer
DAP	Director of Administration and Personnel
DAPRO	Director of Animal Production, MWLD
DCD	Director of Crops Development, MAFS
DCoD	Director of Cooperative Development, MCM
DDP	District Development Plan
DED	District Executive Director
DFC	District Full Council
DID	Director of Institutional Development, PO-RALG
DLG	Director of Local Government, PO-RALG
DM	Director of Marketing, MCM
DNFS	Director of National Food Security, MAFS
DPP	Director of Policy and Planning
DRC	Director of Regional Coordination, PO-RALG
DRD	Director of Research and Development, MAFS
DRT	Director of Research and Training, MWLD
DTI	Director of Training Institutes, MAFS
DVS	Director of Veterinary Services, MWLD
ESRF	Economic and Social Research Foundation
ERV	Exchequer Receipt Voucher
FAPC	Finance, Administration and Planning Committee
FASWOG	Food and Agriculture Sector Working Group
GDP	Gross Domestic Product
GFS	Government Financial Statistics
GOT	Government of Tanzania
HIV/AIDS	Human Immuno-deficiency Virus/ Acquired Immunity Deficiency Syndrome
HoDs	Head of Department Meetings

ICC	Inter-Ministerial Coordination Committee
IFMS	Integrated Financial Management Systems
LGA	Local Government Authority
LGRRP	Local Government Reform Programme
LPO	Local Purchase Order
M&E	Monitoring and Evaluation
MARS	Ministry of Agriculture And Food Security
MA/IT	Ministry of Agriculture Training Institute
MCDW/C	Ministry of Community Development, Women Affairs And Children
MCM	Ministry of Co-operatives and Marketing
MCT	Ministry of Communication and Transportation
MEM	Ministry of Energy and Minerals
MFI	Micro-Finance Institution
MIT	Ministry of Industries and Trade
MLHS	Ministry of Lands and Human Settlement
MLYS	Ministry of Labour, Youth and Sports
MoW	Ministry of Works
Mof	Ministry of Finance
Moh	Ministry of Health
MPU	Ministry Procurement Unit
MTEF	Medium Term Expenditure Framework
MW/LD	Ministry of Water and Livestock Development
NAO	National Audit Office
NEF	National Extension Fund
NEMC	National Environment Management Council
NGO	Non-Governmental Organisation
NSSF	National Social Security Fund
NPB	National Pharmacy Board
OC	Other Charges
PASS	Private Agrribusiness Sector Support
PIER	Public Expenditure Review
PMO	Prime Minister's Office
PO-P&P	President's Office Planning and Privatisation
POA	Plan of Action
POAB	Plan of Action and Budget
PO-RALG	President Office - Regional Administration and Local Government
PRGF	Poverty Reduction and Growth Facility
PKS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Paper
PS	Permanent Secretary
PSAC-1	Programmatic Structural Adjustment Credit
RAS	Regional Administration Secretary
RS	Regional Secretariat
RCC	Regional Consultative Committee
RDS	Rural Development Strategy
RS	Regional Secretariat

SACA	Saving and Credit Association
SACCO	Savings and Credit Cooperative
SCULT	Saving and Credit League of Tanzania
SSO	Senior Supply Officer
SUA	Sokoine University of Agriculture
TA	Technical Assistance
TANGO	Tanzania Association of Non-Governmental Organisations
TAS	Tanzania Assistance Strategy
TBS	Tanzania Bureau of Standards
TCCAL	Tanzania Chamber of Agriculture and Livestock
TCC	Technical Inter-Ministerial Coordination Committee
TCCJA	Tanzania Chamber of Commerce, Industry and Agriculture
TCGA	Tanganyika Coffee Growers Association
TDV	Tanzania Development Vision 2025
TFC	Tanzania Federation of Cooperatives
TFNC	Tanzania Food and Nutrition Corporation
TMPA	Tanzania Milk Processors Associations
TOSCA	Tanzania Official Seed Certification Agency
TPRI	Tropical Pesticides Research Institute
TT	Telegraphic Transfer
UDSM	University of Dar es Salaam
USD	United States Dollars.
VPO	Vice President's Office

Agriculture Sector means "Agriculture, Livestock, Marketing and Cooperatives"

AGRICULTURAL SECTOR DEVELOPMENT PROGRAMME THE FRAMEWORK DOCUMENT.

1. INTRODUCTION

1.1 Background

The Agricultural Sector Development Programme (ASDP) is a logical outcome of a series of Government initiatives designed to re-orientate and re-invigorate the economy leading towards increased growth and poverty reduction. The ASDP will implement the Agricultural Sector Development Strategy (ASDS) that was approved by the Government of Tanzania in August 2001. The ASDS arose from the Agricultural and Livestock Policy of 1997 and the Cooperatives Development Policy of 1997; and in response to the requirements of the Poverty Reduction Strategy Paper (PRSP). The ASDS also interfaces with the implementation of other government strategies that focus on tackling poverty, such as Rural Development Strategy (RDS) and Tanzania Development Vision (TDV) 2025.

The ASDS identified five strategic issues that need to be addressed, namely:

- Strengthening of 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 ASDP forms the basis on which resources from Government and Development Partners will be allocated to the sector to implement the priority interventions identified during ASDP preparation as being required in these key areas. The ASDP preparation also involved identifying activities within the prioritized interventions, developing a costed and budgeted programme with targets and indicators, and identifying clear responsibilities for implementation.

1.2 Objectives

The objective of the ASDP is to create an enabling favourable environment for improving agricultural productivity and profitability, improving farm incomes, reducing rural poverty and ensuring household food security.

There are three major reasons why the ASDP is of considerable importance. First, it will target improvements in farm incomes on which the majority of the rural population depend. This is a pre-condition to the reduction of rural poverty. Second, it targets availability and access to food (i.e. food security). Third, agricultural development is at present key to overall economic development in the country.

Additional benefits likely to accrue from adopting a sector-wide programme include:

- All significant public funding for the sector will support this programme.
- The opportunity to adopt a common financing approach across the sector with the aim of increasingly relying on Government procedures to disburse and account for all funds.
- The development of a costed and budgeted work programme to implement the policy (strategy) with targets, indicators and responsibilities clearly identified.
- The development of a consistent approach to the roles of central government, local government, civil society and the private sector in the provision of support services to the agricultural sector.
- The development of feasible solutions to the nature and forms of decentralisation of responsibilities from central government to local government and local communities.
- Recognition of the synergies between agricultural sector programmes and wider rural sector programmes in tackling poverty and the presence of effective coordination mechanisms to ensure the benefits of these synergies are achieved.
- Capacity building amongst the various stakeholders to increase their effectiveness in implementing the agricultural sector policy.
- Improved governance as the sector-wide approach includes best practice codes of conduct in regard to:
 - Financial discipline as all agricultural sector activities will be under one common programme, fully costed, and integrated into a medium term budget framework.
 - Government assuming responsibilities and accountability for the performance of the sector as a whole, with all projects and components consistent with and contributing to agreed sector goals. Partners have responsibility to support planning and financing the sector programme.
 - Resources being channelled increasingly through government systems and consolidated into joint accounts, with a view towards overall budgetary support. Common disbursement, accounting, reporting, auditing and procurement system are defined.
 - Reporting being harmonised towards one common reporting system for all activities in the sector.
 - Partners being committed to openness, transparency, consultation, the sharing of information, and in the case of problems, dialogue before any interruption of support.
 - All partners aiming to synchronise their own processes to join cycles and systems for appraisal, programming, review, monitoring and evaluation. Procedures and mechanisms for joint mission and appraisal are defined.
 - Technical assistance (TA), which should be demand driven with preference given to short term and local TA.

The sector-wide programme approach is still very new to Tanzania although a few sector programmes are under implementation in the country, for example the Health Sector and Education programmes. The current ASDP is the first sector-wide programme for the agricultural sector in Tanzania.

The Government intends to learn from and use available experiences in formulation and implementation of a sector-wide programme in the agricultural sector while taking into account the changing roles of both Central Government and Local Government Authorities (LGAs). The Government is also committed to retaining ownership of the process of developing a robust ASDP.

The rationale behind this approach is that Government should:

- Control its own development.
- Be accountable to the public for its performance.
- Enhance ownership by Lead Ministries
- Facilitate capacity building.

The Government seeks the support and understanding of development partners in developing its capacity in this field.

In the light of the changed relations and roles between the Central Government and the LGAs, the lead ministries in the agricultural sector decided to prepare the ASDP through a process approach, with approaches and procedures evolving as experience is gained. First, the process entailed preparation of the ASDP based on the ASDS logical framework. Second, it will involve gradual development of the District Agricultural Development Programmes (DADPs) under the framework and guidance of the overall programme.

In regard to the preparation of the ASDP at the national level, the Government through the lead Ministries constituted a Government Technical Team. The team comprised of members from MAFS, MWLD, MCM, PO-RALG, with facilitation from an international consultant from Oxford Policy Management. In addition four members were co-opted, two from the Ministries of Finance and Health and two from the development partners to assist the Government Technical Team on the developing of financing, accounting and procurement procedures.

The initial stage of preparing the ASDP mainly involved a desk review of existing documents including the ASDS and RDS documents, a study report on the mainstreaming of on-going agricultural projects and programmes in the context of the ASDS, the PRSP, the Agricultural and Livestock Policy of 1997, the Cooperative Policy of 1997, the Local Government Policy and a number of case studies on sector-wide approaches.

After this initial stage the preparation of ASDP at the national level was carried out in three phases:

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Phase I involved the prioritization of interventions presented in the ASDS log frame. The prioritization exercise was carried out in two stages. The first stage was to ensure that there is a justification for Government involvement in particular interventions and activities. The second stage ranked the interventions taking into consideration a number of criteria such as the anticipated poverty/growth impact, implementability, cost, geographical coverage, public/private role, time of implementation and resource availability. More details on the prioritization process are given in Section 2.2.5. The prioritization exercise resulted in:-

- A comprehensive list of sub-sector priorities (Annex 2A)
- A list of sub-programmes (Annex 2B)

The prioritization process was carried out through a participatory process involving all heads of technical departments and sections of the lead ministries. Further discussions were carried out with the senior management of the lead ministries, including Ministers and Permanent Secretaries, to agree on a final list of sub-sector priorities and sub-programmes.

The process adopted was very important for consensus building and enhancing ownership of the programme by the lead Ministries. The list of sub-sector priorities and sub-programmes was also presented to Food and Agricultural Sector Working Group (FASWOG) Task Force during the preparation process of ASDP.

Phase II The preparation of the Framework Document. This, *inter alia*, set out the ground rules of the Programme with regard to institutional, planning and budgeting, financial management and accounting and auditing issues. It is intended to clarify the roles and responsibilities of all stakeholders and explain the various coordination mechanisms designed to ensure the smooth implementation of the Programme. It will be updated periodically, with the approval of the ASDP Inter-ministerial Coordination Committee (ICC) and the FASWOG (see Section 3.2.1), to reflect changing conditions and accumulated experience. Its preparation entailed:-

- Analysis and elaboration of policy issues, which underlie the ASDP.
- Analysis of roles and responsibilities of various institutions.
- The design of appropriate planning and budgeting mechanisms.
- Development of monitoring and evaluation system.
- Study and recommendation of financing, accounting and procurement procedures.

Phase III The preparation of sub-programmes. Detailed activities, targets, responsibilities, indicators, costing and implementation arrangement have been developed for all the sub-programmes listed in Annex 2B. The activity analysis, targets, indicators, costing and scheduling of implementation arrangement was carried out through a participatory process with technical

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departments of the Lead Ministries as well as collaborating ministries on cross-sectoral issues. The result of this exercise is a Sub-Programme Document that will be revised annually.

1.4 The Structure of the Framework Document

The rest of this document is arranged as follows:

Ch. 2: The Policy Framework

- Section 2.1 gives a brief summary of the various policy stances adopted for the agricultural sector since Independence and general reorientation of economic policies in recent years that have led to the development of the ASDS and its implementation through the ASDP.
- Section 2.2 outlines the main features of the ASDS. It reviews some of the major issues facing the sector, the strategy's objectives, innovative features, strategic intervention areas, criteria for prioritization and the eventual incorporation of on-going projects and programmes within the ASDP.

Ch. 3: Institutional Framework

- Section 3.1 describes major actors involved in the agricultural sector and their various responsibilities in the implementation of ASDP.
- Section 3.2 sets out the coordination mechanisms within ASDP for the various stakeholders. These mechanisms are designed to ensure a coherent, transparent and participatory implementation framework for the ASDP.
- Section 3.3 explains the monitoring and evaluation system for ASDP that will enable the programme's approach and content to be modified and improved in the light of experience.

Ch. 4: Planning and Budgeting Procedures

- Section 4.1 outlines the objectives of the planning and budgeting procedures
- Section 4.2 deals with planning and budgeting procedures at the sub-sector level.
- Section 4.3 explains the planning and budgeting procedures at the LGA level.
- Section 4.4 sets out the reporting format for the planning and budgeting process.

Ch. 5: Financing and Accounting Mechanisms

- Section 5.1 briefly describes the importance of well-defined financing and accounting procedures and lists those responsible for various aspects of these procedures.
- Section 5.2 elaborates on responsibilities and roles of various individuals and bodies relating to the procedures and the coordinating mechanisms designed to ensure a reliable and transparent process for funding the ASDP
- Section 5.3 describes the various sources of ASDP funds and the procedures for their disbursement at national and LGA level.
- Section 5.4 sets out the accounting systems, policies and procedures that will apply to ASDP funds.
- Section 5.5 elaborates on the internal and external mechanisms that will operate at national and LGA levels.
- Section 5.6 sets out the financial reporting requirements in terms of both management information reports and audit reports.
- Section 5.7 deals with procurement procedures for works, goods and services intended for the implementation of ASDP.

2. THE POLICY FRAMEWORK

2.1 The Genesis of the Agricultural Sector Development Programme

The policy thrusts of the Agricultural Sector Development Strategy, which is to be implemented through the Agricultural Sector Development Programme, stem from sector policy changes as well as the macro-policy reforms.

2.1.1 Policy Evolution

The development and evolution of agricultural policy in Tanzania during the four decades since independence has been a result of the implementation of different principles at various times. A brief review of these various policy settings is necessary in order to put the current policy environment and the Agricultural Sector Development Strategy framework into context.

2.1.1.1 Independence to the Arusha Declaration (1961-1967)

The agricultural policy setting of this period had evolved from the colonial period. However, with independence there was greater emphasis on providing better opportunities for peasant farming. During this period, the main features of government policy included:

- Improvement of the productivity of peasant farming, involving provision of enhanced extension services, agricultural credit and improved access to markets.
- A Government/farmer partnership whereby the Government provided capital works, productive services and skilled management while the smallholder farmers were responsible for tilling the soil.
- Development and implementation of a 'transformation strategy' whereby large and more technically advanced farms were established in selected sparsely populated areas in the belief that these would be highly productive. The transformation strategy involved new settlements for rain-fed and irrigated crop production and for cattle ranching.
- Continued emphasis on large-scale farming to provide export crops and thus foreign exchange.

2.1.1.2 Post-Arusha Declaration period (1967 - 1982)

The Arusha Declaration marked the beginning of the period where all policies were oriented towards the broad national objectives of self-reliance and *ujamaa*. The main agricultural sector policies emphasized the overarching role of the government, which assigned to itself the roles of manager, entrepreneur and investor. The main specific policies were:

- Nationalisation of most large estates producing for the export market.
- Establishment of numerous new government-owned farming enterprises (through parastatals).

- Abolition of most taxes on small farmers, except the produce cess paid to marketing boards and the imposition of confiscatory levels of taxation on privately owned commercial farms.
- Collectivization of small-scale agriculture in harmony with the policy of villagisation.
- Subsidisation of inputs such as fertilizer, pesticides and improved seed.
- Par-territorial pricing for agricultural produce, with single channel marketing of most produce through government marketing boards or cooperatives.
- Investment in the provision of government extension and research services specifically targeted at small-scale farmers.

These policies did not bring about the expected results. The performance of the agricultural sector remained inadequate relative to its expected role. Self-sufficiency in food was not achieved and exports earnings from agriculture lagged behind the requirements to maintain the planned tempo of development.

2.1.1.3 1983 - to-date

National Agricultural Policy 1983. In response to the above situation, in May 1982 the Government, through the Ministry of Agriculture, formed a taskforce to draft a National Agricultural Policy. The policy framework document was completed in April, 1983 and the National Agricultural Policy document was published later that year. The main policy objectives were to:

- Develop an egalitarian agricultural community, based on the policies of socialism and self-reliance.
- Achieve self-sufficiency in food and to raise the nutritional standards of the populace.
- Contribute to the general increase in the living standards of all Tanzanians through increased output.
- Earn foreign exchange for the nation, as well as to meet the needs of agriculture.
- Provide raw materials for the nation's industrial sector.
- Develop an integrated agricultural sector, using scientific methods of husbandry and technology appropriate to the respective crops and size of operation.

The main policies and actions designed to achieve these policy objectives were:

- Improving the output, variety and marketing of food crops so as to provide an adequate quantity and quality of food for all Tanzanians. This necessitated output continuing to grow at least as fast as population.
- Building up a properly managed national strategic grain reserve.
- Greatly improving the efficiency of production, marketing and processing of agricultural commodities.
- Increasing investment in the agricultural sector.

- Coordinating the development programmes of all other sectors with the development of the agricultural sector. In particular, strengthening and expanding the social and economic infrastructures in the rural areas.
- Coordinating and developing the various types of agricultural production on the dual basis of maximum efficiency and the interests of the producers.

Implementation of 1983 Agricultural Policy was expected to improve the agricultural sector through better-focused interventions by the state system. However, this was not achieved.

Structural adjustment policies. Since the mid-eighties, the implementation of structural adjustment programmes has led to a gradual but fundamental transformation of the Tanzanian economy. This has re-defined the role of the Government and the private sector. Most production, processing and marketing functions have been assigned to the private sector while the government has retained responsibility for policy, the regulatory framework and maintenance of law and order. These macro-policy changes have had a profound impact on the agricultural sector. Prices of agriculture products and inputs prices have been decontrolled, subsidies, removed and monopolies of cooperatives and marketing boards eliminated.

Agricultural and Livestock Policy 1997. These reforms necessitated major changes in the Agricultural and Livestock Policy of 1983. A new Agricultural and Livestock Policy was published in 1997. This emphasizes the importance of competitive markets with the Government providing priority public goods and services. The salient features of the new policy can be summarized as:

- Liberalisation of all agricultural markets and removal of state monopolies in the export and import of agricultural goods and produce.
- Withdrawal of Government from direct production activities and reliance on the private sector for all these.
- Clear definition of the roles of government and the private sector in the provision of support services.
- Government responsibility for industry regulation through commodity boards.
- Emphasis on food security at the national and household levels as opposed to national food self-sufficiency.

Cooperative Development Policy 1997. During the same period, the Government published the Cooperative Development Policy of 1997. It provides a framework for the restructured cooperatives to operate on the basis of independent, voluntary and economically viable principles and seeks to ensure that cooperatives are member controlled private organizations.

Local Government Reform Programme 1998. As part of the macro policy changes in 1998, the Government adopted a policy for the improvement of the local governments in order to make them more efficient and effective. The overall objective of the policy is to improve the delivery of services to the

public. The main strategy to do so is decentralization and this is being implemented through the Local Government Reform Programme (LGRP).

The decentralization of Government and the reform of Local Government include the following policy areas:

- Devolution of roles and authority by the Central Government to Local Governments. The devolution includes transferring political, financial and development planning authority to Local Governments.
- Local Government Councils 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.
- Local Governments are responsible for efficient and effective delivery of social and economic services to the people.
- Local Governments are responsible for facilitation of the participation of the local people 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 the:
 - Facilitation and enabling of Local Governments in their service provision.
 - Policy formulation.
 - Development and management of the regulatory framework.
 - Monitoring and quality assurance within the Local Government legislation framework.
 - Financial and performance audit.

Although these reforms and policies are broadly entrenched as a guide to Government activity in the agricultural sector, they are yet to be implemented in full. Further action is required from the Government before their beneficial impact is fully realized. In this regard the formulation of the Agricultural Sector Development Strategy has been a valuable step towards realizing the intended benefits of the new Agricultural and Livestock Policy, the Cooperative Development Policy of 1997 and the Local Government Reform Policy of 1998.

2.1.2 Macro-economic changes

Tanzania Development Vision 2025. The macro-economic changes that started during the mid-eighties have yielded impressive achievements. However, there are still challenges to be addressed so as to improve economic growth and reduce rural poverty. In response to these and other pertinent development issues, the Government recently adopted the Tanzania Development Vision 2025 to provide broad guidance on the strategic goals of social and economic development. The Vision envisages raising the general standards of living of Tanzanians, in terms of human development, to the level of a typical medium income developing country by year 2025.

Poverty Reduction Strategy Paper. Subsequent to TDV, in 2000 the Government with the support of the development partners completed a Poverty Reduction Strategy Paper that will contribute progressively towards achieving the TDV objectives. One major requirement of the PRSP was the preparation of a Rural Development Strategy and an Agricultural Sector Development Strategy. The ASDS will operationalise agricultural issues raised in the RDS.

Medium Term Expenditure Framework. The ASDP is being formulated and will be implemented within the Government Medium Term Expenditure Framework (MTEF). The MTEF and the Public Expenditure Review (PER) are currently key Government instruments for budget management and accountability and for translating Government's vision and development policies, strategies and programmes into action through the strategic allocation of resources to priority sectors.

The thrust of the Medium Term Expenditure Framework is attaining sustained high economic growth (6 – 8 per cent per annum) as the basis for poverty reduction by putting in place strategies that would, in the medium term, promote:

- Consolidation and sustenance of the achievements in regard to macroeconomic stability through prudent monetary and fiscal policies.
- A strengthening of the economy's competitiveness and institutional framework conducive to higher investment as well as efficiency in the utilization of available scarce resources.
- Enhancement of budgetary support to basic social services i.e. education, health, water, sanitation and preservation of the environment, housing and human settlement.
- Creation of an enabling environment for good governance to guarantee public accountability, and transparency, the combating of corruption and the enhancement of people's participation in decision-making.
- Increased productivity in the agriculture and livestock sector through improved crop and animal husbandry and adoption of high yield enhancing technologies.
- Rehabilitation and extension of the existing economic infrastructures to support productive sectors.
- Creation of an enabling environment for private sector investment and export led growth.
- Devolution of power to local Government Authorities.

In regard to agriculture, the MTEF focus will be on the preparation of an action programme for the sector and improvement of the agricultural policy and institutional environment so as to promote private investment and improve profitability of agriculture and livestock.

2.2 The Agricultural Sector Development Strategy

2.2.1 Major Issues

The various policy issues highlighted above prompted the preparation of the ASDS. The process began in 1998 after the finalization of the Agriculture and Livestock Policy and Cooperative Development Policy of 1997. Between 1998 and 2001 the Government conducted various studies and engaged stakeholders in participatory and intensive consultations at national and grass root levels in order to collect ideas on the strategic interventions required to jump start agricultural sector growth.

After this long process of consultation at various levels and with strong involvement of development partners, the first draft was completed in July 2000 and the final draft was completed in June 2001. The ASDS document was approved by the Government in August 2001.

The need for an ASDS derives from three considerations. First, as indicated above, it is an integral component of on-going macroeconomic and structural reforms that are being supported by Tanzania's multilateral and bilateral partners. Some of these reforms, including those being supported under the Poverty Reduction and Growth Facility (PRGF), Programmatic Structural Adjustment Credit (PSAC-1) and PRSP, are expected to have a significant impact on the welfare of the rural poor in general and small crop and livestock producers in particular. Accordingly, Government has chosen, as detailed in the strategy, to complement the interventions of these reforms with sector specific actions to enhance the impact on farm incomes and poverty reduction in the rural areas.

Second, the strategy is viewed as an instrument for guiding public and private efforts towards broadly-shared sector objectives and specific inputs and outputs. Implementation of the Local Government Reform Programme, aimed at transferring responsibility for formulating, implementing and monitoring agricultural development programmes and projects to districts and grassroots communities has started, but it will take time to complete. The ASDS will, therefore, need to be implemented flexibly to accommodate local development needs and opportunities within the framework of the envisaged DADPs. Thus, the ASDS will provide a basis for action by both the public and private sectors to meet agreed or specified inputs and outputs in the agricultural sector at national and district levels.

Third and most importantly, the ASDS is critical to rural poverty reduction. Government strongly believes that a strengthened agricultural sector, if properly assisted, will have strong forward and backward linkages and a positive impact on farm incomes and rural poverty reduction.

2.2.2 Objectives

The development of ASDS involves a choice of longer-term objectives for the agricultural sector and an exploration of means of their achievement. The strategy has accomplished this task and has set out clear goals and broadly identified the main means of pursuing these goals.

The ASDS starts with two important premises. First, the linchpin of the strategy is improved agricultural productivity among smallholder farmers. Second, subsistence-dominated farming must be gradually transformed into commercial, profitable agricultural production systems. The primary objective of the strategy is to create an environment that is conducive to this improvement of agricultural productivity, in order to improve farm incomes and reduce rural poverty and to attract private investment to the sector.

2.2.3 Innovative Features

The ASDS contains a set of innovative and practical actions that are considered critical to agricultural development in the country. The new interventions include:

- **A focus on agricultural productivity and profitability.** This requires the creation of a favourable environment for investment in agriculture. Diversification of products will be encouraged in order to expand the export and local market base into more lucrative non-traditional products. The farmers will produce according to market demands, and agro-processing initiatives will be intensified to reduce post-harvest losses and waste.
- **The promotion of private sector/public sector and processor/contract grower partnerships.** The focus on public/private sector partnerships will, when implemented, foster more private sector funding of supporting services. The partnerships between processors and primary producers, where appropriate, will be important in ensuring access to markets, inputs and technology for primary producers and a sustainable raw material base for the processors.
- **The implementation of ASDS through DADPs.** The ASDS sets the broad strategies and framework for achieving the sector's objectives and targets. A 5-year Agricultural Sector Development Programme is spelling out the strategy's detailed implementation programme.

2.2.4 Strategic Intervention Areas

The five strategic areas identified under the ASDS are outlined in the following sections.

2.2.4.1 Strengthening the institutional framework

The institutional framework for managing agricultural development in the country is currently weak. In particular, there is a need to define what Government, at central and local level, can and cannot do versus the role of

the private sector in agricultural development. Actions are proposed to strengthen public sector organizations and restructure the Commodity Boards. Farmers' organizations will be promoted and the Government will help to overcome the constraints experienced by the private sector and strengthen its capacity.

2.2.4.2 Creating a favourable environment for commercial activities

This assumes that macroeconomic stability will be maintained and that actions will be taken to: monitor agricultural lending rates; rationalize the taxation regime and devise appropriate investment incentives for the agricultural sector; review energy tariffs and oil prices; review, harmonize and publicize the agricultural sector legislation and that of collaborating sectors; provide legal empowerment for stakeholders to control Commodity Boards; promote and promote cross-border trade; formulate and implement a food security policy; streamline procedures for legal access to land, and; undertake land demarcation and surveys in agricultural investment zones.

2.2.4.3 Public and private roles in improving supporting services

These services include agricultural research, extension, training, regulation, information and technical services and finance. The private sector will increase its role in providing a wide range of demand-driven support services to smallholder farmers. The public sector will gradually, but increasingly, limit its role to financing the provision of collective goods and services that the private sector is unwilling to provide, together with the targeted financing of goods and services to overcome rural poverty. Mechanisms will also be developed for private and public sector collaboration in the delivery of effective support services. Specific actions are proposed for research, extension, training, regulatory services, animal health and crop protection services, rangeland management, land and water resource utilization and management, agricultural mechanization, agricultural information services and investment and finance services.

2.2.4.4 Strengthening marketing efficiency for inputs and outputs

Improving net farm returns and commercializing agriculture both require attention to be paid to marketing inputs and outputs. Proposed actions include: a private agribusiness sector support unit, promoting agro-processing and rural industrialization; increasing access to inputs in rural areas; strengthening marketing information collection and dissemination; improving rural marketing infrastructure; promoting partnerships between smallholder farmers and agribusiness, and; implementing incentive mechanisms.

2.2.4.5 Mainstreaming planning for agricultural development in other sectors

Mechanisms will need to be found for mainstreaming planning for agricultural development in other sectors so that due attention is paid to issues such as rural infrastructure development, the impact on the agricultural sector of HIV/AIDS and malaria, gender issues, youth migration, environmental

management, etc. Most of these will be more adequately addressed in the Rural Development Strategy.

2.2.5 Criteria for Prioritising Interventions

Many interventions have been proposed to mitigate the weaknesses and to development opportunities identified under the different themes. However, resource limitations mean that they cannot all be addressed at the same time. Consequently, a two-stage system has been devised to prioritize potential interventions.

2.2.5.1 Stage One

The first stage in the prioritisation process is to screen potential interventions according to three tests to ensure that there is a justification for government involvement. These tests are:

- **Market failure.** Is there a market failure which government can, in practice, address effectively?
- **Improving social opportunity.** Market-based solutions may not solve all poverty and social problems. Some government interventions may be justified in terms of assistance to the poorest, safety nets for the most vulnerable to shocks, human rights, gender inequalities, etc. Is the intervention the most cost-effective means of achieving one of the above objectives?
- **Institutional development.** There are situations in which government can usefully intervene as a catalyst – hopefully on temporary basis – to stimulate the development of institutions. Will government intervention in this area effectively help to meet overall development objectives?

Most of the proposed interventions can pass one or more of the above tests.

2.2.5.2 Stage Two

The second stage of the process is to prioritise taking into account the following criteria:

- **Poverty/growth impact** – Does the intervention contribute to overall agricultural GDP, what percentage of the rural population are likely to be affected, etc. Interventions contributing to poverty reduction are given a higher ranking.
- **Implementability** – Is the intervention easily implemented? Issues considered include capacity, human resources, is it an on-going activity, does it require complex co-ordination, etc.
- **Cost** – Low cost interventions are given a higher ranking.
- **Geographical coverage** – A higher ranking is given to interventions with a wider geographical coverage.
- **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.

- **Time of implementation** – Higher ranking is given to interventions that can be speedily implemented so as to produce results quickly.
- **Availability of resources** – Interventions that have available resources for implementation are given higher ranking.

The prioritisation exercise for the interventions to be implemented for the 2002/03 financial year has been completed. Preliminary prioritisation for the subsequent years has also been done. However, it is important to note that the interventions' prioritisation exercise will be done annually as part of the ASDP planning and budgeting process, it is iterative and it is not an end by itself but a means to an end. 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.

2.2.6 On-going Projects and Programmes

2.2.6.1 Issues to be addressed¹

Although many interventions, as enunciated in the ASDS, are found among on-going and pipeline projects it is apparent that the majority of existing projects and programme have limitations that have to be addressed. These can be categorised in terms of:

- **Geographical coverage.** The current coverage of existing and pipeline projects does not add up to a coherent national programme and several areas that are important in achieving the ASDS objectives are inadequately serviced.
- **Coverage of strategic intervention themes.** Here there is a great weakness, as in general projects do not appear to focus on the key areas for intervention identified in the ASDS and hence fail to reflect the real opportunities for growth in Tanzanian agriculture.
- **Consistency of approach.** While there is a consistency in approach to concepts such as bottom-up, participatory-decision process, decentralization and the importance of developing efficient markets and the private sector, "the use of the terminology sometimes seems to act as a mechanism to avoid analyzing difficult questions rather than a means of elucidation"². A lot has to be done to develop a means of implementing decentralized programmes, the meaning of stakeholder consultation and what role donor interventions can usefully play in promoting the private sector.

Bearing in mind the issues raised above, it is clearly important that the process of agriculture project preparation and implementation needs to be altered greatly to become part of the ASDP. The following measures will be undertaken:

¹ This section reflects the findings of the "Study Streamlining On-going Agricultural Projects and Programmes in context of the ASDS" Draft Final Report 19 October 2001.

² Ibid p.53

- For the immediate future, all on-going projects and programmes will be aligned with ASDS objectives.
- In the medium term, all projects and programmes will be part of the sector-wide programming exercise.
- In the longer term, projects will be replaced altogether by a national sector-wide approach with a clear function for Government, the private sector and others.

To achieve these aims, the Government will negotiate with development partners to allow for the on-going projects and programmes to operate in parallel with the ASDP for the first two years. After the mid-term review it is expected that all projects and programmes will be part of the ASDP.

ANNEX 2A: Responsibilities and Prioritisation

STRATEGIC AREA 1.0 Strengthening the Institutional Framework						
OUTPUTS AND INTERVENTIONS	Responsibility	2002/3	2003/4	2004/5	2005/6	2006/7
<i>Output 1.1: ASDS Coordination Framework Established</i>						
<i>1.1.1 Mainstream on-going programmes in line with ASDS.</i>	MAFS	V				
<i>1.1.2 Establish an Inter-ministerial Coordination Committee (ICC)</i>	MAFS	V				
<i>1.1.3 Form Technical Coordinating Committee (TCC)</i>	MAFS	V				
<i>1.1.4 Prepare guidelines for LGAs to prepare DADPs.</i>	PO-RALG	V				
<i>1.1.5 Form District Agricultural Development Committees (DADCs) where appropriate</i>	PO-RALG	V	V			
<i>1.1.6 Educate actors on their roles and responsibilities.</i>	PO-RALG	V	V			
<i>1.1.7 Formulate a rolling ASDP in conjunction with DADPs</i>	MAFS	V				
<i>1.1.8 Formulate the Annual Conference of Stakeholders in the sector.</i>	PO-RALG	V				
<i>1.1.9 Regional Secretariats monitor DADPs.</i>	MAFS	V				
<i>1.1.10 TCC monitors implementation of ASDS</i>	MWLD	V				
	MCM	V				
	PO-RALG			V	V	
<i>Output 1.2: Capacity of Lead Ministers Strengthened</i>						
<i>1.2.1 Train head ministry staff in policy formulation and analysis, strategic planning and management.</i>	MAFS		V	V		
	MWLD	V	V			
	MCM	V	V			
	PO-RALG		V	V		
<i>1.2.2 Review employment conditions, promotional prospects and salary scales with the aim of recruiting and retaining high calibre staff</i>	MCM	V	V			
<i>1.2.3 Deploy additional field staff for supervision and monitoring for the enforcement of standards and regulations</i>	MWLD	V	V	V	V	V

QUESTIONS AND INTERVENTIONS	Response-ability	2002/3	2003/4	2004/5	2005/6	2006/7
1.2.4 Provide the necessary facilities and equipment for proper monitoring of standards and regulations	MAFS		V	V		
	AWRLD		V	V		
	PO-RALG		V	V		
	AKM		V	V		
1.2.5 Review and formulate agriculture and livestock policy and implementation	MAFS				V	V
	AWRLD				V	V
Output 1.3: Capacity of Regional Secretariats Strengthened						
1.3.1 Deploy additional technical staff and provide necessary logistical support	PO-RALG	V	V			
1.3.2 Review employment conditions, promotion prospects and salary scales with the aim of recruiting and retaining high calibre staff	PO-RALG	V	V			
Output 1.4: ICA's Capacity Strengthened						
1.4.1 Strengthen strategic financial planning and management	PO-RALG	V	V			
1.4.2 Strengthen multi sectoral planning and coordination	PO-RALG	V	V			
1.4.3 Strengthen participatory planning	PO-RALG	V	V			
1.4.4 Strengthen contract formulation and management	PO-RALG	V	V			
1.4.5 Build capacity of ICA's to undertake land-use and resource management planning	PO-RALG	V	V			
1.4.6 Review and reform field extension code	PO-RALG	V	V			V
1.4.7 Provide legal empowerment of ICA's to enforce regulations and standards	PO-RALG	V				
Output 1.5: Farmer Organizations Promoted						
1.5.1 Develop guidelines for the formulation and registration of farmers' and other stakeholder associations, and strengthen registration procedures	AKM	V				
	AWRLD	V	V			
1.5.2 Promote establishment of farmers' owned cooperatives and other organizations	AKM	V				
1.5.3 Support registration of eligible farmers' organizations	AKM	V				
1.5.4 Provide cooperative education to members and management of the organizations	AKM	V				
1.5.5 Training in agribusiness management and marketing skills, services management, lobbying and advocacy	AKM	V				
	AWRLD	V	V			

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QUESTIONS AND INTERVENTIONS	Response-ability	2002/3	2003/4	2004/5	2005/6	2006/7
1.3.7 Introduce cost sharing mechanisms as basis for sustainable management and empowerment of farmer owned organizations	AKM				V	
	AWRLD		V	V		
OUTPUTS AND INTERVENTIONS	Response-ability	2002/3	2003/4	2004/5	2005/6	2006/7
Output 1.6: Capacity of the Private Sector Improved	MAFS	V				
	AKM	V				
1.6.1 Provide favourable legal and administrative framework	AWRLD	V	V	V		
	MAFS	V				
1.6.2 Support training in financial management, and entrepreneurial skills, as well as in contract management	AKM	V				
	AWRLD	V	V			
1.6.3 Involve agribusiness in dialogue with Government on policy formulation, revision and programming for the sector	MAFS	V				
	AWRLD	V	V			
Output 1.7: Capacity of Civil Society Organizations Improved	AKM	V	V	V		
	AKM	V	V	V		
1.7.1 Support training in financial management, and entrepreneurial skills, as well as in contract management	AKM	V				
	AKM	V				V
1.7.2 Involve CSOs in dialogue with Government on policy formulation, participation and programming for the sector	MAFS	V				
	AKM	V	V	V		
1.7.3 Promote strengthen CSO umbrella organizations	AKM	V	V	V		
	AKM	V	V	V		
Output 1.8: Improved Media Coverage of Agricultural Sector Affairs	MAFS	V				
	AWRLD	V	V	V		V
Output 1.9: Effective Land Survey Service in Place	MCM					
	MAFS				V	
1.9.1 Conduct study of manpower needs for operational land survey services	MAFS				V	
	MAFS				V	
1.9.2 Study of ways to make survey services more affordable to smallholder farmers	MAFS				V	
	MAFS				V	

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1.2.2. Harmonize procedures relating to the issuance of bank guarantees and provide security in provision of land to farm households	MAFS				V
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monitored by stakeholders	MAFS				V
Output 2.5: Cross-border Trade Legalized and Promoted					
2.5.1 Remove all barriers to cross-border trade in food crops	MAFM	V			
	MWLD		V		V
2.5.2 Promote exports, especially of food commodities to neighbouring countries	MAFM		V		
Output 2.6: Food Security Policy Formulated and Implemented					

STRATEGIC AREA 2.0 Creating a Favorable Environment for Commercial Activities						
OUTPUTS AND INTERVENTIONS	Responsibility	20023	20034	20045	20056	20067
Output 2.1: Sustaining Macroeconomic Stability						
2.1.1 ROT monitor agricultural lending rates	MAFS	V				
2.1.2 Harmonize and rationalize taxes, fees and fees as an incentive to farmers and investors in agriculture and livestock production	MAFS	V				
	MWLD		V		V	
2.1.3 Devise mechanism to reduce and rationalize energy and transport tariffs in production and processing of agricultural products	MAFS	V				
Output 2.2: Agricultural Sector Legislation Reviewed, Harmonized and Publicized						
2.2.1 Review and harmonize agricultural sector legislation and the Cooperative Act of 1991	MAFM	V				
2.2.2 Review and harmonize legislation in livestock development	MWLD	V	V			
2.2.3 Implement the Plant Protection Act 1997 and harmonize the TPRU Act (1979) with the Plant Protection Act	MAFS	V				
2.2.4 Update and enforce legislation regarding input and output marketing	MAFM	V				
Output 2.3: Legislations of Collaborating Sectors Reviewed, Harmonized and Publicized						
2.3.1 Review, harmonize and publicize legislations that have a bearing in the implementation of the ASDA Act	MAFM	V				
* The Food (Control of Quality), Act No. 9 of 1978, and the Pharmaceuticals and Poisons Act No. 10 of 1978,						
* The Tanzania Bureau of Standards Act No. 1 of 1977, the Finance Banking Act of 1991	MAFS	V				
Output 2.4: Legal Empowerment of Stakeholders to be Involved in the Management Commodity Boards Provided	MAFS	V				
2.4.1 Restructure the Commodity Boards in function as self-regulatory bodies monitored by stakeholders	MWLD	V	V			
	MAFM	V				

OUTPUTS AND INTERVENTIONS	Responsibility	20023	20034	20045	20056	20067
2.6.1 Formulate food security policy	MAFS	V				
2.6.2 Issue guidelines to administrators on provisions of the food security policy	MAFS	V				
2.6.3 Development and Implementation Post Harvest Management Services Programme	MAFS	V				
2.6.4 Establish optimal level of physical stocks, resource requirements and maintain SCR	MAFS	V				
Output 2.7: Procedures for Legal Access to Land Streamlined						
2.7.1 Streamline the public in the New Land Acts	MAFS/MLH	V				
2.7.2 Streamline the procedures for legal and physical access to land	MLHS	V				
2.7.3 Monitor the implementation of the Land Act	MLHS	V	V	V	V	V
Output 2.8: Land Shitvo and Demarcation for Agricultural Investment Zones Undertaken						
2.8.1 Undertake land demarcation and survey for potential investment zones and grazing land for pastoralists and agro-pastoralists	MAFS	V				
	MWLD		V		V	
	MLHS	V				
2.8.2 Develop plans for selling pastoralists and establishing DIZs	FO-RAIG		V		V	
STRATEGIC AREA 3.0: Public and Private Roles in Improving Supporting Services						
Output 3.1: Client-oriented and Collaborative Agricultural Research Institutionalized						
3.1.1 Complete the ongoing privatization of research for export crops	MAFS				V	

3.1.3 Review a mechanism for coordinating research and extension services between Central Government, Local, community boards and private sector.	MAFS	V					
	MAFS	V					
3.1.4 Strengthen the Committees on Agriculture and Livestock Research under COSTRICH	MWLD		V				
	MAFS	V					
3.1.5 Rehabilitate and equip research institutes to facilitate client oriented research.	MWLD	V	V				
	MAFS				V		
Output 3.2 Demand-driven Agricultural Extension in Fiver							
3.2.1 Devise and implement a mechanism to extend and extension services to private enterprises, NGOs and other institutions.	MAFS	V					
	MWLD	V	V				
3.2.2 Establish National Extension Fund to be administered by MAFS and MWLD	MAFS	V					
	MWLD			V			V

3.2.3 Establish cost sharing guidelines through subproject and contract schemes.	Response Ability	2002/3	2003/4	2004/5	2005/6	2006/7
	MAFS		V			
3.2.4 Review the existing participatory extension methodologies and upgrade the use of the more effective ones.	MWLD		V			
	MAFS	V				
3.2.5 Develop performance standards and formats for monitoring and evaluation of extension services.	MAFS	V				
	MWLD	V				
Output 3.3 Demand Driven Agricultural Training Strengthened						
3.3.1 Review and update all curricula for cooperatives agricultural training to be responsive to client needs (including topics on agribusiness management, participatory approaches, HIV/AIDS, human nutrition, gender and the environment).	MAFS	V				
	MWLD	V				
3.3.2 Develop and introduce modules for demand driven courses for farmers and other stakeholders.	MAFS	V				
	MWLD	V	V			
3.3.3 Update the knowledge and skills of trainers at training institutes through short and long term courses to match the needs of clients to be trained.	MAFS	V				
	MWLD		V			
3.3.4 Rehabilitate and equip training institutions to facilitate training for agricultural development	AKCM		V			
	MAFS		V			
3.3.5 Rehabilitate and equip training institutions to facilitate training for agricultural development	MWLD	V	V			V
	AKCM					
Output 3.4 Regulatory Services Strengthened						
3.4.1 Upgrade field staff in regulatory services on quality performance through technical training at all levels.	MAFS	V				
	AKCM	V				
3.4.2 Devise a mechanism for strengthening regulatory services for crops and livestock to enhance the control of diseases and pests.	MAFS	V				
	MWLD		V			
3.4.3 Support stakeholders associations to prepare their own regulatory skills upgrading programs.	MAFS	V				
	AKCM		V			
3.4.4 Establish a mechanism for coordinating the implementation of regulatory services	AKCM					
	MAFS		V			

3.4.5 Review and update all regulations that are relevant for regulation of pests and diseases to promote the national production.	MAFS	Y						
OUTPUTS AND INTERVENTIONS	Responsibility	2002/3	2003/4	2004/5	2005/6	2006/7		
3.4.6 Provide members' education to raise their awareness so as to promote financial transparency of stateholders institutions	MAFM	Y						
Output 3.5 Animal Health and Crop Protection Services Improved								
3.5.1 Review and implement the laws on delivery of animal health services	AWILD	Y	Y					
3.5.2 Establish Disease Free Zones (DFZs) in strategic areas for export purposes	AWILD	Y	Y	Y	Y	Y		
3.5.3 Develop and execute disease control programmes for scheduled diseases and zoonoses.	AWILD	Y						
3.5.4 Strengthen the phyto-sanitary and zoosanitary capacity of MAFS, AWILD and LGAs through training and equipping.	MAFS		Y	Y				
3.5.5 Ensure that infrastructure for the control of crops and livestock diseases are developed and maintained up to required standards	AWILD	Y	Y	Y				
3.5.6 Develop and institutionalize (for all levels) monitoring and early warning systems and related disaster preparedness plans for crops and livestock, pests and disease outbreak	MAFS	Y	Y	Y				
Output 3.6 The Management of Rangelands Improved								
3.6.1 Develop and implement sensitization and educational programmes on the Land Act No. 1 of 1999 and the Village Land Act No. 5 of 1999	AWILD	Y	Y					
3.6.2 Demarcate and allocate land for permanent grazing land for pastoralists and agro-pastoralists.	AWILD	Y	Y					
3.6.3 Develop and institutionalize a system for early warning of drought, floods and impending fodder shortages for livestock and mainstream it into the national system for monitoring and managing disasters	MAFS		Y					
3.6.4 Develop and implement a Rangeland Development and management programme	AWILD	Y	Y	Y	Y			
Output 3.7 The Management and Utilization of Land and Water Resources Improved								
3.7.1 Prepare comprehensive data on land use maps	MAFS	Y						
3.7.2 Develop programmes that improve soil management and fertility	MAFS	Y						

3.7.3 Develop a comprehensive programme for integrated soil and water conservation and management	MAFS	Y						
3.7.3 (b) Develop a comprehensive National Irrigation Master Plan	MAFS	Y						
3.7.4 Develop educational and training programmes for farmers' capacity building on integrated soil and water management.	MAFS	Y						
OUTPUTS AND INTERVENTIONS	Responsibility	2002/3	2003/4	2004/5	2005/6	2006/7		
3.7.5 Adopt holistic approaches when designing community water supply schemes, in take account of different needs for domestic, irrigation and livestock use.	PO-RAIG		Y		Y			
Output 3.8 Agricultural Mechanization Strengthened								
3.8.1 Promote utilization of labour-saving technologies at household level	PO-RAIG		Y		Y			
3.8.1 (a) Develop a comprehensive programme for agro-mechanization and agro-processing.	MAFS	Y						
3.8.2 Promote conservation tillage in drought prone areas	PO-RAIG		Y		Y			
3.8.3 Promote oxenization of cultivation where appropriate	PO-RAIG	Y	Y					
3.8.4 Promote the establishment of machinery hire services.	PO-RAIG	Y	Y					
3.8.5 Develop and disseminate appropriate technologies that use locally available renewable energy sources.	MAFS				Y			
3.8.6 Support research in public and private institutions to accelerate agro-mechanization and agro-processing	MAFS				Y			
3.8.7 Support training and demonstrations on new agricultural mechanization and agro-processing technologies	AWILD	Y	Y	Y	Y	Y		
Output 3.9 Comprehensive Agricultural Information System In Place								
3.9.1 Establish data base units at MAF, AWILD and MCAI to collect, process and disseminate agricultural data for crops and livestock production and marketing.	MAFS	Y						
3.9.2 Develop mechanism for seeking ministerial linkages, for collating and disseminating information to LGAs	MAFM	Y						
3.9.3 Promote establishment of advisers at LGAs to facilitate representation and monitoring of DADPs.	PO-RAIG		Y					

3 9 5	3 9 6	3 9 7	3 9 8	3 9 9	3 9 10	3 9 11
3 9 5 Promote user guidelines for data collection, processing, storage, retrieval and dissemination	AK'NF		Y			
	AWLD	Y	Y			
	AK'NF	Y				
	AWLD	Y				
	MA'NS		Y			

OUTPUTS AND INTERVENTIONS	Report-ability	2002/3	2003/4	2004/5	2005/6	2006/7
Output 2.10: Micro-finance Institutions as Grassroots Promoted and Strengthened						
3 10 1 Promote and support establishment of demand driven grassroots micro-finance institutions e.g. SK'Y'OS, SK'AS or special groups	AK'NF	Y				
3 10 2 Promote and support establishment of Community banks	AK'NF		Y			
3 10 3 Establish formal linkage between MFIs and the formal financial institutions through promoting linkage banking	AK'NF			Y		
3 10 4 Support MFIs to set up counters for provision of other services such as savings mobilization, input supply and market information	AK'NF			Y		
Output 3.11: Institutional Arrangement for Investment Finance Established						
3 11 1 Establish a mechanism for obtaining seed capital for either creating an investment banking department within existing commercial banks or establishing a new investment bank	AK'NF	Y				
3 11 2 Explore possibility of setting up bank financial institutions' resources for financing agriculture	AK'NF		Y			
STRATEGIC AREA 4.0: Strengthening Marketing Efficiency for Inputs and Outputs						
Output 4.1: Private Agricultural Service Suppliers (PASS) Set						
4 1 1 Establish organizational structures operating products and providers for PASS	AK'NF	Y				
Output 4.2: Agro-processing and Rural Industrialisation Promoted						
4 2 1 Review incentives to rural industrialisation	MA'NS	Y				
4 2 2 Formulate special incentive mechanisms to promote rural industrialisation	MA'NS	Y				
	AWLD	Y	Y	Y		
Output 4.3: Increasing Access to Inputs in Rural Areas						

4 3 1	4 3 2	4 3 3	4 3 4	4 3 5	4 3 6	4 3 7
4 3 1 Promote and strengthen organizations, groups and networks for improved access of agricultural inputs in rural areas	AK'NF		Y			
	MA'NS					
	AWLD	Y				
	AK'NF				Y	
	AWLD	Y	Y	Y		
	AK'NF					Y
	MA'NS					
	AWLD		Y	Y		

OUTPUTS AND INTERVENTIONS	Report-ability	2002/3	2003/4	2004/5	2005/6	2006/7
Output 4.4: Market Information Collection and Dissemination Strengthened						
4 4 1 Establish and facilitate a market research and promotion unit in AK'NF	AK'NF	Y				
4 4 2 Establish a database on internal and external markets within AK'NF and ILECs	AK'NF	Y				
4 4 3 Collect and disseminate information from stakeholders	AK'NF	Y				
Output 4.5: Rural Infrastructure for Marketing of Agricultural Inputs and Outputs Improved						
4 5 1 Rehabilitate holding grounds, watering points, stock-roads and livestock markets	AWLD	Y	Y			
4 5 2 Rehabilitate and establish milk collection centres	AWLD	Y				
4 5 3 Rehabilitate and improve crop markets and storage facilities	AK'NF			Y		
4 5 4 Rehabilitate and improve slaughter sheds, abattoirs and milk processing centres	AWLD	Y				
Output 4.6: Partnerships between Smallholder Farmers and Agribusiness Promoted						
4 6 1 Promote and support private sector initiatives in establishing aggregator and contract farming schemes among crop and livestock farmers (agribusiness)	AK'NF				Y	
	MA'NS	Y				
	AWLD	Y	Y	Y		
4 6 2 Promote and support established farmer organizations to become intermediary organs for establishing the partnerships	AK'NF				Y	
	AWLD	Y	Y			

Output 4.1: Incentive Mechanisms for Agricultural Investment in Place											
4.1.1 Revise and implement specific investment incentive packages for promoting outgrower contract farming schemes	MAFS	Y									
4.1.2 Develop an incentive mechanism for promotion of small-scale investments in agro-processing industries in agricultural production and processing	MAFS	Y									
	MWLD		Y								
4.1.3 Review and amend incentive packages for preferential tax regimes, cost sharing, and tariffs on investment in rural infrastructure	MAFS	Y									
	MWLD	Y									
	PO-RAIG	Y									
STRATEGIC AREA 5.0: Mainstreaming Planning for Agricultural Development in Other Sectors											
Output 5.1: Rural Infrastructure Improved (Under RDS)											
5.1.1 Support a study to establish rural transport needs for agricultural development	PO-RAIG	Y		Y							
5.1.2 Develop a mechanism for incorporating demand-driven rural infrastructure component in DID's	PO-RAIG	Y		Y							
OUTPUTS AND INTERVENTIONS											
5.1.3 Develop incentive mechanisms to attract private investments in rural infrastructure	Responsibility	20023	20034	20045	20056	20067					
Output 5.2: Rural Electrification and Communication Improved	PO-RAIG	Y									
5.2.1 Develop a guide to facilitate the process of incorporating agricultural requirements in electrification and communication development plans in respective ministries and institutions											
5.2.2 Develop and implement a programme for promoting the use of alternative sources of energy such as solar, wind, biogas and hydropower	MAFS		Y								
Output 5.3: Spread and Impact of HIV/AIDS and Malaria Minimized	PO-RAIG	Y		Y							
5.3.1 Conduct a study to identify most HIV/AIDS vulnerable farming communities	MWLD	Y									
5.3.2 Devise and implement a mechanism for supporting farming communities most affected by HIV/AIDS	PO-RAIG	Y		Y							
	MWLD										

5.3.3 Intensify public health education on HIV/AIDS to increase public awareness on its effect on the economy, and measures that in agricultural training institutes' curricula and extension messages	PO-RAIG	Y									
Output 5.4: Gender Issues Mainstreamed in Agricultural Development Plan											
5.4.1 Operationalize the use of the Gender Management System in guiding the incorporation of gender issues in agricultural development interventions	MAFS		Y								
	MWLD			Y							
	PO-RAIG			Y							
5.4.2 Develop special programmes within DADPs for gender empowerment and access to credit, land, technology, markets and information	PO-RAIG	Y									
Output 5.5: Youth Empowered											
5.5.1 Develop appropriate mechanisms to reduce youth migration and increase their deployment in agriculture	PO-RAIG							Y			Y
5.5.2 Promote and support private sector to develop rural agro-industries and other enterprises for alternative employment to the youth	PO-RAIG										
Output 5.6: Environmental Management Strengthened											

OUTPUTS AND INTERVENTIONS	Responsibility	20023	20034	20045	20056	20067
5.6.1 Support the development of mechanism to be incorporated within the early warning system for environmental rapid assessment and monitoring of degradation and for early warning on drought and flood disasters	MAFS		Y			
	MWLD	Y				
5.6.2 Promote the use of catchment and basin approaches in planning and implementation of agricultural water management programmes	MAFS	Y				
5.6.3 Intensify public awareness of environmental protection and mainstream this in agricultural training institutes' curricula and extension messages	MAFS	Y				
	MWLD	Y		Y		

S/NO	SUB-PROGRAMMES
1.0	STRENGTHENING THE INSTITUTIONAL FRAMEWORK
1.1	Institutional Support
2.0	CREATING A FAVOURABLE ENVIRONMENT FOR COMMERCIAL ACTIVITIES
2.1	Commercial sector support
2.2	Cooperative Promotion
3.0	PUBLIC AND PRIVATE ROLES IN EMPLOYING SUPPORTING SERVICES
3.1	Agro - Mechanization
3.2	Agro - Processing
3.3	Agricultural Extension
3.4	Crop protection
3.5	Agricultural research
3.6	Agricultural training
3.7	Soil Conservation and soil fertility
3.8	Irrigation and water management
3.9	Agricultural information
3.10	Post -Harvest management
3.11	Range Development and Management
3.12	Animal Health
3.13	Rural Financing
3.14	Cooperative Inspectorate
4.0	STRENGTHENING MARKETING EFFICIENCY FOR INPUT AND OUTPUT
4.1	Agricultural inputs
4.2	Marketing Infrastructure
4.3	Contract farming
4.4	Marketing Research and Promotion
5.0	MAINSSTREAMING PLANNING FOR AGRICULTURAL DEVELOPMENT IN OTHER SECTORS
5.1	Rural Infrastructure
5.2	Other crosscutting Issues

3. INSTITUTIONAL FRAMEWORK

3.1 The Major Actors, their Roles and Responsibilities.

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. The role of and institutional framework for the coordination of the various actors in the implementation of ASDP is outlined below.

3.1.1 Public Sector Organizations

3.1.1.1 The Lead Ministries

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

The lead Ministries, through the Inter-Ministerial Co-ordinating (see Section 3.2.1) and the Technical Inter-Ministerial Co-ordination Committee (TCC) 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.
- Promote farmers' organizations for empowering farmers, developing their advocacy and lobbying capacity, and participation in service delivery and resource mobilization.

3.1.1.2 Other Ministries

Cross-sectoral issues facilitating the implementation of ASDP will be dealt with in other collaborating ministries. These include the:

1. *Prime Minister's Office (PMO)*
 - Coordinate Government business relevant to the implementation of ASDP.
 - Coordinate the roles of other ministries in the implementation of RDS objectives important to ASDP
2. *Ministry of Finance (MoF)*
 - Reduce and harmonise taxes in the agriculture sector.
 - Mobilise resources for the agriculture sector
3. *Ministry of Works (MoW)*
 - In collaboration with PO-RALG repair, make and maintain district and feeder roads important for the ASDP.
 - Mobilise resources for district and feeder roads.
4. *Ministry of Communication and Transportation (MCT)*
 - Improve communication systems to attract agricultural investment in the rural areas.
5. *Ministry of Lands and Human Settlements (MLHS)*
 - Facilitate easy land accessibility for agricultural investment.
 - Issue title deeds that facilitate land valuation and property marketing.
6. *Ministry of Community Development Women Affairs and Children (MCDW/C)*
 - Gender sensitisation so as to facilitate participation in all aspects in ASDP.
7. *President's Office Planning and Privatization (PO-P&P)*
 - Hasten the privatisation process of agricultural parastatals to create an enabling environment for the private sector leading to increased productivity.
 - In collaboration with lead ministries prepare incentive packages for agricultural sector investments.
8. *Vice President's Office (VPO)*
 - In close collaboration with the lead ministries, address environmental issues relevant to the implementation of the ASDP.
 - Coordinate and monitor the implementation of PRSP for poverty alleviation in the rural areas.
9. *Ministry of Health (MoH)*
 - Sensitise rural communities to diseases such as HIV/AIDS and malaria and problems such as drug abuse that have a significant bearing on the implementation of the ASDP.
 - Mobilise resources for HIV/AIDS awareness campaigns in the agricultural sector.
10. *Ministry of Labour, Youth and Sports (MLYS)*
 - Empower youth to undertake rural jobs, start rural-based agribusiness, to be young farming entrepreneurs and reduce rural-urban migration. The youth will provide the labour, new entrepreneurs and young farmers that will inject the young blood for the implementation of the ASDP.

3.1.1.3 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, during ASDP implementation the Regional Secretariats will facilitate technical coordination between the sectoral Ministries and the LGAs.

3.1.1.4 The LGAs

LGAs have a critical role in the successful implementation of the ASDP because they will undertake or implement all development initiatives intended to improve rural livelihoods. The roles pertaining to the implementation of ASDP include:

- Promote social and economic development.
- Based on PO-RALG participatory planning procedures, design and implement District Agricultural Development Programmes.
- Prepare quarterly and annual progress reports based on the DADPs Log frame.
- Supervise the implementation of laws, acts and regulations 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.

3.1.1.5 Academic and Research Institutions

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

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

During the implementation of ASDP they will:

- Provide demand-driven training in 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 the agricultural sector.
- Compete for the consultancy work in the various sector studies.
- Conduct research as guided by the National Agricultural Research Master Plan and implement outreach programmes as one way of disseminating research results.
- Provide advisory services to the Government and the private sector through consultancy and other means.

3.1.1.6 Parastatal Organizations

Most of the agricultural parastatals have already been divested under the privatisation programme. 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 Commission (NEMC), Tanzania Food and Nutrition Corporation (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.

3.1.1.7 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 controlled by their 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 rules and enforce them in their respective industries.
- Institute a regulatory regime geared towards promotion of good quality products.
- Finance research and extension services for the respective industry.
- Disseminate relevant information to stakeholders in the industry.

3.1.2 Private Sector Organizations

The Government has withdrawn from production activities that are more efficiently performed by the private sectors 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.

3.1.2.1 Farmers and Livestock Keepers

This is a very broad category ranging from small-scale subsistence crop producers and livestock keepers, who between them comprise more than 90 per cent of farming population, to a minority of medium and large-scale farmers. Both large and small-scale farmers are important for the implementation of the ASDP. Successful modernisation of agriculture will, to a large extent, depend on the active participation of the smallholders in the commercialisation of agriculture. Specifically, small holders are expected to:

- Adopt new technology and skills (entrepreneurial skills)
- Diversify products
- Produce according to the market demand.

At the same time, medium and large-scale farmers are expected to increase agriculture investment and engage in processor/contract grower partnerships. This will facilitate access to the markets, inputs and technology for primary producers and will provide a sustainable raw material base for the processors.

3.1.2.2 Farmers' Organizations

The Government realizes that the key to empowered, well informed and articulate farmers, be they small, medium or large scale, is through strong farmers' organizations. Farmers' and livestock keepers' organizations may be in the form of cooperatives, associations or groups. The Tanzania Chamber of Agriculture and Livestock (TCAL) and the Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA) also represent farmers' interests. 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.

3.1.2.3 Agribusiness Community

This is a very diverse category comprising of small, medium and large-scale actors who play critical roles in the agricultural sector. It includes: importers, wholesale distributors and retail suppliers of agricultural inputs; farm produce buyers; processors; and exporters of agricultural produce. The success of ASDP will depend on the agribusiness community playing a key role in the:

- Importation and distribution of agricultural inputs.
- Procurement and processing of agriculture produce.
- Export and marketing of agriculture produce.

3.1.3 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) 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.

3.1.3.1 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 provide marketing information.

3.1.3.2 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.

3.1.3.3 Agriculture Investment Bank

This envisaged bank will provide investment services exclusively to the farming and agri-industry sector stimulating the rural-based economy.

3.1.3.4 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. The BOT will also maintain the ASDP Holding Account (see Section 4).

3.1.4 Civil Society Organizations

This is a diverse group of actors, comprising both local and international organisations. Community-based organisations (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.

3.1.5 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.

3.1.6 Legal Services Providers

Legal service 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.

3.1.7 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 formulation and financing of planned activities.
- Make available technical and financial resources
- Institute and regularly review ASDP mechanism for planning, management, monitoring and funding.

Table 3.1 summarises the roles and responsibilities of the main stakeholders.

Table 3.1. A Summary of Roles and Responsibilities of the Main Stakeholders.

Responsibility	Central Government Institutions	Local Government	Other Government Institutions	Local Communities	NGOs	Private sector	International Development Partners
Normative activities							
Policy Formulation							
Legislation formulation							
Law enforcement							
Revenue collection							
Sectional planning and budgeting							
Management/operative Activities							
Management of Agricultural Development							
Facilitation and Monitoring							
Human resources development (Training and education, manpower planning, curricula development)							
Stakeholders coordination / International Cooperation							
Monitoring and evaluation							
Research and its coordination / Information systems							
Extension / Inspectorate services							
Agric. Sector Framing							

3.2 The Coordination of ASDP Activities

The wide range of actors that will be involved in the ASDP will require a harmonized and coordinated framework for effective and efficient management of activities and resources. This will be achieved at three levels: national (sector), sub-sector, and LGAs, through the following mechanisms:

3.2.1 Coordination at the National Level

Coordination of ASDP activities at national level is through the Inter-ministerial Coordination Committee and the Food and Agriculture Working Group. The ICC coordinates the lead Ministries, collaborating Ministries and

the private sector while FASWOG provides a coordination forum between lead Ministries, collaborating ministries and development partners.

3.2.1.1 Inter-Ministerial Co-ordination Committee

An Inter-Ministerial Coordination Committee has been constituted. It is composed of:

- The Permanent Secretaries of the lead Ministries namely MAFS, MCM, MWLD, and PO-RALG and collaborating Ministries that include PMO, MoF, MCT, MLHS, MCDWC, PO-P&P, VPO, MoH, MEM, MLYS, MoW and MIT.
- Representatives of the private sector viz TCCLA, TFC, TCGA, TMPA and TCAL.

The ICC has a rotating chairmanship between the three lead Ministries i.e MAFS, MCM and MWLD. The tenure of the chairmanship is six months. The ICC will meet at least once every quarter. TCC is the secretariat to the ICC. (See section 3.2.1.3).

ICC 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. Specifically, ICC roles are:

- Oversee the development and implementation of policy decisions underlying ASDP.
- Monitor the implementation of ASDP in terms of:
 - adherence to implementation schedule
 - fulfillment of set national standards
 - consistency to the national policies as stipulated in the constitution or relevant pieces of legislation
 - stakeholders' performance in relation to fulfilling their mandate as predetermined in the ASDP.
- Provide high-level inter-ministerial co-ordination.
- Resource allocation for the implementation of the ASDP.

3.2.1.2 Food and Agriculture Working Group

FASWOG is already in existence and has been meeting regularly: at least once per month. It is composed of both multi-lateral and bilateral development partners active in agricultural sector and lead Ministries and other Ministries including PMO, MoF, and PO-P & P. It is represented by high-level representatives of the relevant ministries and development partners.

FASWOG is a consultative forum through which agriculture issues of common interest are raised and discussed. Possible lines of actions are suggested and help is sought if necessary. Specifically, FASWOG agreed to work on:

- Greater coordination and networking of donor support and information on food and agriculture.
- Playing a more advocacy and proactive role in putting food and agriculture issues back on the development agenda
- Inter-active donor/government forum on food and agriculture, to build stronger linkage and transparent dialogue between the government and the donor to ensure better coordination of donor assistance in the sector, at both the central and district level.

FASWOG will play an important role in the financial management of ASDP, particularly through the Basket Financing Committee (BFC) (see Section 5.2.3).

3.2.1.3 Technical Inter-Ministerial Coordination Committee

The ICC has a secretariat named the Technical Inter-Ministerial Coordination Committee. The TCC is composed of the Directors of Policy and Planning of the Lead Ministries (viz MAFS, MCM, MWLD and PO-RALG). The chairmanship is rotational and falls under the same Ministry that is chairing ICC. The tenure of the chairmanship is six months. The TCC will meet at least once per quarter. The TCC's Terms of Reference are:

- Secretariat to the ICC
- Formulate a 5-year ASDP to implement the ASDS at national level, covering the mandate, roles and functions of the lead Ministries.
- Coordinate the implementation and review ASDP on an annual basis at national level, covering the mandate, rules and functions of the lead Ministries.
- Prepare the technical guidelines for the LGAs to develop DADPs and integrate them in the District Development Programme (DDPs).
- Monitor the implementation of DADPs by the LGAs
- Act as a coordinating mechanism between the lead Ministries and the collaborating Ministries or agencies.
- Advise on any conflict that may arise between lead Ministries and LGAs regarding domains of authority and influence (such as the terms of appointment of high level personnel and enforcement of technical standards) and their relative roles in undertaking specific functions.
- Consolidate sub-sector annual progress reports and submit them to ICC and Annual Stakeholders Conference (see below).

3.2.1.4 Annual Conference of Stakeholders.

The views of the various stakeholders are of considerable importance in the implementation of ASDP. A major avenue for obtaining these views will be a planned Annual Conference of Stakeholders in the sector organised by the lead Ministries. This will be a consultative forum and its representation consists of the major actors in the agricultural sector as elaborated in Section 3.1 above. It is expected that the following representatives will attend the annual conference:

1. **Lead Ministries**
 - MAFS
 - a. The Minister of Agriculture and Food Security
 - b. Deputy Minister of Agriculture and Food Security
 - c. The Permanent Secretary
 - d. Director of Policy and Planning
 - e. All Technical Directors namely, DCD, DTI, DRD, DNFS, DSGR and DAP.
 - MCM
 - a. The Minister of Cooperatives and Marketing
 - b. Deputy Minister of Cooperatives and Marketing
 - c. The Permanent Secretary
 - d. Director of Policy and Planning
 - e. All Technical Directors namely, DM, DCoD, DAP and Principal, Moshi Co-operative College.
 - MWLD
 - a. The Minister of Water and Livestock Development
 - b. Deputy Minister of Water and Livestock Development.
 - c. The Permanent Secretary
 - d. Director of Policy and Planning
 - e. All Technical Directors namely, DVS, DAPRO, DRT and DAP.
 - PO-RALG
 - a. The Minister of State, President's Office, Regional Administration and Local Government
 - b. Deputy Minister of State, President's Office, Regional Administration and Local Government
 - c. The Permanent Secretary
 - d. Director of Policy and Planning
 - e. All Technical Directors relevant to the implementation of ASDP namely, DLG, DID, DRC and DAP.
2. **Collaborating Ministries** (viz PMO, MoF, MoW, MCT, MLHS, MCDWC, PO-P&P, VPO, MHI, MEM, MLYS, MoW, and MIT)
 - The Permanent Secretaries
3. **Regional Secretariats**
 - Regional Administrative Secretaries of all 21 Regions (R.A.Ss)
4. **Local Government Authorities**
 - Based on the seven agro-ecological zones, 2 representatives from each zone, namely 7 DALDOs and 7 DEDs.
5. **Academic and Research Institutions**
 - One representatives from each of SUA, UDSM and ESRF
6. **Regulatory Parastatal Organisations**
 - One representative from each of TPRi, TOSCA, NEMC, TFNC, NPB, TBS and Tanzania Food Commission.
7. **Farmers/Livestock Keeper**
 - One small scale progressive farmer from each of the 7 agro-ecological zones
 - One large scale farmer
 - One large-scale livestock farmer.
8. **Agribusiness Community**

- One active and prominent input importer/wholesaler
 - One active input stockist
 - Farm produce buyer/exporters (one for export crop, one for food crops and one livestock trader)
 - One transporter of agricultural produce
 - Processors (one for export crops, one for food crops and one for livestock products)
9. **Financial Institutions**
- One representative from SCULT
 - One representative from the MFI umbrella organisation
 - One representative from Tanzania Institute Of Bankers
 - One representative from BOT
10. **CSOs/NGOs**
- One representative from TANGO (NGOs umbrella organisation)
11. **Media**
- One representative from relevant media umbrella organisation
12. **Legal Services**
- One representative from legal umbrella organisation
13. **Development Partners**
- All 25 FASWOG members' representatives.

The President or his representative will chair the stakeholders' annual conference. The secretariat of the annual conference will be TCC. This annual event will take place on early September of every year. This will enable 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 will specifically:

- Review progress in ASDP implementation and achievement of its objectives on annual basis.
- Discuss problems constraining progress and ways of overcoming them.
- Consider current and future marketing prospects.
- Advise on the policy or institutional changes.
- Advise on changes in the funding levels for different sub-programmes if necessary.
- Advise any other matter adversely affecting the agricultural sector.

3.2.2 Sub-Sector Level

Each lead Ministry will implement sub-sector programmes in close collaboration with other Ministries and Government institutions.

3.2.2.1 Sub-sector Programme Coordinators

Each sub-sector programme will have a co-ordinator who will be a member of TCC. The Terms Of Reference for the coordinators will be as follows:

- Responsible for the day-to-day administration of ASDP.

- Ensure that sub-programme annual work plans and budget proposed by Technical Departments are consolidated and submitted for ICC approval.
- Consolidate quarterly progress reports that include physical and financial expenditure statements for sub-programmes and ensure the timely submission of the reports to the ICC.
- Consolidate Ministerial technical inputs for the preparation of the DADP's guidelines and submit to the TCC.
- Prepare sub-sector annual progress reports and submit to TCC
- Execute any other assignment as agreed by TCC.

3.2.2.2 Heads of Department Meetings

Heads of Department Meetings (HoDs) play a very important management function at the Ministerial level 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.

3.2.2.3 Heads of Technical Departments

Under the current ministerial set up, the ASDP implementing units at national level are the Technical Departments whose responsibilities are:

- Prepare the work plans and budgets for sub programmes
- Prepare and provide technical advice for the preparation of the DADP guidelines.
- Implement sub-programmes relevant to the department.
- Prepare quarterly, mid-year and annual implementation reports and submit in a timely manner to the sub-sector coordinator.
- Undertake monitoring and evaluation of the specific verifiable indicators under their jurisdiction.

3.2.3 Local Government Authority Level

3.2.3.1 District Agricultural Development Plans

Once trained in participatory planning, LGAs will ensure that District Agricultural Development Plans are formulated, managed, implemented and monitored. The Finance, Administration and Planning Committee will do this as a technical committee, while the full council will oversee the whole implementation as decision maker on policy issues.

The DADP will be formulated in the context of the District Development Plan (DDP). The various stages in the preparation of the DADP and DDP are outlined below. The preparation of the DDP starts at village level.

The Village Council. The council is composed of not less than 15 and not more than 25 members as follows:

- Chairman to be elected by the village assembly.
- The chairmen of all the *vitongoji* in the village.
- Such as other members to be elected by the village assembly of whom not less than one quarter of all the members of the village council shall be women.
- The village executive officer is the secretary to the village council.

The responsibilities of the village council in the preparation of DADPs are:

- To provide information and guide lines 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.
- To receive, review and endorse a consolidated village plan and budget proposal from the *vitongoji* as agenda for the village assembly.

It is important here to emphasise that the Village Council constitutes elected representatives and in this context, with backstopping from the technical extension staff, prepares a village plan and budget proposal. This proposal is presented to the Village Assembly, which has the power to make decisions, that is, approve plans and budget.

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 to approve it with or without amendments.

After the Village Assembly has approved the plans and budget the Village Executive Officer will submit it, together with the minutes of both the Village Council and Village Assembly, to the Ward Executive Officer for onward action.

Ward Development Committee. The Ward Development Committee is an advisory body and coordinate 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 can only advise. It consists of:

- The Councillor who is the Chairman.
- Chairmen of all village councils within the ward.
- Any member of the district council residing in the ward.
- Ward agricultural sector extension staffs as ex-officio members.

The Ward Development Committee will discuss and prioritize activities and projects, from the villages' plans and budgets to identify:

- For each village, those that are fully-funded for implementation, whether internally, externally or both.
- Activities and projects for external and internal sourcing of funds.
- Activities and projects with joint village implementation.

The Ward Executive Officer's role at this step is to coordinate plans and budgets from villages into a single Ward Development Plan and Budget and present this to the District Council Executive Director for onward processing at the District level.

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 Finance, Administration and Planning Committee (FAPC) for screening, input and advice. The composition of the FAPC is:

- The Chairman of the District Council as Chairperson
- Chairpersons of all District Council standing committees
- Member of Parliaments in the District
- District Council Departmental heads as ex-officio members.

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 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.
- Endorse submission of the final DADP proposals to the District Full Council for review and approval.

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 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
 - District Council Executive Director is the Secretary to the Council
- 3.2.4 Regional Secretariats**

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

- Provide technical backstopping for the Districts.
- Monitor the development and implementation of DADPs in their respective regions.
- Translate the DADP preparation guidelines into implementable programmes.

Prepare and submit consolidated progress reports to PO-RALG and Sector Ministries.

3.3 Monitoring and Evaluation (M & E) System

Monitoring and Evaluation is a management tool aimed at collecting information on programme progress, analysing it and relating it to programme objectives and targets. Monitoring is the main tool for ensuring that the ASDP is being implemented according to schedule in terms of activities and disbursements. M & E helps managers make better decisions.

Key elements of a monitoring and evaluation system include:

- The institutional framework responsible for monitoring.
- A detailed definition of data/information needs – by defining priority monitoring indicators, the source of data, method for collection, frequency and schedule of data collection.
- The reporting and dissemination plan.

3.3.1 The ASDP Monitoring Framework

The M & E system for ASDP will be linked to the monitoring systems of the Poverty Reduction Strategy (PRS) and to the Rural Development Strategy. This is because ASDP is an operational tool of ASDS, which has been formulated to implement some of the major issues of Poverty Reduction Strategy. Furthermore, the ASDS is one of the sectoral components of the Rural Development Strategy.

3.3.2 Data/Information Needs

The monitoring requirements of PRS are stipulated in the Poverty Monitoring Master Plan. This plan emphasises the use of combined methods in information collection for monitoring purposes. The Master Plan specifies that information will be collected through:

- A multi-year survey programme to be coordinated by the National Bureau of Statistics. According to the Poverty Monitoring Master Plan, future agricultural surveys are planned for 2003 and 2008.
- Routine administrative data systems – the major source of regular data/information for poverty monitoring. The routine data system is to be coordinated by PO-RALG
- Research priorities for generation of information that are not adequately covered by surveys, census and routine data sources.

The Poverty Monitoring Master Plan also emphasises measurement of impact, outcome and proxy indicators. The tracking of output indicators is left to the sector programmes while input indicators covering budget allocation and budget execution are defined and monitored within the PER/MTEF framework. The Rural Development Strategy, on the other hand, points out that its

monitoring system will be linked to the development monitoring mechanism currently being designed under the Poverty Reduction Monitoring framework. Data will be used from each of the monitoring programmes to assess overall progress on the RDS. Hence there is a need to strengthen links with the PRSP monitoring process and build on it for the outcome indicators associated with rural development.

In view of the above, it is apparent that the ASDP monitoring and evaluation system will benefit greatly from the data generated by the PRS monitoring master plan especially for the impact and outcome indicators. The ASDP Monitoring and Evaluation System will therefore focus on tracking of output and input indicators for the agricultural sector.

The ASDP monitoring and evaluation will take place at three levels. First, at programme level, monitoring will be focused on the progress made in implementing the ASDP as a whole. Second, at the sub-programme level monitoring and evaluation will focus on the progress made in implementing specific activities detailed in each sub-programme. The log frame of each sub-programme will detail verifiable indicators and will thus form the basis of the monitoring and evaluation process. Third, at the district level the District Agricultural Development Plans and related quarterly, semi-annual and annual reviews of implementation of DADPs will be very important for monitoring and evaluation.

3.3.3 Reports and Dissemination

The progress of implementation will be monitored on a quarterly, six-monthly and annual basis. Both physical and financial aspects (see Section 4) will be evaluated.

A mid-term review/ evaluation will be undertaken during the first half of the third year, while post evaluation / completion review will be carried out during the fifth year of the programme. The post evaluation will lead to mapping out a strategy and programme for the next five years.

As mentioned in Section 3.1.1, the Inter-ministerial Coordination Committee will be responsible for monitoring the implementation at the national level to ensure that the goals of the programme are being achieved. The Technical Coordination Committee will be responsible for monitoring the implementation of ASDP by the Local Authorities. At the District level the Finance, Administration and Planning Standing Committee will be responsible for monitoring implementation of DADPs, while the Regional Secretariats will monitor implementation of DADPs in their respective Region.

The lead Ministries will be responsible for monitoring implementation of sub-programmes that fall within their mandates.

While the monitoring and evaluation system for ASDP is primarily a function that will be carried out by Central and Local Government, all sector stakeholders will review monitoring data through the Annual Conference of

Stakeholders in the sector. This conference will review and deliberate on the annual programme progress report.

3.3.4 ASDP Monitoring Indicators

Four types of monitoring indicators will be used, namely:

- **Process Indicators:** Measuring whether actions set out in the work programme have been completed on time and within the budget limit.
- **Input Indicators:** Measuring whether financial commitment and disbursement have reached the budget levels against specific categories of spending.
- **Output Indicators:** These will be collected from administrative sources and will be supplemented by planned sector survey in 2003 and 2008.
- **Outcome/Impact Indicators:** Measuring the impact of the programme interventions, particularly in achieving the PRSP objectives of poverty reduction.

However, it is important to note that the lead Ministries have little experience of developing effective output and outcome indicators and, even more importantly, they have no experience of measuring the impact of agricultural development on poverty reduction. Therefore, as experience is gained on appropriate indicators, the Framework Document will be revised and updated to reflect the best practice in this area of expertise.

4. PLANNING AND BUDGETING PROCEDURES

4.1 Objective

The ASDP Sub-Programme document contain a detailed implementation schedules at each level of responsibility for year 1 and indicative schedules for years 2-5. The rationale behind this is that the document will be annually updated in the light of experience gained each year, the progress made in implementing previous year's activities, targets and actual achievements, problems, and future alternative in achieving the agricultural sector's targets and objectives.

The objective of this chapter is to elaborate the planning and budgeting procedures to be followed by the lead ministries and the LGAs in updating ASDP and also to link the ASDP Planning and budgeting to the Government MTEF process.

4.2 Planning and Budgeting at the Sub-sector Level

The planning of ASDP activities at the PO-RALG, MAFS, MWLD and MCM will follow the normal Government of Tanzania planning process with ASDP activities included in the holistic national plan, following the agreement of the ICC. Annual plans derived from this process will form the basis of budget preparation that will also follow the normal government procedures and the specific ASDP activities will be included in the relevant Ministry's budget to be approved by the National Assembly.

In order to deliver the services set out in the ASDP, it will be necessary for MAFS, MWLD, MCM to identify and cost the strategies/activities on the basis of the inputs required to achieve/deliver them. Some of the inputs will recur every year, and should be categorised as recurrent expenditure.

The procedures to be followed will be those in force for the preparation of the Government Budget. However, the specific steps required to bring the ASDP Basket Funded expenditure into the budget are:

- ICC to review long term goals set by the PO-RALG, MAFS, MWLD, and MCM to confirm that activities are in line with the stated ASDS;
- The, MAFS, MWLD and MCM will review Ministry activities while the PO-RALG will 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 (inputs);
- PO-RALG, MAFS, MWLD and MCM to quantify the inputs for each activity in financial terms (costs);
- PO-RALG, MAFS, MWLD and MCM to determine outputs by activities.
- PO-RALG, MAFS, MWLD and MCM to review estimates prepared to ensure that they do not exceed expenditure ceilings and are in accordance with priorities; and

- PO-RALG, MAFS, AFWLD, and MCM to set activity efficiency criteria e.g. activity cost ratios to be used. These are the ratio of resources assigned to an activity to the amount of output of the activity.
- The BFC to review the relevant sections of the Medium Term Expenditure Frameworks before submission to MOF, making comments through MAFS, MWLD, MCM and PO-RALG in respect of forecast expenditure of ASDP Basket Funds.

According to the Government performance budgeting operations the planning cycle start in 1st of July each year. The planning and budgeting cycle to be adhered to by the lead ministries is as follows:-

July	<ul style="list-style-type: none"> • Start implementing the work programme for the current year. • Prepare the 4th quarter's progress report for the last year for submission to TCC for technical scrutiny and submit to ICC for review and approval and to MOF.
August	<ul style="list-style-type: none"> • Prepare last year's performance report. The report will be submitted to TCC for technical review and consolidation to ICC 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 years plan and budget.
September	<ul style="list-style-type: none"> • Prepare 1st quarter progress report for submission to TCC and ICC. • Prepare Terms of Reference for preparation of Public Expenditure Review – (PER) for the sector. PER will provide an update on sector performance, assessment of the resource available and analysis of the annual plan and budget of the current year. PER is crucial in analysis of the MTEF and 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. • Organize annual conference for stakeholders to review previous year performance.
October	<ul style="list-style-type: none"> • Preparation of PER • Submission of 1st quarter progress report to MOF
November	<ul style="list-style-type: none"> • Preparation of PER • Start preparation of preliminary/indicative budget
December	<ul style="list-style-type: none"> • Submit PER report to TCC for technical review and consolidation, to ICC for approval and to MOF. PER report will be useful in the preparation of budget guidelines and ceilings • Finalise preparation of preliminary/indicative budget for submission to TCC for technical scrutiny, to ICC for approval then to MOF.
January	<ul style="list-style-type: none"> • Prepare second quarter progress report and submit to TCC and ICC • Submit second quarter progress report to MOF • Receive budget guidelines and ceilings from MOF • Issue ministerial budget guidelines to technical departments • Start preparation of fully costed and ceiling budgets
February	<ul style="list-style-type: none"> • Finalize preparation of fully costed and ceiling budgets and

March	<ul style="list-style-type: none"> • submit to TCC for technical scrutiny and harmonization and submit to ICC for approval before submitting to MOF • Submit annual plan and budget to MOF • Participate in negotiations with Treasury on budget allocation for the next year • Prepare third quarter progress report and submit to the ICC
April	<ul style="list-style-type: none"> • Submit third quarter progress report to MOF • Adjust annual plan and budget in the light of negotiations with Treasury • Prepare budget memorandum • Prepare budget speech
May	<ul style="list-style-type: none"> • Submit budget memorandum to the parliamentary sector budget committee
June	<ul style="list-style-type: none"> • Submit budget proposal to Parliament • Prepare and submit to MOF consolidated action plan (work programme) for the next year

A summary of the planning cycle indicating responsibilities and timing for various actions is as indicated in the Matrix 1.

Matrix 1: Planning and Budgeting Cycle for Lead Ministries.

S/N	Activity	Responsibility	Timing
1	• Submit 4 th quarter expenditure review (progress report) for the last year. • Start implementing the programme for the current year.	PO-RALG, MCM, MAFS & MWLD	1 st July
2	• Prepare last year's review of performance report.	PO-RALG, MCM, MAFS & MWLD	August
3	• Prepare 1 st Quarterly report • Prepare TOR for PER • Organize annual conference of Stakeholders	PO-RALG, MCM, MAFS & MWLD	Sept.
4	• Submit 1 st quarter progress report • Preparation of PER	PO-RALG, MCM, MAFS & MWLD	October
5	• Preparation of PER	PO-RALG, MCM, MAFS & MWLD	November
6	• Submit PER Report.	DPPs of PO-RALG, MCM, MAFS & MWLD	December
7	• Prepare preliminary/indicative budget.	Head of Technical Department.	1 st week of December
8	• Submit preliminary/indicative Budget & PER to ICC	DPPs of PO-RALG, MCM, MAFS & MWLD	2 nd week of December
9	• Submit preliminary/indicative budget to MOF	PO-RALG, MCM, MAFS & MWLD	3 rd week of December
10	• Submit PER to MOF • Prepare 2 nd quarter Progress Report.	Sector Coordinator PO-RALG, MCM, MAFS & MWLD	3 rd week of December
11	• Receive budget guidelines & ceilings • Submit 2 nd quarter Progress Report.	MOF PO-RALG, MCM, MAFS & MWLD	December January
S/N	Activity	Responsibility	Timing

		DPPs of MAFS, MCM, PO-RALG & MWLD	DPPs of MAFS, MCM, PO-RALG & MWLD	January
12	Issue Ministerial budget guidelines to technical departments		Head of Technical Departments	Mid-February
13	Preparation of fully costed & ceiling budgets.			3 rd week of February
14	Review Proposal and consolidate proposals	DPPs of MAFS, MCM, PO-RALG & MWLD		4th week of February
15	Submit budget proposal to ICC	ICC		March
16	Submit budget proposal to MoF	MAFS, MCM, PO-RALG & MWLD		March
17	Negotiation with Treasury on budget allocation for the next year	MAFS, MCM, PO-RALG & MWLD		March
18	Prepare 3 rd quarter Progress Report			April
19	Prepare budget memorandum	DPPs of MAFS, MCM, PO-RALG & MWLD		April
20	Submit 3 rd Quarter Progress Report.	DPPs of MAFS, MCM, PO-RALG & MWLD		April
21	Preparation of Budget speech			May
22	Submit budget proposal to the parliamentarian Sector Budget committee.	MAFS, MCM & MWLD		June
23	Submit Budget proposal to Parliament	MAFS, MCM, PO-RALG & MWLD		
24	Prepare and submit consolidated Action Plan to MoF for the next year.	DPPs of MAFS, MCM, PO-RALG & MWLD		

4.3 Planning and Budgeting Procedures at LGAs Level

Plans are prepared on a holistic sector wide basis at the council level and prepared according to PO-RALG participatory planning procedures. (For details see section 3.2.3.1) They are built up from community participation and incorporated into District Agricultural Development Programmes.

In this section we outline the outputs of the planning process, which form the basis of the budget preparation, and reporting format and content. The processes themselves are described in the Local Government Participatory Planning Manual.

The outputs of the council planning process and the approval levels are:

Document	Prepared by	Approved by	Scrutinised by
5 Year DADP	Council	Council	Region PO-RALG ICC & TIC
District Annual Plan of Action	Council	Council	Region PO-RALG ICC, TIC & BFC

Planning and budgeting at LGAs level is as depicted in Matrix 2. This gives the budgeting linkages between the LGAs and the Central Government Levels.

Matrix 2: Planning and budgeting timetable for LGAs

Activity	Responsibility for Action	Timing
1 Information about planning process passed to all level- councils	PO-RALG	Annually - May
2 Preparation of DADP/Plan of Action and Budget (PoAB)	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 ICC	ICC	Mid December
10 Plans and budgets presented to BFC	MAFS, MWLD, MCM & PO-RALG	Late December

4.4 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 (subject to minor changes every year) to be used are:

1. Quarterly Progress Report for Other Charges- Ministries and Regions (Annex A₁)
2. Progress review for development (financial) for ministries, regions and councils (Annex A₂)
3. Progress review for development (physical) for ministries, regions and councils (Annex A₃).
4. MTEF Activity Costing Table (Annex B). This table/format is used by Head of Technical Departments for detailed planning and budgeting purposes.
5. Recurrent expenditure details of draft estimates (Annex C₁)
6. Development expenditure details of annual and forward budget (Annex C₂)
7. Action plan for other charges (OC) for ministries and regions (Annex D₁)
8. Action plan for development budget (financial) for ministries, regions and (Annex D₂)
9. Action plan for development budget (physical) for ministries, regions and councils (Annex D₃)
10. Cash flow plan for other charges (Annex D₄)

The formats are normally accompanied with instructions or they can be easily filled.

PROGRESS REPORT FOR OTHER CHARGES -OC FOR MINISTRIES & REGIONS

Annex A₁

VOTE :

SUBVOTE :

Target to be achieved for Quarter ended.....

QUARTER PLANNED ACTIVITIES	AMOUNT T.SHS.	QUARTER ACTUAL ACHIEVEMENT	AMOUNT T.SHS.	CUMULATIVE IMPLEMENTATION		REMARKS
				5 PLANNED	6 ACTUAL	
1	2	3	4			7

COLUMNS

1. Give the planned Activities for the ending quarter
2. Gives planned Allocation
3. Give Actual achievements for the Quarter
4. Give the Actual Amount Spent
5. Give Cummulative Implemented Activities (Mid year and annual Performance)
6. Give Cummulative Amount Spent
7. Give General Remarks (Observations or Problems)

資料 2-55

ANNEX A₂

PROGRESS REVIEW FOR DEVELOPMENT (FINANCIAL) FOR MINISTRIES, REGIONS & COUNCILS

This progress report is for:

- 1st Quarter.....1
 2nd Quarter.....2
 3rd Quarter.....3
 4th Quarter.....4

PROJECT ITEM NUMBER..... PROJECT NAME.....FINANCIAL YEAR.....

VOTE NUMBER.....SUB VOTE.....

PROJECT COMPONENT /ACTIVITIES	DESCRIPTION OF PROJECT COMPONENT/ACTIVITES	PROJECT STARTED? YES / NO	FOR THE QUARTER ENDED			CUMULATIVE		
			ACTUAL			ACTUAL		
			GOVERNMENT		OWN AND OTHERS	GOVERNMENT		OWN AND OTHERS
LOCAL	FOREIGN	LOCAL	FOREIGN					
1	2	3	4	5	6	7	8	9 ¹

¹Instructions for filling this form

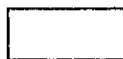
- Col. 1: Insert the serial number of the project component / activity
 Col. 2: Describe project component / activity
 Col. 3: Write "Yes" if project has started. Write "No" if the project has not started
 Col.4- 6: Give the actual expenditure during the quarter, from the government development budget and own funds.
 Col.7 - 9: Give the cumulative quarterly actual expenditures as given in columns 4, 5, 6 from start of the financial year till the end of the quarter under report.

資料 2-56

PROGRESS REVIEW FOR DEVELOPMENT (PHYSICAL) FOR MINISTRIES, REGIONS & COUNCILS

This progress report is for:

1st Quarter.....1
 2nd Quarter.(Mid Year Review) (MYR)...2
 3rd Quarter.....3
 4th Quarter.....4



PROJECT ITEM NUMBER..... PROJECT NAME.....FINANCIAL YEAR.....

VOTE NUMBER.....SUB VOTE.....

SERIAL NUMBER	PROJECT COMPONENT/ACTIVITIES	UNIT	FOR QUARTER ENDED		CUMULATIVE	REMARKS
			PLANNED	ACTUAL	ACTUAL	
1	2	3	4	5	6	7

資料 2-57

MTEF ACTIVITY COSTING TABLE (ONE FORM PER TARGET)

ANNEX B

Name of the Vote:

OBJECTIVE:

TARGET:

Activities to achieve Target (i)	Required Inputs				2002/2003		2003/2004		2004/2005		Total 3 Years
	Description Input (ii)	Item Code (iii)	Measurement Unit (iv)	Unit Cost of Input (v)	Number of Units (vi)	Estimates (vii)=(v)x (vi)	Number of Units (vi)	Estimates (ix)=(v)x (vi)	Number of Units (vi)	Estimates (xi)=(v)x (x)	Total TShs. (xii)=(vii)+(ix)+(xi)
TOTAL											

資料 2-58

RECURRENT EXPENDITURE DETAILS OF DRAFT ESTIMATES 2002/2003 – 2004/2005

ANNEX C

Vote.....
Sub Vote.....

ITEM CODE	DESCRIPTION	ACTUAL EXPENDITURE 2001/2002	APPROVED ESTIMATES 2002/2003	DRAFT ESTIMATES 2003/2004	DRAFT ESTIMATES 2004/2005	DRAFT ESTIMATES 2005/2006
1	2	3	4	5	6	7

資料 2-59

ANNEX C

DEVELOPMENT EXPENDITURE DETAILS OF ANNUAL AND FORWARD BUDGET 2002/03 – 2004/05⁴

VOTE.....
SUB VOTE.....
TARGET.....

Project Code	Project Name	Activities	Inputs / Outputs as per GFS Item List	GFS Item Codes	Annual budget estimates 2002/03						Forward budget 2003/04			Forward budget 2004/05		
					Government funds						Govt. Funds			Govt. Funds		
					Local	Foreign	L/G	C/D	Donor	Total Govt. Funds	Local	Foreign	Total Govt. Funds	Local	Foreign	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
Total project:																
Total target:																
Total sub vote																
GFS Vote:																

- ⁴ Instructions
1. Project code: Current project number
 2. Project Name: Project Description
 3. Activities: Actions undertaken during the implementation
 4. Inputs/outputs: What is the money spent on or acquired during the implementation of an activity as per GFS item list

資料 2-60

ACTION PLAN FOR OTHER CHARGES (OC) FOR MINISTRIES AND REGIONS

ANNEX D₁

Vote.....

Sub vote.....

Target to be achieved.....

1 st QUARTER ACTIVITIES	AMOUNT T.Shs	2 nd QUARTER ACTIVITIES	AMOUNT T.Shs	3 rd QUARTER ACTIVITIES	AMOUNT T.Shs	4 th QUARTER ACTIVITIES	AMOUNT T.Shs

資料 2-61

ACTION PLAN FOR DEVELOPMENT BUDGETGT (FINANCIAL) FOR MINISTRIES, REGIONS & COUNCILS⁵

ANNEX D₂

PROJECT ITEM No.....PROJECT NAME.....FINANCIAL YEAR.....

VOTE No.....SUB VOTE.....

COMPONENT ACTIVITY No	PROJECT COMPONENT ACTIVITIES	APPROVED ANNUAL PLAN			QUARTERLY EXPENDITURE TARGETS											
		GOVERNMENT		OWN & OTHERS	QUARTER I			QUARTER II			QUARTER III			QUARTER IV		
		LOCAL	FOREIGN		GOVERNMENT LOCAL	FOREIGN	OTHERS	GOVERNMENT LOCAL	FOREIGN	OTHERS	GOVERNMENT LOCAL	FOREIGN	OTHERS	GOVERNMENT LOCAL	FOREIGN	OTHERS
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
TOTAL																

⁵ Instructions:

1. Column 1: Insert serial project component
2. Column 2: Brief Description of Activity of Project.
3. Column 3 - 5: Insert the approved total budget for project in the Annual Plan
4. Column 6 - 17: Give quarterly expenditure targets for each category of funds.

資料 2-62

ACTION PLAN FOR DEVELOPMENT BUDGET (PHYSICAL) FOR MINISTRIES, REGIONS & COUNCILS⁶

PROJECT ITEM NUMBER.....PROJECT NAME.....FINANCIAL YEAR.....

VOTE NUMBER.....SUB VOTE NUMBER.....

PROJECT COMPONENT / ACTIVITY NUMBER	DESCRIPTION OF PROJECT COMPONENT / ACTIVITIES	UNIT	ANNUAL PLAN TARGET	QUARTERLY PHYSICAL TARGETS				PROJECTED COMPLETION DATE (MONTH/YEAR)
				QUARTER I	QUARTER II	QUARTER III	QUARTER IV	
1	2	3	4	5	6	7	8	9

⁶ Instructions for filling this form

- Col. 1: Insert serial number of project component / activity
- Col. 2: Describe project component / activity.
- Col. 3: Give the unit of measurement of the activity e.g numbers, acres, km. Etc as relevant. Activities which are not amenable to discrete measurement (such as rehabilitation of health center), use such indicators as (%).
- Col. 4: Give the Annual Plan target e.g The number of houses, acres to be worked, Kilometers of road to be completed etc as per unit of measurement.
- Col. 5 - 8: Sub divide Annual Plan target in col. 4 into four quarterly targets (col. 5 - 8)
- Col. 9: Give projected completion date, after Annual Plan allocation, and/or As envisaged in the Rolling Plan and Forward Budget.

資料 2-63

CASHFLOW PLAN FOR OTHER CHARGES 2002/2003⁷

NO	VOTE	ESTIMATE CC EXCLUDING PARASTATAL PE	MONTHLY / QUARTERLY REQUIREMENT																
			JULY	AUGUST	SEPT.	TOTAL QUARTER	OCT.	NOV.	DEC.	TOTAL QUARTER	JAN.	FEB.	MARCH	TOTAL QUARTER	APRIL	MAY	JUNE	TOTAL QUARTER	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	

⁷ Foot notes:
OC Requirement without detailed items
Do not include PE for Parastatals.

資料 2-64

5 FINANCING AND ACCOUNTING MECHANISMS

5.1 Introduction

5.1.1 Objective

The main objective of this Chapter is to describe procedures and accounting policies that are specifically required for the allocation and management of ASDP Funds.

The development partners and the Government will make available financial resources to implement the ASDP. All financial resources contributed through the budget and/or the Ministry of Finance for the agriculture sector are *ASDP funds*. Certain development partners will contribute to a special holding account in the BoT. Financial resources contributed through this holding account are the *ASDP basket funds*.

The ASDP will be implemented in accordance with the existing Government of Tanzania (GOT) Financial Procedures, Acts, Laws, Regulations and circulars and additionally in accordance with the Procedures laid down in this Chapter.

The Government of Tanzania, being the beneficiary, will ensure that sound financial management and reporting systems will apply in the course of using the resources put at its disposal. The system will address the reporting needs of the various partners participating in the programme.

5.1.2 Purpose

The purpose of financial management and accounting procedures are 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.

This Procedure serves as a guide to all individuals and institutions implementing ASDP activities, on financial procedures so that sound financial management systems are established and maintained in order to generate timely information for financial and progress monitoring of the programme. It provides information on various aspects of the financial management and administrative arrangements. It focuses on responsibility and accountability, disbursement procedures, accounting processes, resource management and reporting. It also provides the format of schedules that are necessary for implementing the requirements of the financial system

The Basket Financing Committee (see Section 5.2.3) in cooperation with FASWOG will revise the financial mechanisms and reporting procedures from time to time as deemed appropriate from experience gained and reports received on the implementation of the ASDP.

5.1.3 Responsibilities for the Financial Procedures Relating to ASDP Funds

Responsibility for ensuring that the requirements laid down in this document are adhered to and applied consistently during the implementation of the programme rests with:

- i. The Permanent Secretaries of the:
 - 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
- ii. The Regional Administrative Secretary
- iii. District Council Directors

The Accountant General (ACCGEN) as the overseer of the Government accounting systems will be responsible for ensuring that in the course of implementation of the financial procedures in this Chapter, the requirements of the IFMS should be observed.

The line staff in MAFS, MWLD, MCM, PO-RALG, RAS, and the councils, will ensure that the day-to-day activities follow the procedures provided in this Chapter.

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.

The Chief Accountants of MAFS, MWLD, MCM, PO-RALG, RAS and the Council Treasurers will monitor compliance with the procedures laid down in the Document by the relevant accounting staff.

5.1.4 Disciplinary Procedures

Disciplinary procedures for misuse of ASDP Funds will be strictly applied according to government regulations in consistency with the Public Finance Act, 2001, Public Finance Regulations Act, 2001, Regulations for Procurement of goods, services and works Act, 2001 and Treasury circulars/instructions issued by the ACCGEN.

Under no circumstances should any accounts officer accept any instruction from anyone within or outside Government, which requires him/her to do otherwise.

5.2 Institutional Structure and Responsibilities

The ASDP institutional framework, committee structure and membership and main responsibilities are described in Chapter 3. The outline of the organizational set up and general flows of funds are outlined in Figures 1 and 2. Specific responsibilities relating to ASDP Funds are outlined below.

5.2.1 The ASDP Inter-Ministerial Coordinating Committee

The ICC is ultimately responsible for ensuring that the Procedures for the use of ASDP Funds are implemented.

5.2.2 FASWOG

The responsibilities of FASWOG in respect of Financial Management and Accounting for the ASDP are to:

- a. Collaborate with financing agencies and other stakeholders in the formulation and financing of planned activities.
- b. Facilitate availability of technical and financial resources to support ASDP implementation.
- c. Institute and regularly review ASDP mechanisms for planning, management, monitoring, evaluation and funding.

5.2.3 Basket Financing Committee

The Basket Financing Committee is a sub-committee of FASWOG. Membership of the BFC includes:

- One representative from each ASDP Basket Development Partner.
- The PS's of PO-RALG, MAFS, MWLD and MCM.
- The PS of Mof.
- Members of TCC.

The PS's of PO-RALG, MAFS, MWLD and MCM are co-chairs of the Basket Financing Committee.

The ASDP Basket Development Partners are those partners contributing funds to the ASDP holding account in the current Central Government Financial Year.

The BFC's responsibilities are:

- a. Monitor and supervise Government and development partners' resources available to the ASDP through the ASDP basket fund, which is part of the Treasury's Consolidated Account in the Bank of Tanzania (see Section 5.5).

- b. Review and comment on the consolidated district budgets and plans and the central ministry's MTEF's for the implementation of the ASDP.
- c. Approve quarterly cash flow prognoses.
- d. Endorse and discuss audit reports and take appropriate follow-up action.
- e. Institute and regularly review ASDP mechanisms for planning, management, monitoring, evaluation and funding.
- f. Receipt and approval of the ASDP quarterly, and annual reports and take appropriate follow-up action;
- g. Authorise release of funds from the ASDP Holding Account to the Consolidated Account.

The BFC will form an Audit Sub Committee with specific responsibility to:

- Review internal audit reports (see Section 5.5.2).
- Advise the Accounting Officers of the respective Ministries on actions to be taken on matters raised in the audit reports.
- Any other duties as may be assigned by the BFC

5.2.4 Bank of Tanzania

The responsibilities of the Bank of Tanzania in respect of the ASDP Basket Funds are to:

- a. Maintain the ASDP Holding Account as agreed by the BFC.
- b. Issue quarterly Internal Audit Reports on the Holding Account.
- c. Produce ASDP Holding Account Bank Statements and Certificate of Balance signed by the Accountant General timely.

5.2.5 Accountant General

The Accountant General is responsible for the following:

- a. Operate the ASDP Holding Account as instructed by the BFC.
- b. Instruct the Bot to disburse funds to the Consolidated Account as approved by the BFC.
- c. Carry out monthly bank reconciliation of the ASDP Holding Account and reporting this to the BFC on a quarterly basis.
- d. Issue Exchange Issue Notifications to the spending units.
- e. Ensure the financial management systems in the ministries are being managed properly.

5.2.6 President's Office - Regional Administration and Local Government

In respect to ASDP Funds, PO-RALG is responsible for overall supervision of the LGAs and shall carry out the following:

- a. 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.
- b. Supervise the District councils on matters relating to the implementation of the ASDP at council level.
- c. Ensure that all councils and RS submit their periodic reports in time.
- d. Prepare a summary report for all councils and submits it to the BFC with recommendations.
- e. In collaboration with the MAFS, MWLD, and MCM, ensure that reports for the FASWOG and BFC are prepared and tabled on time.
- f. Scrutinise the 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 FASWOG.
- g. Prepare requests for the ACCGEN to issue Exchequer Issue Notifications and transfer funds to councils and PO-RALG.
- h. Ensure that all aspects of the Programme implemented at ministry level including capacity building and facilitation are done prudently.
- i. Prepare plans and guidelines for councils in the use and allocation of ASDP Funds by using the Local Government Participatory Planning Manual.

5.2.7 MAFS, MWLD and MCM

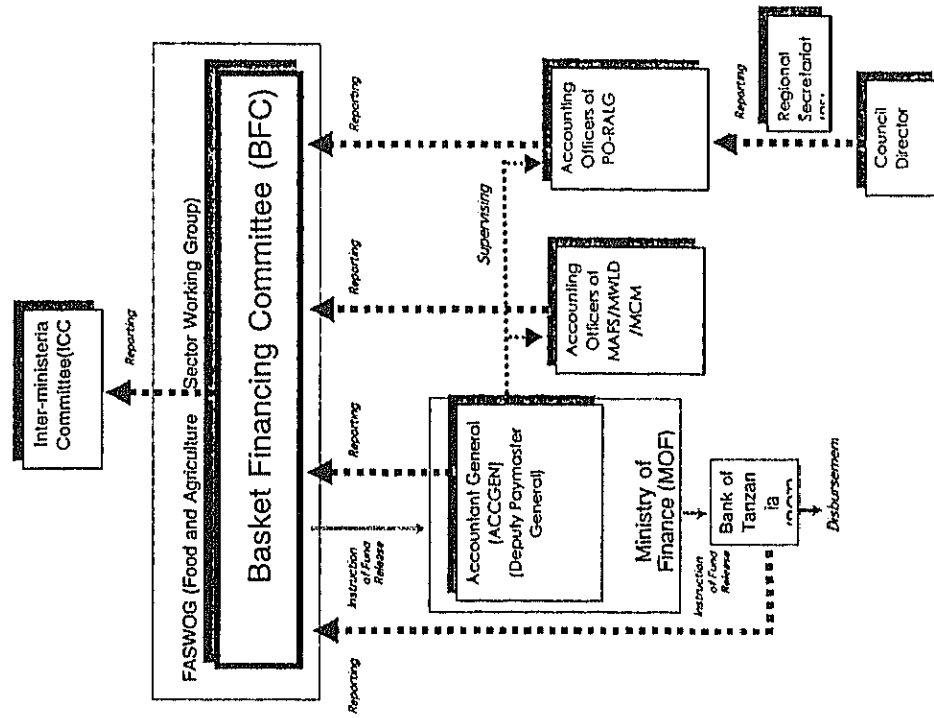
Specific responsibilities with regard to the use of ASDP Funds include:

- a. Ensure that reports (See Section 5.3) for the components that it handles are prepared and tabled in time to the FASWOG, the BFC and ICC.
- b. In collaboration with PO-RALG, advise on the preparation of development and annual plans, budgets and period reports on the utilisation of ASDP Funds.
- c. Recommend with PO-RALG to BFC the disbursement of funds to District councils.
- d. Prepare requests for the ACCGEN to issue Exchequer Issue Notifications and transfer funds to MAFS, MWLD and MCM.

5.2.8 Chief Accountants of PO-RALG, MAFS, MWLD and MCM

The Chief Accountants 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 to ensure that financial transactions are entered into the IFMS in accordance with the existing government financial laws and regulations. The role of the Chief Accountants includes ensuring compliance with procedures laid down in this Document.

Figure 1. ADMINISTRATIVE STRUCTURE OF THE ASDP



Programme accounting takes place within the existing government accounting structure. The substantive accounting officers in the ministries, 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 (See attachment). The roles of the Internal Auditors as stipulated in Regulation no-34 in particular are to review and report on:

- a. Proper control over the receipt, custody and utilization of financial resources of the ASDP.
- b. Conformity with financial and operational procedures laid down in any legislation or any regulation or instruction issued under such regulation and good accounting practices from time to time defined by the Accountant General in order to avoid incurring obligations and authorising payments to the extent which would ensure effective control over the expenditure of the ASDP.
- c. The correct classification and allocation of revenue and expenditure accounts.
- d. The reliability and integrity of financial and operating data so that information provided allows for the preparation of accurate financial statements and other reports for the information of the ASDP and the general public as required by legislation.
- e. The system in place used to safeguard assets and, as appropriate, the verification of the existence of such assets.
- f. Operations of the ASDP to ascertain whether results are consistent with established objectives and goals of the ASDP.
- g. The adequacy of action by management in response to internal audit reports, and assisting management in the implementation of recommendations made by those reports and, also, where appropriate, recommendations made by the Controller and Auditor General (CAG).
- h. The adequacy of controls built into computerised system in place in the ASDP.

In addition the CIA will respond, subject to the resource constraints, so adhoc 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 BFC Audit Sub-committee.

5.2.10 Regional Secretariat.

The regional secretariat 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 PO-RALG effectively. The Regional Secretariat (RS) will carry out the following roles in regard to the use of ASDP Funds:

- a. 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.
- b. Regional Secretariats will support the local authorities internal audit through their internal audit functions.

5.2.11 Local Government Authorities

The council is responsible for district level planning, budgeting, procurement and reporting. In order for the districts 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 District council is responsible for:

- a. The safe keeping of funds made available to them including opening and operating bank accounts.
- b. Ensure that the funds are used within the national guidelines for the ASDP
- c. Prepare periodic/performance reports for the council.
- d. Ensure that government regulations and procedures are adhered to in the course of implementing the programme in this Document.
- e. Ensure that all quarterly and annual reports (financial and performance) are tabled before the councillors when they meet.

5.3 Sources and Disbursement of ASDP Funds

ASDP funds accrue from contributions from the Government, a group of donors contributing either through the ASDP Holding Account or directly to the Treasury and local communities.

5.3.1 Funding ASDP Activities at the National Level

The implementation of ASDP activities at PO-RALG, MAFS, MWLD, and MCM are financed:

- a. From domestic revenues collected by the Government
- b. Through committed grants and loans by Development Partners into the ASDP Fund.
- c. Through funds received into the Consolidated Fund as budget support
- d. Through Multilateral/Bilateral Projects (preferably reflected in the Government budgeting process including MTEF).

5.3.2 Funding at LGA Level for District Agricultural Development Programmes

The sources of funding for agricultural programmes at the council level are:

- a. Conditional grants from Central Government
- b. Local tax revenues
- c. Grants from the ASDP Fund.
- d. Multilateral/Bilateral Projects
- e. NGOs/CBOs

5.3.2.1 The Grant from ASDP Funds

The guidelines for the allocation of grants from ASDP Funds to LGAs are:

- a. ASDP will introduce grants to allow the scarce resources to flow to the agricultural sector development programme, through the districts to finance agreed expenditures items. The grants will be estimated in USD per year to support the implementation of DADP as agreed under DDP.
- b. The DADP and annual action plan will be prepared in line with the National Policy and Guidelines.
- c. The grants will be distributed to all districts. The allocation of resources will be based on the potential of the District in terms of agriculture and the ability of the district to collect cess and plough back a big part of that cess in agriculture sector
- d. The grants will be allocated to the council level in line with the ASDP.
- e. PO-RALG, MAFS, MWLD and MCM will receive funds from ASDP for capacity building, supervision and monitoring of ASDP implementation.
- f. The proportion of the ASDP resource envelope available to the central Ministries will be decided by the BFC. The proportion will be subject to annual review and agreed by the BFC. 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.

5.3.3 Disbursement of ASDP Funds

The GoT must comply with all its commitments to the agriculture sector agreed in the PRSP and PRBS. These include quarterly allocation of funds to the agriculture sector and ensuring that the MTEF as approved by parliament is fully funded.

The financial management and accounting framework assumes that the contributors to the programme will provide funds in advance based upon the budgets of the agricultural ministries and the District councils.

The BFC will be responsible for indicating on an annual basis the 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 to be disbursed will be calculated 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 Agriculture Sector Development Programme Budget only.

5.3.4 Operation of the ASDP Holding Account

5.3.4.1 Transfers to the ASDP Holding Account

The ASDP Holding Account will be held at the Bank of Tanzania. The BoT is responsible for providing the Government Bank Accounts. Development Partners will deposit funds into an ASDP Holding Account in foreign currency at the BoT for financing the ASDP.

The PS's of PO-RALG, MAFS, MWLD, and MCM, with the authority of the BFC will instruct the Accountant General to disburse from the ASDP holding account for activities for which the individual ministry is responsible.

The Accountant General's Department, Revenue and Exchequer sections will be responsible for the management of the account, including monthly bank reconciliation and production of a Bank Credit Advice for funds deposited. The signatories to this account will be one person from each of the following groups:

Group A	Accountant General Assistant Accountant General
Group B	2 Senior Accountants in the ACCGEN's Office.

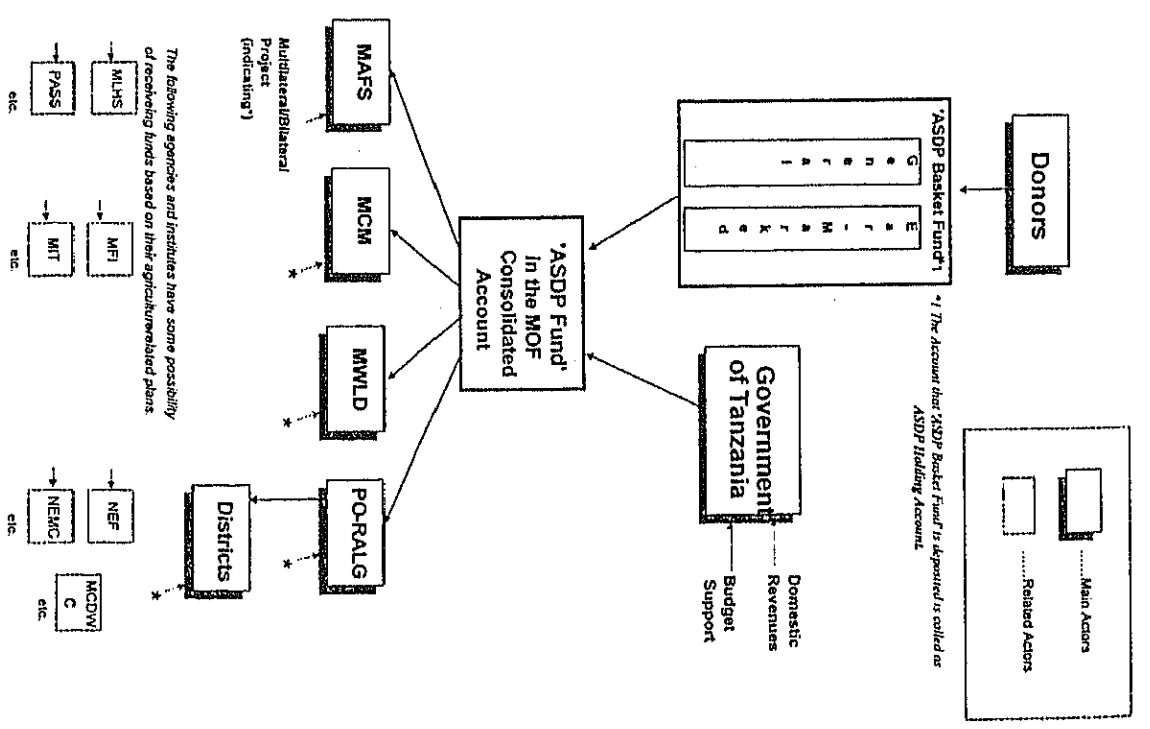
The Accountant General will authorise transfers of funds from the ASDP Holding Account to the Exchequer Account on instruction from the PS, PO-RALG, MAFS, MWLD, and MCM accompanied by copies of the signed minutes of the BFC meeting.

The following procedures will be used for the transfer of funds to the ASDP Holding Account:

- Every six months the Accounting Officers (PO-RALG, MAFS, MWLD, and MCM) will prepare a six monthly plan that sets out the activities and

- outputs to be accomplished during the period together with the financing requirements according to budget by GOI and Development Partners
- The Chief Accountant in consultation with DPPs and Warrant Holders will prepare a six monthly cash flow forecast based on the approved PoA. The cash flow forecast will indicate the requirements for funding during the next six months by source of funding (GoI, ASDP Basket Fund and other sources).
- In preparing the cash flow forecast the Chief Accountants, DPPs and Warrant Holders should consider councils' cash flows, planned activities for the next six months taking into account previous quarter's activities in progress; their financial implications in terms of cash flows; and the expected timing of these cash flows.
- The Accounting Officers will submit the six monthly plans and a cash flow forecast to BFC for review and approval.
- Development Partners in the ASDP basket arrangement will use this plan to disburse funds to the ASDP Holding Account at the BoI.

Figure 2 Funds Flow and Budgeting at MAFS, MWLD, MCM and other actors for ASDP



The BOT will issue a Bank Credit Advice to the Accountant General to notify him/her that the bank has credited the ASDP Holding Account with funds received from Development Partners. The Accountant General will maintain a file of all bank credit

advices on this account. For the purpose of individual Development Partner's own audit requirements, a copy will be forwarded to Development Partners on receipt.

- On receipt of the Bank Credit Advice, the Accountant General issues a pre-numbered Receipt Voucher in triplicate. The original will be sent to the Development Partner, second copy filed with supporting documentation (credit advice and bank statement) and third copy maintained as the book copy. The IFMS Operator at the Accountant General's office will use a duplicate Receipt Voucher to update the cashbook on the IFMS.

5.3.4.2 Transfers to the Development Revenue Account

Funds received into the ASDP Holding Account will be released quarterly to the Exchequer Account maintained by the Treasury. The following procedures will apply for the release of funds from the ASDP Holding Account:

- The Accounting Officers of the respective Ministries will submit the forecasted cash flows for the forthcoming quarter and performance reports (both financial and technical) for the penultimate quarter to the BFC for review and approval. The plan will include as separately identifiable items the forecasted expenditure on earmarked activities.
- The Accounting Officers will submit a report on earmarked and general Basket fund expenditure for the previous quarter to the BFC for review and approval. In the case of councils the report will be lagged by one quarter.
- The approved cash flow forecast and satisfactory reports will be the basis for the BFC's authorisation to transfer funds from the ASDP Holding Account.
- One or other of the PS MAFS, MWLD, MCM or PO-RALG will notify the Accountant General in writing to instruct the BoT to transfer funds from the ASDP Holding Account to the Development Revenue Account. On receipt of transfer instructions, the BoT will transfer the funds to the Exchequer Account and raise a debit advice in favour of the Accountant General. These instructions will include the signed minutes of the BFC authorising the transfer of funds.
- The Accountant General issues an Exchequer Issue Notification to notify the relevant parties (MAFS, MWLD, MCM and/or PO-RALG and Central Payment Office - CPO) that the funds are available. All Exchequer Issues should reflect the source of funds - the Government of Tanzania or funds from Development Partners in the ASDP arrangement. The CPO will credit the relevant ministry's cash book on the Central Payment System with the amount transferred from the Development Revenue Account
- The CPO at MoF will transfer grants directly to the ASDP District Account of the relevant councils

5.3.4.3 Year-end Procedures

At the fiscal year-end unspent balances at the centre (in the consolidated fund) from the ASDP donor funds will be transferred to a Deposit Account at the MoF. These funds will be used against the first disbursement of the New Year.

5.3.4.4 Exchange Rate Procedures

The ASDP Holding account will be maintained in foreign currency but transfers from this account to the Exchequer Account will be made in TShs. Thus there will be a need to convert amounts in foreign currency into Tanzanian shillings.

In order to determine gains or losses it will be important to keep a record of exchange rates applicable on the date of depositing funds into the ASDP Holding Account, and the dates of effecting transfer from the Holding Account.

The Public Debt section under the Accountant General will be responsible for daily input of official exchange rates from the BoT (buying and selling rates) onto the IFMS in line with existing procedures. Whenever there is a transaction involving the ASDP Holding Account, the IFMS will automatically pick the appropriate rate and calculate the gains or losses attributable to the changes in exchange rates between the time of depositing the funds to the time of transfer to the Exchequer account. The gains or losses will be reported in the general ledger and reflected in the sources and uses of funds.

5.3.5 Transfers to Ministries/Departments

On receipt of the Exchequer Issue Notification the Accounting Officer will allocate the funds to various Warrant Holders by issuing a Warrant of Funds Notification Report up to the ceiling amount of the Exchequer Issue. This report will authorise each Warrant Holder to spend the funds allocated for activities shown on the warrant. Separate warrants of funds will be issued for GoT funds and Development Partners Funds.

Thereafter the procedures will follow normal GoT accounting systems.

5.3.6 Transfers to District Councils

5.3.6.1 Eligibility

All councils are eligible to access the Programme funds, which will be allocated through a grant system. The grants will cover operating costs as well as development costs. The councils are supposed to report the operations of

triggered by the receipt from each council of reporting (see section 4.3- Financial Reporting Requirements) for the lagged quarter.

Audit reports for councils and ministries must be submitted within six months after the financial year-end.

All councils are eligible to access the Programme funds, which will be allocated funds through a grants system. The grants will cover operating costs as well as development costs.

Access to the grant will be triggered by availability of a DADP covering five years and a plan of action for one year.

The PO-RALG has a statutory responsibility to ensure that each council submits the plans and budgets without fail; otherwise they will go without funding. PO-RALG has to make sure that all the councils adhere to the planning and budgeting timetable.

5.3.6.2 Disbursement to District Councils

The programme will use existing government systems to make timely disbursements. For agriculture, disbursements will be made via ASDP District Accounts. Disbursements will be released upon satisfying several conditions as described further below.

Disbursement will be made upon receipt by Accountant General of an authorisation from the BFC with the following:

- The names of councils that are to receive the funds
- The amount that is to be paid to each council.
- Details of the bank account ASDP District Accounts to which the funds will be transferred (i.e. bank name, bank location, type of account, and account number).
- A copy of the minutes of the BFC authorising the release of funds duly signed by the members of the committee.
- A covering letter from PO-RALG requesting for the release of funds in respect of ASDP disbursement.

The BFC will approve funding to be released from the Bank of Tanzania account to the Consolidated Fund and will approve a list of councils to be funded and the amounts. The amount to be released will be equal to the amount of funds to be disbursed.

PO-RALG will prepare a request to the Accountant General to transfer funds equal to the approved amount for council into the Exchequer Account. The Accountant General transfers the funds from the Bank of Tanzania Account and raises an Exchequer Issue Notification, which releases funds for the

RALG. This Exchequer Issue Notification is copied to PO-RALG. PO-RALG sends a payment voucher for the amounts approved for each council to the Central Payments Office (CPO) for Telegraphic Transfer (TT) preparation. The TT is prepared in favour of the ASDP District Account.

Upon receipt of the TT the local bank will notify the council of the fund being credited to ASDP District Accounts.

5.4 Accounting Systems and Policies

5.4.1 Programme Accounting Policies

5.4.1.1 General

Policies are broad-based assumptions, which form the basis of preparation of financial statements. The policies stated below emphasise the use of existing government accounting policies that apply under the IFMS (the computerised system) in central ministries and computerised and manual systems in the councils

5.4.1.2 Accounting Conventions

Accounting for ASDP follows the rules and directions of the central and local government financial regulations as amended from time to time by the MoF and PO-RALG.

5.4.1.3 Basis of Accounting

The programme will apply the cash basis of accounting which is used by the central government and which is applicable to block grants transferred to the council. The programme may move to other forms of accounting like accrual basis of accounting if the government moves in that direction in the future.

5.4.1.4 Income for the Programme

Income for the Programme will constitute the actual amount of funds contributed by the communities, the councils, the Central Government and the Development Partners for that purpose. Such income includes funds (i) placed directly under the Consolidated Fund Account or (ii) those contributed through the ASDP Basket Fund account or (iii) other donor money (iv) those deposited in the ASDP District Accounts by the councils themselves.

5.4.1.5 Expenditure to be Charged to the Programme

Only qualifying/eligible and approved expenditures relating to programme activities will be charged to the programme account.

5.4.1.6 Fixed Assets and Consumable Stores

Fixed Assets, movable fixed assets and consumable stores are procured and accounted for according to the Public Procurement Act, 2001 augmented by any other regulations as agreed with the partners participating in the ASDP Fund.

The following additional policies will be applicable in respect of items acquired under the programme:

- a. Assets acquired under the programme will be valued at cost and accounted for under the respective component head of expenditure.
- b. Movable fixed assets will be maintained by keeping the register, which will enable verification to be done at the end of the year or at any other time deemed necessary.
- c. Stocks of consumables will be expensed in the year of purchase but proper records must be maintained of unused stocks.

5.4.2 Accounting Systems and Procedures

5.4.2.1 The Holding Account at the Bank of Tanzania

As the funds in the Holding Account belong to the Government of Tanzania, it is set up as a bank account in the Government accounts through the IFMS system and is controlled and accounted for through that system. The Accountant General will provide the reports (see section 5.5) to the BFC each quarter from the data held in the system.

5.4.2.2 Accounting in PO-RALG, MAFS, MWLD and MCM

All transactions will be accounted for using the normal GoT systems as laid down in the Financial Regulations, Instructions and the IFMS Manual.

It is the responsibility of the Chief Accountants in the PO-RALG, MAFS, MWLD, and MCM to ensure that the Accountant General releases the necessary account codes under the IFMS system to record all the strategy, project, donor and activity details required for the management of the ASDP.

Segment 1 Vote, Programme, Sub Programme	Cost centre	Segment 2 Performance Data	Segment 3 Geographical Region	Segment 4 Government Financial Statistics (GFS) Item Code
XX XX XX	X XX XX	XXXXXX	XXXX	XXXXXX
Ministry, Department and Division	Agriculture Sector Reform, Financier, Cost Centre	Component Objective Strategic, and Activity	Region and District incurring expenditure	Subjective analysis e.g. transport costs

5.4.2.3 Accounting in the District council

Accounting in the councils will follow the requirements of the Local Government Finance Act, the Local Authority Financial Memorandum, the Local Authorities Accounts Manual, and regulations and circulars derived therefrom.

Where appropriate similar coding structures as set out above for central government can be used. Where manual systems are in operation then simple existing accounts code structures will be used.

5.5 Internal and External Auditing at Central and LGA Levels

5.5.1 Objective of the Audits

The objective of the external audit is to enable the National Audit Office, PO-RALG, MAFS, MWLD, MCM, MoF and the Development Partners to:

- a. Ensure that the existing organization structure for administration, accounting, finance, technical matters and information technology are reliable enough to manage ASDP Basket Funds properly.
- b. Control and appraise all the financial operations undertaken under the ASDP and to ensure that financial statements and activity reports submitted to the, PO-RALG, MAFS, MWLD, MCM, MoF and the Development Partners are truthful, accurate and reflect correctly the state of the resources managed under the ASDP at the given point of time, and that the supporting documentary evidence matches the expenditure to which it relates.
- c. Provide assurance that the funds contributed by Development Partners to GoT through the Consolidated Fund or parallel funding for support of the ASDP have been effectively used for the purposes for which they were intended.
- d. Certify that the funds have been used to cover expenses relevant to the purpose of the Programme and approved in the implementation action plan and activity budget lines.

The information from this audit exercise shall enable the Government of Tanzania through the MAFS, MWLD, MCM, MoF, PO-RALG and the Development Partners to assess the programme financial management situation and take appropriate measure if need be.

MAFS, MWLD, MCM, MoF, PO-RALG and other financing partners will use external audits as a basis for monitoring and evaluating performance against the targets contained in the ASDP.

The auditors will also be required to provide assurance with respect to disbursements in respect of ASDP activities made to MAFS, MWLD, MCM,

validity and accuracy of payments; verify the effectiveness of systems; and provide an opinion on whether funds disbursed were used for their intended purpose, especially the transfer of funds to councils according to the instructions of the BFC. In addition, auditors will be expected to provide independent advice on the implementation of financial control procedures in MAFS, MWLD, MCM, MoF and PO-RALG.

The final Terms of Reference for each fiscal year audit will be made available by the BFC to the auditors before the commencement of the audit.

A small team of independent auditors will work with staff from the NAO and Internal auditors from PO-RALG, MAFS, MWLD, MCM, and MoF

5.5.2 Audit Arrangements

Annual external audits by the Controller and Auditor General, with the sub-contracted assistance of an audit firm of international standards will be undertaken at the end of the Local Government and Central Government financial years. One firm will be identified through an open tender process and appointed by the Controller and Auditor General and agreed by the BFC. A new tendering process must be carried out at least every three years to award the audit contracts.

The annual report of the auditor will be made available to the BFC within 6 months of the end of the financial year.

The audit sub-committee will be appointed by the BFC and will include GoT and Development Partners representatives. Terms of reference for the audits will be agreed by the BFC who may amend and update the Audit ToR's as appropriate. The external audits will cover all funds available for the ASDP, irrespective of the source of funding. All ministries, government authorities, and Councils receiving funds from ASDP through GoT funds, budget support funds, pooled funds and parallel funds will be within the remit of the Audits.

The audit sub-committee will have right of access to the external auditors at all times. It will be fully briefed on the progress of the audits and receive and comment on the draft audit reports.

The audit sub-committee will receive the reports of the internal audit and take action on the results of external audits, and audit queries and recommendations arising from the annual audit. This Committee will report to the BFC.

The Chief Internal Auditors in the PO-RALG, MAFS, MWLD, MCM, Councils authorities and MoF will carry out their duties in accordance with the GoT financial regulations and the procedures in this Document. The quarterly reports of the internal auditors will be copied to, and reviewed by, the Audit sub-committee who in turn will report to the BFC.

The audit team for the financial audit will comprise of auditors from the National Audit Office, supported by an auditor from a commercial audit company. It is anticipated that a small group of auditors will be required to work with staff of the NAO. The NAO will have overall responsibility for the audit, day-to-day management and quality control. Audit findings will be reported to the BFC and the NAO.

The Controller and Auditor General will undertake the task of supervising the audit. The audit should be carried out in line with the best practice in the profession and internationally accepted auditing standards.

The constitutional obligation of the CAG is to audit and report to the National Assembly on the utilisation of funds made available to respective Ministries, and donor funded programmes, including in this case, Basket Funds available to ASDP as provided for in the Constitution under Section 143.

5.5.4 Reporting Arrangements

The audit team will liaise with the audit Sub-committee of the BFC in the preparation of its work programme and make progress and draft reports to that committee as appropriate. In addition the audit team will provide audit reports. (Section 4.3)

The audit reports will be made to the BFC and the NAO within five months of the end of the financial year. NAO will, within a month, include this report with his letter of endorsement and submit it to the Permanent Secretaries PO-RALG, MAFS, MWLD, MCM, MoF and to the BFC who may refer it to the Audit sub Committee for further follow up and action.

5.5.5 Profile of the Auditors

An appropriately sized team of auditors with public finance, accounting, auditing and capacity building expertise is required to work with a counterpart team from the National Audit Office.

5.5.6 Performance Audit

In addition to the financial audit the auditors will also carry out a performance audit, which will:

- Review the financial performance of councils and ministries in carrying out the ASDP activities set out in the DADP and MTEF, annual plans, and

carry out a value for money audit. The auditors will also review explanations for failure to achieve objectives.

- Confirm the accuracy of performance data included in quarterly reports through review of the systems and processes for collecting such data and physical verification where appropriate.

5.5.7 Outputs

Audit reports on the implementation of the ASDP will provide an opinion on whether:

- Reported revenue and expenditure is accurate. In forming their opinion auditors will also evaluate the overall presentation of information in the financial statements.
- Performance achievements have been met.
- The management letters set out ways in which the system could be improved to overcome weaknesses revealed during the audits.

5.6 Financial Reporting Format

5.6.1 Management Information Reports

5.6.1.1 The Nature and Scope of Reports

The implementers of the ASDP will produce accurate, timely and relevant information for decision-making. The nature of these is outlined in the following Sections. The Technical Inter-Ministerial Coordination Committee will review the reports before they are finally submitted to the Inter-Ministerial Coordination Committee. The reports will be an input to:

- a. Developing policies and planning future operations.
- b. Making effective decisions on the allocation for resources.
- c. Measuring the performance of departments and programmes.
- d. Controlling and monitoring implementation of planning action.

5.6.1.2 MoF Reports

The Accountant General will submit the following reports to the BFC, through the Permanent Secretaries for MAFS, MWLD, MCM and PO-RALG on a quarterly basis (unless otherwise indicated):

- A cash and bank report on the ASDP Holding Account on a quarterly basis indicating the balance at the beginning of the quarter, total deposits during

the quarter, total of cheques drawn during the quarter and balance at the end of the quarter.

- Quarterly bank reconciliation statements will support this report.
- Annual and quarterly internal audit reports from BoT on the ASDP Holding Account.

5.6.1.3 PO-RALG, MAFS, MWLD, and MCM Reports in Respect of Central Activities

MAFS, MWLD, MCM and PO-RALG will receive the normal expenditure and other reports generated by the IFMS system. In addition they will prepare the following quarterly (unless otherwise indicated) reports for submission to the BFC:

- Quarterly Financial Performance Report will be prepared comparing actual and cumulative expenditure against budgets and warrants of funds issued, analyzed by strategy and activities. It shows the balance of funds available for each activity and helps the Accounting Officers to make informed decisions on allocation of warrants to various activities. It will be distributed to the Warrant Holders A summarized version will be submitted to the BFC.
- Cash Flow Forecast - a quarterly cash flow forecast will be prepared at the end of each quarter showing a projection of cash requirements for the next quarters and the actual expenditure for the current and previous ones.
- Sources and Uses of Funds summarizing the sources and uses of funds for the ASDP during the quarter, and balance of funds available.
- It shall be the responsibility of the Chief Accountants to ensure that the annual final accounts are prepared within the period specified by the Public Finance Act, 2001 and Public Finance Regulations, 2001. The Chief Accountants will prepare standard annual reports required by the financial regulations.
- In addition to the standard reports the Chief Accountants will prepare and submit to BFC the Annual Financial Performance showing budgeted against actual expenditure for the activities on the ASDP. The report will provide information on financial performance of various strategies during the year comparing actual expenditure against budgets for each strategy highlighting variances. It is distributed to Warrant Holders, sub-warrant holders, and BFC. After review by the BFC, the summary report, together with comments and recommendations will be made to the ICC.

5.6.1.4 PO-RALG Reports in Respect of District Council Activities

The PO-RALG's Chief Accountant and the Council Treasurers will produce the following quarterly (unless otherwise indicated) reports and distribute them to Accounting Officer and the BFC. The basis of the reports will be the reports submitted by the councils.

The councils will provide financial reports specifically relating to the use of ASDP Basket Funds but will also report on all income and expenditure on the

Agriculture sector, that is all transactions through the ASDP District account. Technical reporting will be against ASDP outputs.

- An implementation schedule indicating, for actual expenditure for the past quarters in the year and the tranche for the next quarter.
- A summarized income and expenditure report for the ASDP District account comparing actual expenditure against the budget and analysis of variances, and the brought forward and carried forward balances.
- Annual Income and Expenditure Report, in the same format as the quarterly.
- A summary of Output Monitoring Report providing information on performance during the quarter in relation to planned outputs.
- The Accounting Officers will prepare annual progress reports detailing progress in implementation of various activities and outputs achieved. These should be compared to targets set and these reports should provide information to support the financial reports.

5.6.1.5 The District Councils

The councils will report quarterly on the operations of the ASDP District Account. The councils will prepare quarterly (unless otherwise stated) detailed reports and their summaries. These will be submitted to the PO-RALG through the RS who will scrutinise them and make recommendations on them. Each quarterly release of ASDP Basket Funds by the BFC will be triggered by the receipt from each council of:

- A summary income and expenditure report for the council agriculture sector activities comparing actual expenditure against the budget and analysis of variances and cash released by ASDP and other sources to-date for the lagged quarter.
- A summarised bank reconciliation and a bank statement for the lagged quarter
- A summarised implementation schedule for the next quarter indicating funding requirements for each activity.
- In the first quarter only a Plan of Action and Budget.
- In the second quarter only an Income and Expenditure Account for the previous year, in the format of the quarterly report.
- A summarised report on planned and actual achievements, and the reasons for variations, for the lagged quarter
- A detailed Output Monitoring Report providing information on outputs achieved during the penultimate quarter in relation to planned outputs.

All reports from the council to the BFC are lagged by one quarter. To ensure reports are received on time by the BFC:

- The councils must submit their reports for comment to the RS within one month of the end of the quarter.
- The reports must be submitted to PO-RALG within two months of the end of the quarter.

The councils will prepare annual progress reports detailing progress in implementation of various activities and outputs achieved. These should be compared to targets set in the plans.

Audit reports for councils and ministries must be submitted to the BFC within six months after the financial year-end.

5.6.2 Audit Reporting Arrangements

The audit team will provide reports that:

- Assess the implementation of the disbursement mechanism and provide an opinion on whether reported revenue and expenditure is accurately reported. In forming their opinion auditors will also evaluate the overall presentation of information in the accounting returns.
- Set out ways in which the system could be improved to overcome weaknesses revealed during the audit. The report should be discussed with MAFS, MWLD, MCM, MoF and PO-RALG's management and their comments should be incorporated into the report as "management's comments".
- Assess the performance of PO-RALG, MAFS, MWLD, MCM, MoF, and Council's in implementing their annual plans.

Ministry of Finance Report Formats

TREASURY ASDP HOLDING ACCOUNT
 FOREIGN CURRENCY RECEIPT AND PAYMENTS SUMMARY
 ACCOUNT NO. QUARTER ENDED..

RECEIPTS				PAYMENTS				
Date	Received from	ERV	Amount in USD	Date	Allocated to	Document no.	Amount in USD	Amount in Tsh.
	<i>Balance b/f</i>							
					<i>Balance c/f</i>			
			TOTALS					

Signature: _____ Date: _____
 Accountant General

資料 2-90

(b) Council Report Formats

CASHFLOW REQUEST BY ACTIVITY.

Name of Council : _____
 For the quarter ending: _____

(Values in TShs.)

Item code	Description	Annual budget	Total cash released to-date	Cash Request for the quarter
	Total			

Prepared by: Treasurer	Approved by: Council Director
Signed: _____	Signed: _____
Date: _____	Date: _____

INCOME AND EXPENDITURE REPORT BY ACTIVITY

Council _____

For the Quarter ended: _____

(Value in TShs)

DESCRIPTION	Budgeted		Actual		Variance		Remarks
	Year to date	Current Quarter	Year to date	Current Quarter	Year to date	Current Quarter	
Balance b/fwd							
Total b/fwd							
Income							
ASDP							
Local Revenue							
Donor Parallel Funds							
Others							
Total Income							
Summary of Expenses							
1) Local Revenue							
2) Donor Parallel Funds							
3) Others							
4) ASDP basket funds							

資料 2-92

DESCRIPTION	Budgeted		Actual		Variance		Remarks
	Year to date	Current Quarter	Year to date	Current Quarter	Year to date	Current Quarter	
Total Expenses							
Balance c/fwd --							
Total c/fwd							

Other funds include any funds received from any sources not specified above. The funds should be included in the DADP and annual plan of action.

ASDP basket funds should be reported by activity.

資料 2-93

CASH AND BANK REPORT

Council _____ Quarter Ended _____

ASDP DISTRICT ACCOUNT	Opening balance	Quarter's release	Other Sources	Quarter's withdrawals	Balance	Remarks
	(1)	(2)	(3)	(4)	(5)=1+2+3-4	
TOTAL						

Prepared by: Council Treasurer		Approved by: Council Director	
Signed:	Date:	Signed:	Date:

Please attach copy of the bank statement/certificate.

資料 2-94

(c) PO-RALG Summary of Council Reports Formats

PO-RALG SUMMARY OF CASHFLOW REQUEST BY DISTRICT

For the quarter ending: _____

(Values in TShs.)

Council	Annual budget	Total cash released to-date	Cash Request for the quarter
Total			

Prepared by: Chief Accountant		Approved by: Permanent Secretary	
Signed:	Date:	Signed:	Date:

資料 2-95

PO-RALG COUNCIL CONSOLIDATED INCOME AND EXPENDITURE REPORT by Activity

For the Quarter ended: _____

DESCRIPTION	(Value in TShs)						Remarks
	Budgeted		Actual		Variance		
	Year to date	Current Quarter	Year to date	Current Quarter	Year to date	Current Quarter	
Balance b/fwd							
Total b/fwd							
Income							
ASDP							
Local Revenue							
Donor Parallel Funds							
Others							
Total Income							
Summary of Expenses							
1) Local Revenue							
2) Donor Parallel Funds							
3) Others							
4) ASDP basket funds							

資料 2-96

DESCRIPTION	Budgeted		Actual		Variance		Remarks
	Year to date	Current Quarter	Year to date	Current Quarter	Year to date	Current Quarter	
Total Expenses							
Balance c/fwd -							
Total c/fwd							

Other funds include any funds received from any sources not specified above. The funds should be included in the DADP and annual plan of action.

ASDP basket funds should be reported by activity.

資料 2-97

PO-RALG COUNCIL SUMMARY CASH AND BANK REPORT

Quarter Ended						
Council	Opening balance (1)	Quarter's release (2)	Other Sources (3)	Quarter's withdrawals (4)	Balance (5)=1+2+3-4	Remarks
TOTAL						

Prepared by Chief Accountant Signed: _____ Date: _____	Approved by: Permanent Secretary Signed: _____ Date: _____
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資料 2-98

(d) Report Formats in Respect of Central Activities
SUMMARY QUARTERLY FINANCIAL PERFORMANCE REPORT

For the Quarter ending _____ Ministry of _____

Item Code <i>A</i>	Activity <i>B</i>	Budget		Actual		Variance		Commitments <i>J</i>	WOF Issued <i>K</i>	Balance of Funds <i>L = K - (g + J)</i>
		Current Quarter <i>D</i>	Year to Date <i>E</i>	Current Quarter <i>F</i>	Year to Date <i>G</i>	Current Quarter <i>H = D - F</i>	Year to Date <i>I = E - G</i>			
TOTAL										

資料 2-99

QUARTERLY CASH FLOW FORECAST

For the Quarter ended _____

Ministry of _____

Account Code	Description of Activities	1 st Quarter				2 nd Quarter				3 rd Quarter				4 th Quarter			
		Govt	Pooled General	Pooled Earmarked	Total	Govt	Pooled General	Pooled Earmarked	Total	Govt	Pooled General	Pooled Earmarked	Total	Govt	Pooled General	Pooled Earmarked	Total
Total Cash Requirement																	

Note: total to be added.

資料 2-100

SOURCES AND USES OF FUNDS

Ministry of _____ For the Quarter ending _____

	Budget		Actual		Variance		Comment
	Current Quarter	Year to Date	Current Quarter	Year to Date	Current Quarter	Year to Date	
Opening Cash Balance							
Government Funds							
ASDP General Funds							
ASDP Earmarked Funds							
Total							
Add:							
Sources of Funds							
Government Funds							
ASDP General Funds							
ASDP Earmarked Funds							
Total							
Less:							
Uses of Funds							
Strategy 1							
Strategy 2							
Strategy 3							
Strategy 4							
Total							
Closing Cash Balance							
Government Funds							
ASDP General Funds							
ASDP Earmarked Funds							
Total							

資料 2-101

5.7.1 Procurement Policies and Guidelines

The ASDP will be implemented using the existing public service delivery structure. Procurement will cover works, goods and services intended for the implementation of the ASDP.

These procurement guidelines apply to all procurement undertaken using ASDP Funds. ASDP procures goods, works and services in accordance with the National Laws as stipulated in the Public Procurement Act No 3 of 2001. The Act which became effective on 1st July 2001, is supplemented by Regulations published by the Minister responsible for Finance in accordance with Section 75 of the Act, and these became effective from 2nd July 2001. At the central level the Regulations comprise Regulations for Procurement of Goods and Works, 2001, and Regulations for Selection of Consultants, 2001. At the Council level Regulations are covered under chapters XII - XIV of the Local Authority Financial Memorandum (1997).

The programme procurement authorities and thresholds at the central ministry level are as stipulated in part V of the Public Procurement Act No 3 of 2001. The authorities and thresholds have been further clarified in Regulations for Procurement of Goods and Works, 2001.

The procurement procedures laid down in this document, will be updated from time to time by the BFC based on public policy changes and experience gained in the course of implementation of the ASDP. The objective of these procurement procedures for ASDP Funds is to:

- a. Describe in simple language procurement procedures to be applied by ASDP staff entrusted with procurement functions at various programme levels;
- b. Ensure transparency and maintenance of procurement cycle records for the generation of accurate and reliable information.

5.7.2 Procurement Functional Levels

ASDP procurement activities are carried out at two identifiable programme levels. The two levels, which are responsible for the accomplishment of Programme objectives, are as follows:

At this level, procurement of goods and works is carried out to support the national programme implementation. Procurement at the central level will include items such as motor vehicles, office equipment, consultancy services and capacity building. For each ministry, the Director of Administration and Personnel will be responsible for all procurement activities.

The DAP oversees the Ministry Procurement Unit (MPU) in his/her department. The head of MPU, who is the ministry's Senior Supplies Officer (SSO), is responsible for carrying out day-to-day programme procurement activities as stipulated in the Public Procurement Act No 3 of 2001.

The MPU is directly responsible for the preparation of procurement plans (articulated from plans of actions of different departments); preparation of bidding documents/requests for proposals; evaluation of bids/proposals; preparation of contract documents; and contract administration and management as well as logistics for the distribution of goods procured.

5.7.2.2 District Council Level

At Council level, the councils provide services to the agriculture sector in line with the DADP. Procurement includes equipment, services and items such as office consumables, fuel etc.

The Council Director (CD) is responsible for all ASDP procurements in the council. The CD will be assisted by the Council Agriculture Officer (CAO) who will be responsible for overall co-ordination of ASDP procurement activities in the council.

The CAO is responsible for the preparation of council ASDP procurement plans, implementation, and logistics for the distribution of goods procured. The council ASDP procurement plans must conform to the council ASDP annual plans of action and to the DADP.

5.7.3 Procurement Procedures and Methods at Central Level by PO-RALG, MAFS, MCM and MWLD

5.7.3.1 Procurement Methods for Use

The Public Procurement Act No 3 of 2001 provides for procurement methods to be used for procurement of Goods and Works. These are covered in detail under Part VI of the Regulations for Procurement of Goods and Works issued pursuant to the provisions of the act.

Section 80 of the regulations provides for procedures to use in choosing a procurement method to apply.

The thresholds for procurement method to be used are as per the Third Schedule of the Regulations for Procurement of Goods and Works, 2001.

The procurement will be in line with planned ASDP activities included in the ministry budget approved by the National Assembly.

5.7.3.2 Monitoring of Contracts and Record Keeping

The Senior Supplies Officer shall be responsible for ensuring that awarded contracts for goods, services and consultancy at ASDP ministerial Level are executed fully.

At the Ministry level procurement activities will be computerised using the Platinum software and standard government procedures. In addition a completed progress monitoring report for each contract will be produced on a quarterly basis.

5.7.3.3 Control of Procurement Documents

Ministries will control and safeguard all procurement documents under normal accountable document procedures.

5.7.4 Procurement Procedures and Methods at District Council Level

5.7.4.1 Procurement Methods for Use

All procurement activities at Council level required for the successful implementation of the Programme will follow the procedures and conditions laid down in the Public Procurement Act No. 3 of 2001.

5.7.4.2 Procurement Procedures for Goods, Services, and Works

Procurement of materials required to implement approved Programme works shall be the responsibility of the Council Agriculture Officer.

The CAO shall prepare the procurement plans based on the council Agriculture annual plan and DADP. He will use the plan to schedule procurement of goods services and works during the year. Thereafter the Council will follow the system and procedures currently in use for procurement of goods, services and works.

5.7.4.3 Monitoring of Contracts and Record Keeping

At the council level the CAO will be responsible for managing all procurement contracts.

Procurement activities will be computerised using the Platinum software for councils already using the system. Those councils that have not yet computerised their financial management systems will use manual records and procedures. Monitoring of contracts shall be ensured through a similar expediting process to that set out above for Ministries:

5.7.4.4 Control of Procurement Documents

Councils will control and safeguard all procurement documents under normal accountable document procedures.

