

Joint Funding Mechanism MoR

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF AGRICULTURE AND FOOD SECURITY

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Policy & Planning Department,
KILIMO I Temeke
P.O. Box. 9192
DAR ES SALAAM.

In reply please quote:

Ref. No. GC.16/693/01

20th February 2002.

Stephen Akroyd,
Senior Economist,
Economic Policy Programme,
Oxford Policy Management,
6 St Aldates Courtyard,
38 St Aldates,
Oxford OX1 1BN,
UK.

Dear Mr. Ackroyd.

RE: CONTRACT BETWEEN MINISTRY OF AGRICULTURE AND FOOD SECURITY AND OXFORD POLICY MANAGEMENT FOR FACILITATING - THE PREPARATION OF THE AGRICULTURAL SECTOR DEVELOPMENT PROGRAMME (ASDP).

Please find attached herewith is a copy of the final draft Contract for your signature. We would be grateful to receive the signed copy for counter-signing.

We would also like to inform you that JICA expects to receive all the receipts for the reimbursable cost.

Thanking you in advance.

Sincerely

A handwritten signature in cursive script, appearing to read 'J. F. Bitegeko'.

J. F. Bitegeko (Mrs)

For: PERMANENT SECRETARY.

Copy to: The Resident Representative,
JICA,
DAR ES SALAAM. (Attn: Ms. Kaori Matsushita)

**Memorandum of Reference
For
Joint Donor Funding
Agricultural Sector Development Programme**

Introduction.

The Agricultural Sector Development Strategy (ASDS) identified broad actions/interventions to be taken to boost the production sectors. In order to operationalize these interventions it is necessary to prepare detailed implementation modalities with costs and indicate arrangements for financing such a programme.

In recognition of this the Lead Ministries (Agriculture and Food Security (MAFS), Water and Livestock Development (MWLD), Co-operatives and Marketing (MCM)) and President's Office, Regional Administration and Local Government (PO - RALG) have teamed together to prepare the Agricultural Sector Development Programme (ASDP).

The Ministries proposed to the Food and Agriculture Sector Working Group (FASWOG) Task Force that a Government Technical Team of Experts be formed to undertake the assignment, this team will be assisted by external consultants (in areas where expertise is limited).

The FASWOG Task Force is the supervisory body to oversee the development of the ASDP and with this group the programme will be developed, refined and planned through a consultative process and presented to government for approval.

The final ASDP will be presented to the Government's Inter-ministerial Coordination Committee and on their approval will become an official document.

To prepare the ASDP a group of donors are in agreement to fund the exercise through a joint funding arrangement with the Ministries. The funding by the donors for the Government Technical Team of Experts is a special arrangement based on the urgent request of the Ministries. Since preparation of ASDP is supposed to be under a routine government operation, the funding for the Government Technical Team shall happen only for this time. This Memorandum serves to regulate the relationship between the

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Government of Tanzania represented by the Ministry of Agriculture and Food Security (MAFS) and the funding donors in this respect.

Partners participating in the Joint Funding concerning the Agricultural Sector Development Programme:

Ministry of Agriculture and Food Security
Japan International Cooperation Agency (JICA)
Ireland Aid
Royal Danish Embassy

A: Background:

A Task Force, which was established under FASWOG to oversee the preparation of ASDS, was sanctioned to continue the work of formulating the ASDP.

Members of the Task Force are:

GOT representatives: Ministry of Agriculture and Food Security, Ministry of Water and Livestock Development, Ministry of Cooperatives and Marketing, President's Office – Planning and Privatisation, Ministry of Finance, Prime Ministers Office, and President's Office – Regional Administration and Local Government.

Donors: JICA, Royal Danish Embassy, Ireland Aid, World Bank, DFID, EU, and FAO.

The Task Force is chaired by: Ministry of Agriculture and Food Security and JICA provides the Secretariat.

B: Co-operation and Management:

The MAFS and donor partners participating in the Joint Funding arrangement will cooperate fully to ensure that the funds made available are used in an effective and efficient way in order to achieve the objective of the exercise.

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The Task Force will:

1. Approve implementation/action plan and budget for the development of the ASDP;
2. Approve the financing plan for the ASDP;
3. Approve TOR and endorse selection of consultants for ASDP;
4. Develop and agree decision-making criteria – decision of the ASDP Task Force should be arrived at by consensus.
5. Report to FASWOG on progress of the development of the ASDP;
6. Continue to manage the process of the development of the ASDP until it is finalised and approved (expectedly in March 2002).

The parties to the Memorandum will, in so far as activities directly linked to the development of the ASDP, in their funding of such activities respect this arrangement.

MAFS will:

- Sign all contracts with consultants and be the accounting body for the funds;
- Appoint a manager of the funds who will be member of the Task Force;
- Ensure proper management of funds and ensure funds are accounted for by providing comprehensive financial reports to the Task Force;
- Open a bank account for the funds contributed.

Awarding of Contracts and approval of consultancy work will be in accordance with the mandate for the Task Force.

C: Budget:

	USD
A: Support to Government Team	46,422.60
B: External Consultant	36,413.25
C: Reimbursable Costs	99,960.00
D: Secretarial Services	5,880.00
E: Printing and Binding	9,000.00
Subtotal	197,675.85
F. Contingency (2%)	3,953.52
G. Audit fees	2,000
Total	<u>203,629.37</u>

The budget will be funded by the three donor partners as follows:

JICA	USD 36,413.25
Ireland Aid	USD 83,608.06
Royal Danish Embassy:	USD 83,608.06

Budget for item A, B, C, D and E are estimates and the Task Force will approve the final budget.

D. Management of Funds, Accounting and Audit.

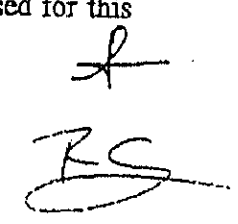
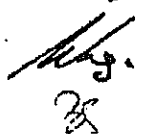
General

It is the responsibility of MAFS to ensure that the funds are appropriately accounted for. The funds shall be used solely for the activities specified in the budget. It is the understanding that:

- The responsibility for the procurement function will be with the MAFS, which will report to the Task Force. Procedure for the procurement of goods and services shall be consistent with the principles of fairness, competitiveness, transparency and effectiveness, and shall be based on the Government of Tanzania procurement regulations currently in force and shall be approved by the Task Force.
- The Task Force will approve terms of Reference and contracts for the supply of goods and services. MAFS will sign the contracts with the consultants;
- Allowances for duty travel etc shall be in accordance with the level of allowances agreed on between DAC-donors and Civil Service Department. Subsistence allowances shall be paid in accordance with Civil Service Department Circular no. 3 of 1999 and non civil servant participants shall be paid at a rate that will be decided by the Task Force.

Bank Account

MAFS will open a special US. \$ (Dollar) bank account to be used for this project only.



Ireland Aid and Royal Danish Embassy will channel funds to the bank account upon request from MAFS. Requests for funds shall be based on expenditure projection and current balance in the bank account. The fund request shall enclose a financial statement for the previous funds. JICA will channel funds through the bank account for external consultancy B. Funds requests for payments related to the external consultancy B shall be in accordance with payment schedule in the consultancy contract contained in annex and shall be accompanied by the respective invoices and receipts from the consultants.

Accounting

MAFS is obliged to keep good records of the funds and to account for it in accordance with internationally accepted accounting standards.

It is expected that:

- Contributions from donors shall be entered into the accounts as income, specifying each donor's contribution.
- Expenditures are to be specified in the accounts with at least the same amount of detail as in the budget.
- All expenses must be documented by vouchers enclosing original invoices and receipts.

At the conclusion of the exercise, MAFS will prepare a financial statement and present all necessary supporting documentation to the auditors.

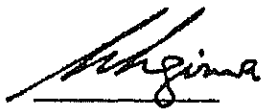
Auditing

The accounts will be audited by an external auditor appointed by the Task Force. Accounts shall be ready for audit at latest one month after completion of the assignment. The audited financial statement shall contain detailed information on each donor's contribution and shall be presented to the same level of details as the budget.

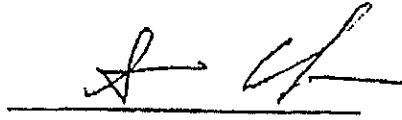
Each party reserves the right to inspect all original documentation in relation to the accounts and to conduct a special audit if deemed desirable. Special audits will not be paid out of the grant but will be borne by the requesting party.

E: Conclusion

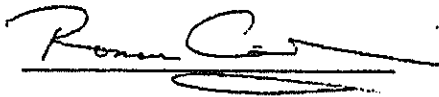
The partners to this Memorandum agree to cooperate fully with each other on the development of the ASDP.



Wilfred Ngirwa
Permanent Secretary
Ministry of Agriculture
and Food Security
13/2/2002



Sumio Aoki
Resident Representative
Japan International
Cooperation Agency
15/2/2002




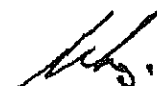


Ronan Corvin
Charge d' Affaires
Embassy of Ireland
18.02.02,



Birgit Storgaard Madsen
Ambassador
Royal Danish Embassy
19.02.02

ANNEXES:

1. Contract for Consultant's Services: Facilitating the Preparation of the Agricultural Sector Development Programme (ASDP).
2. Broad Terms of Reference for Preparation of Agricultural Sector Development Programme (ASDP).
3. Terms of Reference for Financing Systems Experts.

BUDGET ESTIMATES FOR PREPARATION OF ASDP

No	Item	Unit	Quantity	Unit Cost	Total (USD)
1.0	Support to Government Team				
1.1	Team Leader	mm	3	815.00	2,445.00
1.2 ¹	Financial Expert (from GoT)	mm	1.5	1,200.00	1,800.00
1.3	Special Assignment	mm	33	1,200.00	39,600.00
1.4	Drivers Fees	mm	9	268.00	2,412.00
1.5	Accountant to manage joint funds (extra duty allowance)	days	30	5.52	165.60
	Sub-Total				46,422.60
2.0	External Consultant				
2.1	International Consultant	days	30	810.75	24,322.50
2.2	DSA - Up country for International Consultants	days	15	162.15	2,432.25
2.3	Air ticket for International Consultants	each	3	2,820.00	8,460.00
2.4	Terminal Costs (Travel to and from airports) for International Consultants	each	3	211.50	634.50
2.5	Local Travel for International Consultants	Lump sum			141.00
2.6	Communications / Printing cost for International Consultants	Lump sum			423.00
	Sub-Total				36,413.25
3.0	Reimbursable Costs				
3.1	DSA Up Country for Govt. Team	each	12	880.00	10,560.00
3.2	DSA for Staff from Dodoma	each	8	3,120.00	24,960.00
3.3	Travel for both Local and International Consultants in DSM	Lump sum			9,440.00
3.4	Tickets or fuel for field travel	Lump sum			5,000.00
3.5	Stakeholders workshops	each	2	25,000.00	50,000.00
	Sub-Total				99,960
4.0 ²	Secretarial Services	Various			5,880.00
5.0	Printing and Binding	each	300	30.00	9,000.00
6.0	Contingency (2%)				3,953.52
7.0	Audit fees				2,000.00
	TOTAL				203,629.37

*1 Extra funding may be required to work on the detail of operationalising the funding and accounting mechanism depending on the advise of the Financial Team.

*2 This item includes the cost of hiring one Secretary, photocopying papers, toner cartridge (photocopy & printer), diskettes, writing pads, note books, flipcharts, maker pens, office communication and coordination costs.

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CONTRACT FOR CONSULTANT'S SERVICES

BETWEEN
THE PERMANENT SECRETARY
MINISTRY OF AGRICULTURE AND FOOD SECURITY

AND

CONSULTANT OXFORD POLICY MANAGEMENT

FOR

FACILITATING THE PREPARATION OF THE AGRICULTURAL SECTOR
DEVELOPMENT PROGRAMME (ASDP)

DATED:.....

MEMORANDUM OF AGREEMENT

AGREEMENT made this day of Between the PERMANENT SECRETARY, MINISTRY OF AGRICULTURE AND FOOD SECURITY, (hereinafter called "the EMPLOYER") and Oxford Policy Management (hereinafter called "the Consultant") of 6 St. Aldates Courtyard, 38 St Aldates, Oxford OX1 1 BN, UK.

WHEREAS the Employer has obtained funds from the DONOR COMMUNITY for purpose of preparing the Agricultural Sector Development Programme (hereinafter called the "The Project").

WHEREAS the Employer wishes to engage the Consultant for providing the technical assistance services within the following terms and conditions:

NOW THEREFORE the parties hereto hereby agree as follows:-

1. Duties of Consultant

The consultant shall perform the duties in the Terms of Reference annexed, as schedule A hereto (such duties being hereinafter called "the Services"). The Services will be performed principally at Dar-es-salaam and U.K.

2. Commencement of Engagement

The Consultant may commence services in UK and Dar-es-salaam from..

3. Terms of Engagement

The Employer shall engage the Consultant until such time as they have completed the Services provided. However, that period during which the consultant shall be so engaged (hereinafter called "the Term of engagement"), shall not except where the parties may otherwise agree, exceed from the Date of Commencement and provided further that the Employer may at any time giving the Consultant fifteen days notice in writing, to terminate this Agreement.

4. Payments

The Employer shall pay a total contract amount of US\$36,413.25 out of funds provided by JICA to the Consultants in respect of the services performed during the term of engagement calculated at the rates set forth in Schedule B hereof.

5. The Consultant shall be paid remuneration upon approval as follows:-

The Consultant shall be paid re-numeration upon approval as follows:-

40% on signing of the contract

40% on submission of the first draft

20% on submission of the final draft

Payments shall, unless otherwise agreed, be made in accordance with paragraph 4 of the Standard Conditions of the Contract, attached as schedule C hereto. The remuneration mentioned in schedule B will be paid in US Dollars.

6. Standard Conditions

The Standard Conditions of Contract annexed as Schedule C hereto shall apply to this contract and shall have the same force and effect as if the same were fully set forth herein.

7. Effectiveness

This Agreement shall become effective upon execution by the Employer and the Consultant. The study will be completed on or before 31st March 2002.

8. Appendices

The following appendices attached do form an integral part of this Agreement.

Schedule	A:	Terms of Reference
Schedule	B:	Summary of contract remuneration
Schedule	C:	Standard Conditions of Contract

9. Languages and Government Law

The agreement shall be constructed and interpreted in English. The laws of the United Republic of Tanzania shall govern this agreement.

IN WITNESS HEREOF the parties hereto have signed this Agreement the day and year first above written.

Name & Signature of Employer

Title.....

Witnessed by..... SignatureName

Name & Signature of ConsultantSignature.....Name

Witnessed bySignature Name

**TERMS OF REFERENCE FOR ASDP PREPARATION
FACILITATOR (EXTERNAL CONSULTANT)**

1.0 BACKGROUND

As part of implementation of the Agricultural and Livestock policy and Cooperative Policy of 1997; and the Poverty Reduction Strategy, the government through the Agricultural Sector Ministries had concluded the preparation of Agricultural Sector Development Strategy.

The need for an ASDS has been derived from three considerations.

- (i) As an integral part of the ongoing macro-economic and structural reforms – accordingly the government has chosen, 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.
- (ii) As an instrument for guiding public and private efforts towards broadly shared objectives and specific inputs and outputs by providing 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 local levels.
- (iii) As critical to rural poverty reduction because 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.

The Agricultural Development Strategy have been prepared through a participatory consultative process with sector stakeholders and was closely coordinated among the various key Government ministries and development partners through a joint Food and Agricultural Sector Working Group (FASWOG) Task Force.

The Agricultural Sector Development Strategy contains a set of innovative and practical actions including a focus on agricultural productivity and profitability, the promotion of private sector and participatory implementation of the strategy through District Agricultural Development Plans. The major strategic areas for intervention include strengthening the institutional framework for managing agricultural development in the country; creating of a favorable climate for commercial activities; clarifying and strengthening public and private roles in improving support services; strengthening marketing efficiency for inputs and outputs and mainstreaming planning for agricultural development in other areas.

There are many actors, which will be involved in the implementation of ASDS. These will require a harmonized and coordinated framework for effective and efficient management of activities and resources. The ASDS spells out the coordination mechanism to be as follows:-

- An inter-ministerial coordination committee (ICC) to be constituted. The ICC will be composed of Permanent Secretaries of the lead and collaborating Ministries and representatives of the private sector. ICC will be responsible for coordinating the planning of the ASDS at national level and monitoring its implementation to ensure that the goals of the ASDS are being achieved.
- The three lead Ministries, together with PO-RALG; will establish a Technical Coordination Committee (TCC) to act as the Secretariat for the ICC. The Terms of Reference of the technical committee will include preparing the technical guidelines for LGAs, to prepare District Agricultural Development Programme (DADPs), formulating a rolling agricultural investment programme to implement the ASDS at national level, covering the mandate, roles and functions of the lead ministries, monitoring the implementation of ASDS and acting as a coordinating mechanism between the lead ministries and the cooperating ministries or agencies.

The ASDS document deals with the broad actions/interventions to be taken. In order to make it operational it is necessary to prepare detailed implementation modalities, costing of activities and indicate arrangements for financing, if possible. In cognizant of the above, the lead ministries in the agricultural sector have decided to prepare the Agricultural Sector Development Programme (ASDP). For fast preparation of ASDP, the Ministries will outsource this task to a Government Team and external consultants (hereafter the Team). The draft of ASDP shall be thoroughly refined into the final draft through the process of taskforce consultation as it was done during the ASDS preparation. After authorization by Inter-ministerial Coordination Committee, ASDP will become an official Government document to be combined with the budgets of the Agricultural Ministries in the end. The ASDP should be a 3 years rolling programme that will be revised and updated annually.

2.0 OBJECTIVES AND EXPECTED OUTPUTS OF THE ASDP PREPARATION:

Followings are outline of ASDP preparation, which the Facilitator shall be supporting as an external consultant.

2.1 Objectives

According to the ASDP Inception Report by Ministry of Agriculture and Food Security presented during the FASWOG Task Force Meeting on 17th January, 2002, the objective of the assignment is to formulate Agricultural Sector Development Programme (ASDP), which will establish a clear set of priorities for the Government in terms of areas of support and investment. The ASDP will form the basis for Government budget allocations to the agricultural sector as well as for negotiations with international donors who will be invited to pledge additional funds for the execution of the programme.

2.2 Expected outputs

Inception Report stated that the expected output will be presented in two separate documents namely: - the **Framework document** that contain the policy, institutional and financing framework and a **Sub-programme document**, which will consist a detailed costed set of activities to be implemented over the ensuing five years. The Framework document will be a more permanent document while the Sub-programme document will be annually updated in the light of experience and progress in achieving the agricultural sector's targets and objectives. Following is the proposed outline of the two documents.

The Framework document

The Framework document will contain the policy, institutional and financing issues. It will, *inter alia*, set out the ground rules of the Programme to minimize the possibility of misunderstandings between Government and development partners.

Policy issues.

This will include: -

- a) A general statement of policy direction
- b) Criteria for the prioritisation of activities

Institutional issues.

This will include: -

- a) Roles and responsibilities of main actors
There will be many actors involved in the implementation of ASDS and they will require a harmonized and coordinated framework for effective and efficiency management of activities and resources. The roles and responsibilities of various actors/ stakeholders in the planning and implementation of ASDP will be worked out and elaborated in the document, including the formation and functions of an Inter-ministerial Coordinating Committee (ICC) and Technical Coordinating Committee (TCC).

- b) **Indicators, monitoring and evaluation, and reporting systems**
The document will define reporting procedures, format, monitoring and evaluation arrangements, and specify monitoring indicators for the ASDP. The ASDP itself operates as a sectoral component of the RDS, which has its own monitoring and evaluation framework. The work of the ICC and TCC will therefore have to be coordinated with that of the RDS.
- c) **Use of log-frame as management device**
Log frames containing purpose, results, activities, indicators, means of verification, assumptions and specific performance criteria will be developed and used for monitoring and evaluation purposes.

Financing issues.

This will include

- a) **Funding mechanisms**
It will be desirable to develop a common accounting and financing mechanism across the sector based on government procedures for disbursing and accounting for the funds. The chosen mechanism(s) will be described in the Framework document.
- b) **Link to Medium Term Expenditure Framework (MTEF) and budget process of the government**
PRSP identifies agriculture as one of the priority sectors and specifies its role. The ASDS sets out the means by which national goals will be achieved and also provides the basis for reformulating MTEF for the agricultural sector. The ASDP will be implemented within this reformulated MTEF. Thus, in future, public sector investment in the agricultural sector will contribute to the PRSP goal of poverty reduction.
- c) **Financial reporting requirements.**
Modalities for accounting and reporting procedures will have to be determined that ensure high standards of accountability and provide all stakeholders with a transparent, up-to-date account of the disbursement and effective use of funds allocated to ASDP.

The Sub-programme Document

The document will contain the following sections: -

Introduction

The introduction, which will be a brief explanation of the role of the ASDP process in the policy framework

Outputs

- (a) The document will review previous year's activities based on targets, actual achievements, problems, and future alternative
- (b) The main themes of the next five years, major changes in approach, targets, etc. will be outlined.
- (c) There will be a log frame with detailed outputs for year one, and indicative outputs for years 2-5.

Implementation

The implementation part of the document will contain the following elements:

- (a) Review of previous year's performance
- (b) Major proposed changes in roles, responsibilities and functions will be part and parcel of the document
- (c) Detailed implementation schedules at each level of responsibility for Year 1 and indicative schedules for Years 2-5.

Resource requirement and source of funds

The document will indicate the resources required, mechanism for funding and source of funds that will be required to implement the ASDP.

2.3 Schedule of ASDP Preparation

- 26th February 2002 Meeting with FASWOG to discuss financing options and accounting procedures for ASDP.
- 1st March 2002 First draft Framework document.
First draft sub-programmes document.
- 7th March 2002 Presentation of a draft ASDP at a stakeholders' workshop.
- 15th March 2002 Submission of final draft ASDP to Lead Ministries.

2.4 Team Composition

The Government Team will be composed of 2 or 3 members from the ministries of Agriculture and Food Security, Ministry of Water and Livestock Development, Ministry of Cooperatives and Marketing and the President's Office – Regional Administration and Local Government. An external consultant "ASDP Preparation Facilitator" and resource consultants to be identified in areas where the expertise of Government is lacking will support the Government Team.

3.0 SPECIFIC TERMS OF REFERENCE

Based on the background and objectives explained above, the Facilitator is expected to work with and report to The Team Leader and assist the Government Team in the

preparation of the ASDP as above mentioned in section 2. It should be noted that since the Team is required to prepare ASDP in a very short period of time, it is crucial that the facilitator obtains not only knowledge of the country's agricultural situation, but as well as in-depth knowledge of the ASDS and its preparation process. An experience working with the Government is also required.

3.1 Objectives

The Facilitator should provide back stopping and support the Team in various ways such as mentioned below and help the Team to prepare ASDP documents by the deadline specified in the ASDP Preparation Inception Report

3.2 Specific tasks

- Advise the Team during their examination of the current policy, institutional and financing issues that shall be the main component of the Framework document.
- Advise the Team on formulation of the Sub-Programme document especially in the implementation part.
- Advise the Team on problems likely to be encountered during a preparation of a Sector Program
- Assist the Team in discussions with those development partners likely to be part of preparation of ASDP.
- Attend meetings or workshops stated in 2.3 Schedule of ASDP Preparation and comment as part of the Team.
- Attend meetings other than stated in 2.3 Schedule of ASDP Preparation as requested by the Team.
- Compile and fine-tune ASDP in collaboration with the ASDP Team Leader.

3.3 Time Frame and working days

Thirty (30) days fromFebruary 2002 -31st March 2002.

3.4 Expected Output

Since the expected contribution to be made by the external consultant is to "facilitate the Team" so the Team can submit ASDP documents by the deadlines, basically there shall be no concrete output expected from the facilitator. However, according to the said Inception Report, ASDP preparation process is an on-going process. Identifying issues occurred during the whole preparation process must be valuable if the Team shall go under the same or similar process. From this point of view, the facilitator is expected to layout his observation of the process and summarize the lessons learnt that may contribute to the further process such as the revision and updating process of the ASDP documents (specially for the Sub-Programme Documents).

SUMMARY OF CONTRACT REMUNERATION

1. CONTRACT SUM

The contract sum is as follows:-

	US\$	US\$
Fees:		
• 30 days @ US\$810.75/ day	24,322.5	
Total fees		24,322.5
Reimbursable Cost:		
• DSA: 15 days @ US\$162.15	2,432.25	
• Flights, UK/Tanzania 3 @ US\$2,820	8,460	
• Terminal costs (travel to and from airports) 3 @US\$211.5	634.5	
• Local travel:	141	
• Communications/printing	423	
Total reimbursable		12,090.75
Total contract sum:		36,413.25

STANDARD CONDITIONS OF CONTRACT

SECTION 1: Definitions

In these conditions and in the contract unless a contrary intention appears;

"Employer" means Permanent Secretary, Ministry of Agriculture and Food Security of the United Republic of Tanzania.

"Consultant" means Oxford Policy Management of Oxford OX 1 1 BN U.K.

"Contract" means the Memorandum of Agreement together with these conditions and all other schedules, and documents, if any, annexed to the Memorandum of Agreement or incorporated therein and intended to form part of the contractual relationship between the parties.

"Services" means the duties of the Consultant designated as "the Services" in the Memorandum of Agreement.

"Usual Place of Residence" means the place of residence of the Consultant designated in the Memorandum of Agreement.

"Terms of Reference" means the schedule of duties referred to under Schedule "A" in the Memorandum of Agreement.

"Project" means Preparation of Agricultural Sector Development Programme (ASDP).

"Term of Engagement" means the schedule of duties referred to as Schedule "A" & "B" in the Memorandum of Agreement.

"Work days" means days actually worked by the Consultant in performing the Services, including travel time.

SECTION 2: Contract Sum

The Employer shall pay to the Consultant a total amount of US\$36,413.25 or such other sum as shall become payable under this Contract, for the work payable in US Dollars.

SECTION 3: Payment of Contract Sum

- (a) The Consultant shall be paid the Contract Sum on approval by the Employer as specified in the Memorandum of Agreement and Schedule "B".
- (b) Payment shall be based on certified invoices from the Consultant, subject to approval by the Employer.

SECTION 4: General Covenants

The Consultant covenants and agrees that:

- (a) During the Term of Engagement the Consultant shall devote the whole time and attention making all such reports and recommendations as may be contemplated in Schedule A and shall, at all times cooperate with the Employer, its employees and agents in the performance of the Services and shall at all times act with due diligence and in accordance with the Terms of Reference. He shall make or assist in interest of the Project.
- (b) At all times, the Consultant shall act with appropriate priority and discretion and in particular shall refrain from making any public statement concerning the Project or the Services without the prior approval of the Employer, and shall refrain from engaging in any political activity.
- (c) Except with the prior consent of the Employer the Consultant shall not divulge nor cause or permit his employees, agents and sub-contractors to divulge to unauthorized persons nor use for his or their own purposes any information relating to the Services, the Project or the Employer, including information in respect of rates or remuneration and conditions of employment.
- (d) He shall have no authority to commit the Employer in any way whatsoever, and shall make this clear as circumstances warrant.
- (e) He shall report immediately to the Employer any accident or injury and any damage to the property of the Employer or to the property or person of any third parties occurring in or arising out of the performance of the Services and any act, matter of thing, which within his knowledge may have caused such accident or injury. He shall also report immediately to the Employer any circumstances or events which might reasonably be expected to hinder or prejudice the performance of the Services, including circumstances and events relating to the performance of the Services.
- (f) All reports, notes, drawings, specifications, statistics, plans and other documents and data compiled or made by the Consultant while performing the Services shall be property of the Employer and upon termination of the engagement, they shall

be disposed of as the Employer shall direct. The Consultant may retain copies of such documents and data but shall not use the same for purposes unrelated to the Services without the prior approval of the Employer.

- (g) After the conclusion of the Term of the Engagement the Consultant shall not without the consent of the Employer engage in subsequent work on or in connection with the Project or arising out of the Project provided however, that such consent shall not be unreasonably withheld.
- (h) During the Term of Engagement, the Consultant shall not, under any circumstances, engage either directly or indirectly in any business or professional activity, which would conflict, with the activities assigned to him under this contract or accept additional remuneration in connection with his obligations hereunder.
- (i) He shall be liable for any damage which he intentionally or by culpable negligence or imprudence causes to the employer.

SECTION 5: Relationship of the Parties

Nothing contained in these conditions or in the Contract shall be construed as establishing or creating any relationship other than that of a consultancy contract between the Employer and the Consultant.

SECTION 6: Entire Agreement and Non Waiver

This Contract contains the entire agreement between the parties and supersedes all prior arrangements or agreements whether written or oral, express or implied. The waiver or relaxation, whether partly or wholly, of any of the terms and conditions of the contract shall be valid only if in writing and signed by the authorized representative of the Employer and by the Consultant and shall apply only to particular occasion and shall not constitute a waiver or relaxation of any other term or condition.

SECTION 7: Termination

- (a) The Employer may, by not less than fourteen (14) days written notice of termination to the Consultant, terminate this contract:
 - (i) If the Consultant fails to remedy a failure in the performance of his obligations hereunder, as specified in a notice of suspension within ten days of receipt of such notice of suspension or within such further period as the Employer may have subsequently approved in writing.
 - (ii) If the Consultant submits to the Employer a statement which has a material effect on the rights, obligations or interests of the Employer and which the Consultant knows to be false;

- (iii) If as the result of physical disability, the Consultant is unable to perform a material portion of the Services for a period of not less than thirty days, or,
 - (iv) If the Employer, at its sole discretion and for any reason whatsoever, decides to terminate this contract.
- (b) The Consultant may, by not less than fourteen (14) days written notice to the Employer, terminate this Contract:
- (i) If the Employer fails to pay any money due to the Consultant pursuant to this Contract, and not subject to dispute, within thirty (30) days after receiving written notice from the Consultant, that such payment is overdue;
 - (ii) If the Employer is in material breach of its obligations pursuant to this Contract and has not remedied the same within thirty (30) days following receipt by the Employer of the Consultants notice specifying such breach;
- (c) Upon termination of this Contract pursuant to the above, the Employer shall make the following payments to the Consultant:
- (i) Remuneration for Services Satisfactorily performed prior to the effective date of termination, and,
 - (ii) Reimbursement for out-of-pocket expenses actually incurred prior to the effective data of termination.
- (d) Upon termination of this Contract or upon expiration of this Contract, all rights and obligations of the Parties hereunder shall cease, except for:
- (i) such rights and obligations as may have occurred on the affective date of termination or expiration.
 - (ii) The obligation of confidentiality set forth in Section 5 hereof.
 - (iii) any right which the Employer or the Consultant may have under the Laws of the United Republic of Tanzania.

SECTION 8: Disputes

The Tanzania Courts of Law shall have exclusive jurisdiction to apply laws of the United Republic of Tanzania in matters relating to this contract.

SECTION 9: Notice And Requests

Any notice or request permitted to be given or made under this Contract shall be in writing in the English language. Such notice or requests shall be deemed to be duly given or made when it shall have been delivered by hand, mail or cable to the party to which it is required to be given or made at such party's address specified below:-

Employer: The Permanent Secretary
Ministry of Agriculture and Food Security
Kilimo House
P.O. Box 9192
DAR ES SALAAM.

Consultant: Oxford Policy Management
6 St Aldates Courtyard
38 St Aldates
Oxford OX1 1 BN
U.K.

**BROAD TERMS OF REFERENCE FOR
THE PREPARATION OF ASDP****1. BACKGROUND**

As part of implementation of the Agricultural and Livestock policy and Cooperative Policy of 1997; and the Poverty Reduction Strategy, the government through the Agricultural Sector Ministries had just concluded the preparation of Agricultural Sector Development Strategy.

The need for an ASDS has been derived from three considerations.

- (i) As an integral part of the ongoing macro-economic and structural reforms – accordingly the government has chosen, 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.
- (ii) As an instrument for guiding public and private efforts towards broadly shared objectives and specific inputs and outputs by providing 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 local levels.
- (iii) As critical to rural poverty reduction because 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.

The Agricultural Development Strategy have been prepared through a participatory consultative process with sector stakeholders and was closely coordinated among the various key Government ministries and development partners through a joint Food and Agricultural Sector Working Group (FASWOG) Task Force.

The Agricultural Sector Development Strategy contains a set of innovative and practical actions including a focus on agricultural productivity and profitability, the promotion of private sector and participatory implementation of the strategy through District Agricultural Development Plans. The major strategic areas for intervention include strengthening the institutional framework for managing agricultural development in the country; creating of a favorable climate for commercial activities; clarifying and strengthening public and private roles in improving support services; strengthening marketing efficiency for inputs and outputs and mainstreaming planning for agricultural development in other areas.

There are many actors which will be involved in the implementation of ASDS. These will require a harmonized and coordinated framework for effective and efficient management of activities and resources. The ASDS spells out the coordination mechanism to be as follows:-

- An inter-ministerial coordination committee (ICC) to be constituted. The ICC will be composed of Permanent Secretaries of the lead and collaborating Ministries and representatives of the private sector. ICC will be responsible for coordinating the planning of the ASDS at national level and monitoring its implementation to ensure that the goals of the ASDS are being achieved.
- The three lead Ministries, together with PO-RALG, will establish a Technical Inter-ministerial Committee (TIC) to act as the Secretariat for the ICC. The Terms of Reference of the technical committee will include preparing the technical guidelines for LGAs, to prepare District Agricultural Development Programme (DADPs), formulating a rolling agricultural investment programme to implement the ASDS at national level, covering the mandate, roles and functions of the lead ministries, monitoring the implementation of ASDS and acting as a coordinating mechanism between the lead ministries and the cooperating ministries or agencies.

The ASDS document deals with the broad actions/interventions to be taken. In order to make it operational it is necessary to prepare detailed implementation modalities, costing of activities and indicate arrangements for financing, if possible. In cognizant of the above, the lead ministries in the agricultural sector have decided to prepare the Agricultural Sector Development Programme (ASDP). For fast compilation of ASDP, the Ministries will outsource this task to a Government technical team (experts) and consultants. The draft of ASDP shall be thoroughly refined into the final draft through the process of taskforce consultation as it was done during the ASDS preparation. After authorization by Inter-ministerial Coordination Committee, ASDP will become an official Government document to be combined with the budgets of the Agricultural Ministries in the end. The ASDP should be a 3 years rolling programme that will be revised and updated annually.

2. OBJECTIVE:

Based on the ASDS, the objective of the assignment is to formulate Agricultural Sector Development Programme (ASDP), which will establish a clear set of priorities for the Government in terms of areas of support and investment.

3. SCOPE OF WORK

- (a) Within each Strategic component of ASDS determine priorities for each sub-sector.
- (b) Determine /prepare a schedule of implementation including management responsibilities and resource schedules based on priorities and where possible outlining quick wins and impact.
- © Prepare within each of the strategic components areas of ASDS the specific interventions following the logical framework approach which spell out purpose, results, activities, indicators, means of verification, assumptions and detailed budgets.
- (d) Define the institutional and financial implementation framework for national interventions and DADPs.
- (e) Define reporting, monitoring and evaluation arrangements (including monitoring and evaluation). Develop monitoring indicators for ASDP.

4. EXPECTED OUTPUT

A clear and concise ASDP document which includes a prioritized three years rolling plan and a detailed costed plan for the first year of implementation and indicative budgets for year two and three. The document will outline areas, which are readily implementable using support from existing programmes, as well as areas where further studies are required to determine levels of investments and implementation modalities.

5. METHODOLOGY:

- Desk review of existing documents including ASDS document, Rural Development Strategy, Study report on streamlining of on-going Agricultural Projects and Programs in the context of the Agricultural Sector Development Strategy; Poverty Reduction Strategy Paper (PRSP), Agricultural Sector Policy (1997), Cooperative Policy (1997) and Documents related to Local Government Reform Programme.
- Establish priorities within each strategic areas. The members of the technical team from each ministry with assistance of a facilitator will establish priority areas for implementation within the prerogative of a particular ministry. Once priorities are established these will be allocated among task force members (say 2 or 3) from each ministry for further analysis in terms of implementation arrangements, possible costing and financing. Upon conclusion of this exercise and following

consolidation of the findings by each ministry external consultants will be recruited to fill eventual gaps and assist further in refining implementation arrangements and costs.

- Indicate areas within each of the strategic components where further studies are required in order to propose detailed interventions,
- Consult stakeholders,
- Conduct field visit to selected LGAs if necessary (field visit would only be conducted if needed after production of the first output),
- Conduct two workshops with stakeholders (to discuss draft and final report).

6. TEAM COMPOSITION

The team will comprise of a Government Team and external consultants. The Government Team will be composed of 2 or 3 members from the ministries of Agriculture and Food Security, Ministry of Water and Livestock Development, Ministry of Cooperatives and Marketing and the President's Office – Regional Administration and Local Government. The Government Team will be supported by a facilitator (consultant) and resource consultants to be identified in areas where the expertise of Government is lacking.

7. REPORTING

The Government team will work closely under the supervision of ICC and will present reports and key findings to the ICC and the FASWOG.

Reporting requirements:-

- Inception report. This report will be provided after 30 days. Elements to be included in the Inception Report will include a prioritized listing of priority areas to be implemented as suggested by each ministry (based on a prioritization criteria) and a tentative outline of implementation arrangements. The Inception Report will also include an allocation of tasks among the technical team members within each ministry for the future work and brief task descriptions covering the remaining of part of the assignment. Finally the Inception Report shall contain Terms of Reference for the additional assistance required by external consultants to complete the task.
- 1st Draft report after 75 days
- Final Draft report after 90 days

8 TIME FRAME

15th December, 2001 – 15th March, 2002.

TERMS OF REFERENCE FOR FINANCING SYSTEMS EXPERTS

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

A team of 2 finance specialists assisted by a Financial Adviser from the Irish Embassy will prepare the proposal on financial mechanism and accounting procedures for ASDP. The Financial Team will report to the Government Technical Team.

Reporting to The Team Leader, the Consultants 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:

- A list of critical policy issues should be drawn up, for each policy issue there should be a number of suggested solutions and recommendations.
- 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.
- Draft procedures should be submitted to an extensive consultation and feedback procedure with FASWOG Task Force before being submitted for final approval.
- 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.

資料 4

FASWOG Taskforce 議事録

(第 39～41 回分、英文のみ)

MINUTES OF THE 39TH MEETING OF THE FASWOG TASK FORCE HELD ON JANUARY 17, 2002 AT THE MINISTRY OF AGRICULTURE AND FOOD SECURITY.

1. **Attendance**

The list of attendants is attached to these Minutes.

2. **Opening**

The meeting was chaired by PS-MAFS Mr. Ngirwa. He opened the Meeting at 10:10 hrs by welcoming and wishing the members A Happy New Year 2002. He then introducing the following agenda, which was adopted:

- a) Confirmation of the Minutes of the 38th Meeting
- b) Matters arising from those Minutes
- c) Any Other Business.

3. **Confirmation of Minutes of the 38th Meeting.**

The Minutes of the 38th Meeting were confirmed after changing the amount of the remaining balance from ASDS to be USD 10,000 not USD 20,000 (page 5)

4. **Matters arising from the minutes of 38th Meeting.**

Full ASDS expenditure Report

- MAFS reported that, they have already received the posted payments receipts from ETC and Dr. Lunegelo and that a full expenditure report, has been prepared and all the documents has been sent to some donors.

Facilitation of the Government Team

- MAFS reported that the letter on facilitating the Government team was prepared but the Embassies were closed so it could not be circulated. MAFS has instead prepared a memorandum of understanding (MoU)

The Chairman reiterated that the facilitation of the Government Team should be done as soon as possible because the team is already in camp here in Dar-es-Salaam and has to be facilitated.

Inception Report.

The Government Team came up with the Inception report, which was concisely presented for all task force members to make comments on it.

The Chairman reminded the Government team about cross cutting issues which were then clarified and it was reported that some of the institutions like that of health have started to respond and take actions.

Comments on the Inception Report

DANIDA wanted to know if the Government Team will still incorporate other assistance and if yes, when is it going to be done?

More elaboration about priorities on private sectors was also needed by DANIDA.

Ireland wanted to know weather the financial experts is still needed. The Ireland also wanted to know the deadline of submission of the Inception Report comments

EU pointed that the sub-sectors in the annexes were not linked with the log frame and ASDS. It therefore suggested that better integration of the 2 tables has to be made.

JICA queried about the additional 2 years on the ASDP

JICA suggested the ongoing activities by donors to be integrated to the project

It was reiterated by JICA that the exact number of the external consultancies needed in the project should be made clear

MAFS irrigation advisor reminded the Team to include costs and benefits in the outcome

WB commented that a clear linkage between ASDP and market process should be seen in the report.

EU asked if the donors could be involved in financial meetings.

Response to comments

The Government Group responded that although the time frame is tight but more experts are not needed except for the financial part. Basing on that, OPM suggested the Ministry of Finance to be contacted over the matter. WB conquered with OPM on that point and promised to handle the task.

The Government Group announced the deadline of the inception report comments submission to be on January 18,2002.

The group reported that the additional 2 years was just a second thought

It was also reported that the donors' ongoing activities would be taken care of.

The Group leader thanked Task -Force FASWOG Members for their contribution and assured them that the work is done as well as the budget preparation. The Government Group took the advise of integration with compliment.

The Chairman urged the meeting to re-read the inception report and handle in their comments by 18, January 2002.

5.Any Other Business

Farewell to the members

Mr. Sean Courtney from Ireland Aid gave a farewell to Task Force members. On behalf of the members, the Chairman thanked Mr. S. Courtney for his cooperation on Agriculture process and wished him good life where he is going.

Introduction.

Mr. Kabyemela from FAO was introduced and that he will be attending the Meetings.

6.Closing

The meeting was closed at 12.00 p.m

The next meeting will be held on February 26,2002 at 10:00 a.m MAFS II.

PRESENT AT THE 39TH FASWOG MEETING OF THE TASKFORCE

<u>S/N</u>	<u>NAME</u>	<u>ORGANISATION</u>
1.	Mr. W. Ngirwa	Chairman-PS-MAFS
2.	Mrs. J. Bitegeko	MAFS
3.	Mrs. S E. Kaduma	MAFS
4.	Mr. A. R. Kwayu	MAFS
5.	Mr.S.S Mpaki	MAFS
6.	Mr. J. Nozaka	MAFS
7.	Mr. J. S. Mawalla	MAFS
8.	Mr E M. Achayo	MAFS
9.	Mr. J. M. Haki	MAFS
10.	Mr.M.J. Simkanga	MAFS
11.	Mr. P. Silicima	MAFS
12.	Mr. K.P. Kagaruki	MCM
13.	Mr. H. B. Orondi	MCM
14.	Mr. Adam S Mapunda	MCM
15.	Mr. S. C. Ngoda	MCM
16.	Mr. S. R. Mwinjaka	MW-LD
17.	Mr. D A. Rwezaura	MW-LD
18.	Mr. J.Kaduma	MW-LD.
19.	Mr. A.G.T. Nyenza	MW-LD
20.	Mr. A.R. Mbwambo	PO/RALG
21.	Mr. F.M. Lemnge	PO/RALG
22.	Mr.Tamayamali	PO/RALG
23.	Mr. J. F. Kanyisi	PO/RALG
24.	Mr. L. Chengula	WB
25.	Mr. P. Pedersen	DANIDA/MAFS
26.	Mr. S. Courtney	IRELAND AID
27.	Ms. R. Ketting	Del EC
28.	Mr. J.D. Orton	DFID
29.	Mr. J. Kabyemera	FAO
30.	Mr. A Duncan	OPM
31.	Mr. L Smith	OPM
32.	Ms. K. Matsushita	JICA
33.	Mr. K. Kimura	JICA/Secretariat
34.	Mr. S. Okubo	JICA/RADAG
35.	Ms. C. Swai	JICA/RADAG

**ABSENT WITH APOLOGY AT THE 39TH MEETING OF THE FASWOG
TASK FORCE.**

1. Ministry of Finance
2. President's office - (P&P)
3. Japanese Embassy

MINUTES OF THE 40TH MEETING OF THE FASWOG TASK FORCE HELD ON FEBRUARY 5, 2002 AT THE MINISTRY OF AGRICULTURE AND FOOD SECURITY (MAFS II).

1. **Attendance**

The list of attendants is attached to these Minutes.

2. **Opening**

The meeting was chaired by PS-MAFS Mr. Ngirwa. He opened the Meeting at 2:10 hrs by welcoming and giving a chance of introduction for the sake of new members. These new comers were, Fiona English and Pronch Murray (Ireland Aid), Michael Johnson (USAID), Soren Winther (Danish Embassy). He then introduced the following agenda, which was adopted:

1. Confirmation of the Minutes of the 39th Meeting
2. Matters arising from those Minutes
3. Any Other Business.

3. **Confirmation of Minutes of the 39th Meeting.**

One correction on these minutes was made. On page 2 paragraph 8. The paragraph was deleted in its entirety and replaced by the following: "The World Bank commented that the ASDP should have a clear linkage with the PER and what is happening in the RDS."

After this correction, the minutes were confirmed

4. **Matters arising from the minutes of 39th Meeting.**

Full ASDS expenditure Report

- MAFS reported that, they had already sent a full expenditure report to all the donors together with the posted payments receipts from ETC and Dr. Lunegelo. JICA confirmed to have received the report.

Progress on the facilitation of the Government Team

- MAFS reported that the Government team had not yet been facilitated because the MOR for funding the ASDP had not yet been signed by the concerned parties.
- MAFS further reported that there were two outstanding issues in connection with ASDP namely financing of the external consultant (OPM) and payment of the reimbursable costs. MAFS said that whereas JICA had agreed funding the OPM (about USD 24,322.50) it was not clear who would fund the reimbursables (about USD 12,050.75) related to the external consultant.
- Moreover, MAFS pointed out the Government team had found out that there was a need for an additional secretary to be recruited considering the amount of work that had to be done during the preparation of the ASDP.

Comments on the draft Memorandum of Reference for Funding Of ASDP

- JICA circulated a draft MoR for comments by members of the Task Force.
 - Commenting on this Denmark suggested that the MOR would be discussed at a donor meeting, which would be held immediately after the Task force Meeting.
- The Chairman expressed his willingness to sign the MOR as soon as possible.

5.Any Other Business

Time frame for the ASDP

- Ireland Embassy suggested the time frame planned i, e.,3 weeks to be changed since it will be very short time to come up with a detailed work. 12 weeks were suggested instead. Ireland AID agreed that the broad framework will be ready but the detailed one would be written later separately, whether it would be inclusive in budget system would be a question.
- MAFS reminded the members that the first draft has to be ready as per agreed i.e. 1, March, 2002. MAFS also queried about the time given for the government team which is on the agreed contract that, if the contract will be extended who will be going to pay the team?
MAFS reported that, its office had appointed Mr. J. Buretta (MoF), Mr. R. Shangawe (MoH) and Ms. Fiona English (Irish Aid) to be in the financial team. They will work with Mr. R. Sasaki (JICA), on financial matters pertaining to ASDP. Mr. Sasaki however will be out of the budget.

JICA commented that, since we have more than what was requested in the financial team, we should now try to come up with the output on as per agreed time schedule.

- The Chairman reiterated that the finance team should meet and see what is really needed.
- USAID intervention
USAID member, Mr. Michael Johnson who is based in Washington gave more information about his visit. He said that, he and other three colleagues are here to see and hear what is going on in agriculture development in Tanzania. He informed the meeting that he is impressed by is going on and that he is trying to understand what donors are doing.

The Chairman welcomed Mr. Johnson and thanked him for his concern.

New FAO representative

FAO informed the meeting that a new FAO representative Mr. Pierre Gence has arrived and he is eager to attend Task Force Meetings.

6. Closing

The meeting was closed at 14:50 hrs.

The members will be informed about next meeting later

PRESENT AT THE 40th FASWOG MEETING OF THE TASKFORCE

<u>S/N</u>	<u>NAME</u>	<u>ORGANISATION</u>
1.	Mr. W. Ngirwa	Chairman-PS-MAFS
2.	Mrs. J. Bitegeko	MAFS
3.	Mr E M. Achayo	MAFS
4.	Mr. J. M. Haki	MAFS
5.	Mr. B.M Ulaya	MAFS
6.	Mr. A.A. Mbwele	MAFS
7.	Mr. L. Chengula	WB
8.	Ms. Fiona E nGLISH	Ireland AID
9.	Mr.S. Lugeye	Ireland AID
11.	Mr. P. Murray	Ireland AID
12.	Ms. R. Ketting	Del EC
13.	Mr. J. Kabyemera	FAO
14.	Ms.A.M Roselund	Danish Embassy
15.	Mr.S. Winther	Danish Embassy
16.	Mr.N.Ito	Embassy of Japan
17.	Ms. K. Matsushita	JICA
18.	Mr.R. Msoffe	JICA/Secretariat
19	Mr. K. Kimura	JICA/Secretariat
20.	Mr. S. Okubo	JICA/RADAG
21.	Ms. C. Swai	JICA/RADAG

ABSENT WITH APOLOGY AT THE 40th MEETING OF THE FASWOG TASK FORCE.

1. Ministry of Finance
2. President's Office (P&P)
3. Prime Minister's Office
4. President's Office (RALG)
5. DFID
6. MWLD
7. MCM

MINUTES OF THE 41ST MEETING OF THE FASWOG TASK FORCE WHICH WAS HELD ON FEBRUARY 26, 2002 AT THE MINISTRY OF AGRICULTURE AND FOOD SECURITY

1. Attendance

The list of attendants is attached to these Minutes.

2 Opening

The Chairman, Mr. W. Ngirwa, Permanent Secretary (Ministry of Agriculture and Food Security) opened the meeting at 2.10 p. m.. by reading the following agenda which was adopted by the meeting:

- a) Opening of the Meeting
- b) Confirmation of the Minutes of the 40th Meeting
- c) Matters arising from those Minutes
- d) Presentation of the ASDP Progress, and Financial Options and Accounting procedures
- e) Any Other Business

3. Confirmation of Minutes of the 40th Meeting.

The Minutes of the 40th Meeting were read and confirmed without correction

4. Matters arising from Minutes of the 40th Meeting.

4.1 Progress on the facilitation of the Government Team

- ❖ It was reported that the Government Team has not yet been facilitated although the MOR was signed on February 19, 2002. The long procedure for opening ASDP account within the responsible institutions caused this unnecessary delay. The institutions mentioned include, Ministry of Finance (MOF), Bank of Tanzania (BOT) and Cooperative and Rural Development Bank (CRDB). However, the Meeting was assured that, after significant effort by MAFS, the probability that the ASDP account would be opened by 28th February 2002 was very high.
- ❖ It was observed during the meeting that facilitation of government team has taken long period while the team is composed with members from Dodoma and is working without support. The meeting therefore proposed that MAFS should seek authority to use the remaining ASDS balance to facilitate the team while waiting the operation of the ASDP account.
- ❖ The meeting was told that in the event that the OPM assignment is extended beyond 31st March 2002 (end of Japanese Financial Year), JICA would have to confirm whether it would be possible or not to extend the financing to cover the extended period.

5. Presentation of the ASDP Progress, Financial Options and Accounting Procedures

5.1 ASDP Progress

The meeting was told that significant progress has been achieved in the preparation of ASDP especially on the Framework document. With regards to framework document, issues like policy, institutions, and finance have been completed. However, with regards to sub-sector programme, participatory approach method was adopted which involved all responsible parties. This approach was said to be time consuming and as a result the first draft of ASDP would not be ready by 01st March 2002 as agreed earlier. The ASDP team therefore requested the meeting to accept the proposed extended time to complete the assignment as follows.

S/N	Event	Date
1	Circulation of the ASDP first draft to FASWOG task force members	15 th March 2002
2	First draft presentation to FASWOG Task force	21 st March 2002
3	One day workshop for stakeholders	28 th March 2002
4	Final Draft	12 th April /2002

The meeting also questioned whether the extension of preparing ASDP process would not affect the on going government budgeting process as it was thought earlier that the ASDP preparation process should go hand in hand with budgeting process. The meeting was however, assured that the extended time would not affect the budgeting mechanism as long as the ASDP draft report will be ready.

5.2 Presentation of Financial Option and Accounting procedures for ASDP

The financial options and accounting procedures report was presented by Mr. Jeremiah R. Bureta on behalf of the Financial Advisory Group (FAG). Apart from outlining the financial options and accounting procedures, the report emphasized on two main issues namely

- ❖ Since ASDP is an implementation programme of ASDS, it is therefore open to all stakeholders who are encouraged to engage with the ASDP process. It was emphasized by JICA that ASDP will be implemented by various modalities including ASDP basket funding, budget support, GOT own revenues, multilateral/bilateral projects and other appropriate modalities suitable to relevant stakeholders.

- ❖ ASDP financial mechanism, accounting system and policies should be according to Government Accounting Policies as laid down in Public Finance Act, 2001, Public Procurement Act 2001 and Public Regulation 2001 and IFMS, while the Accounting at Council level should be according to Local Government Financial Act, Local Authority Financial Memorandum, Local Authority Accounting Manual, Regulations and Circulars derived there from.

The Financial Management and Accounting Procedures document of ASDP Taskforce version of February 25, 2002 was circulated to all members of the FASWOG Task Force.

7. Discussions

The meeting was impressed by the work done by the financial team as well as their presentation. However, few issues/comments were raised with regard to the report. These included:

- ❖ Vertical financing for ASDP (although not denied) was said to be risky due to the fact that some of identified priorities may not receive adequate attention in terms of funding. However, it was thought that since the priorities are to be identified by respective implementing agencies it will not be possible for donor agencies to identify priority areas for self funding.
- ❖ The meeting wanted to know whether the basket fund would cover either recurrent expenditure or development expenditure or both.
- ❖ The role of PO-RALG was questioned considering that the main focus is on district councils. It was thought that involving the PO-RALG might cause unnecessary delay in disbursing funds to councils, taking into account that between the PO-RALG and district councils there are Regional Administrative Secretaries (RASs) offices. Moreover it was pointed out that in the presentation the Offices of Regional Administrative Secretaries had been given little weight although they have been entrusted to coordinate district council activities. The meeting therefore wanted to know in more detail the role of RAS's.
- ❖ It was not clear to the meeting to whether the ASDP Financial Management and Accounting Procedures will only cover the Basket Fund or will be applied to all resources available to ASDP.
- ❖ It was felt during the meeting that capacity building for district councils, Regional Administrative Secretaries offices and PO-RALG should be given due weight in order to be able to adopt and understand the financial management mechanism and to perform proper priorities identification, planning, budgeting, monitoring and reporting.
- ❖ It was felt that ASDP financial indicators should be linked with physical indicators, performance monitoring and evaluation in relation to cost-effectiveness.

- ❖ The meeting was told that only comments from JICA and Government Technical Team have been incorporated into the document. However, comments from the EU were tabled during the meeting and those from Denmark would be available next week. The meeting therefore agreed that these comments from donors together with other individuals should be submitted to the Financial Team by Friday, March 1, 2002 ready to be incorporated to the next version. There after, the Financial Team will meet in the week starting March 4, 2002 to incorporate these comments together with other issues that came up during the meeting.
- ❖ The meeting also suggested that the Donors should meet the Financial Team to further discuss the document and give their comments.
- ❖ The meeting was told that Accounting officers at the parent Ministries are the Permanent Secretaries, while at the Councils are the District Executive Directors and at the Regional levels they are the Regional Administrative Secretaries and not the Regional Secretariat.
- ❖ The term Capitation Grant (3.4.2.) was not understood by the meeting. The meeting requested the definition of the term.

8 Any Other Business. (AOB)

There was no any other business raised

9. Closing

The Chairman thanked the members for their attendance and contribution and closed the meeting at 3.35 p. m. The next meeting will be held on March 21, 2002 and the main agenda will be the presentation of the ASDP draft report.

PRESENT AT THE 41TH MEETING OF THE FASWOG TASK FORCE

S/N	Name	Organization
S/N	Mr. W.Ngirwa	PS-MAFS
1	Mrs. J.F Bitegeko	MAFS
2	Mrs. S.E.Kaduma	MAFS
3	Mr. J.M.Haki	MAFS
4	Mr. J.S.Mawalla	MAFS
5	Mr. A.R.Kwayu	MAFS
6	Mr. S.S.Mpaki	MAFS
7	Mr. A.A.Mbwele	MAFS
8	Mr. I.N.L. Kaduma	MWLD
9	Mr. K.P.Kagaruki	MCM
10	Mr. Adam S. Mapunda	MCM
11	Mr. Ngoda, S	MCM
12	Mr. J.S Kanyasi	PO-RALG
13	Mr. F.E Mbonde	PO-RALG
14	Mr. David Qawoga	PMO
15	Mrs. A.Mayawalla	Planning and Privatization
16	Mrs. Ria Ketting	EU
17	Ms. Anne Marie Roselund	Danish Embassy
18	Ms. Liz Ditchburn	DFID
19	Ms. Phoebe Mtambo	ADB
20	Ms Mio .Takada	WFP
21	Mr. Robert Town send	WB
22	Mr. Hanatani	JICA
23	Ms. Matsushita	JICA
24	Mr. R. Msofe	JICA
25	Mr. Ryo Sasaki	JICA-RADAG
26	Mr. Yoshio Aizawa	JICA-RADAG
27	Mr. Exuper James	JICA-RADAG
28	Mr. Ito	Japanese Embassy
	<u>Others</u>	
1	Mr. Richard.E.Y.Shankango	MOF (Consultant)
2	Mr. Jeremiah R. Bureta	Consultant

ABSENT WITH APOLOGY AT THE 41ST MEETING OF THE FASWOG TASK FORCE

1. Ireland Aid
2. Ministry of Finance

貧困モニタリングマスタープランからの抜粋

Chapter 8 Overall budget and funding mechanisms

8.1 Summary budget

	2001/02	2002/03	2003/04	Total
Surveys & Census*	41,932,500	157,100,865	1,021,657,832	1,220,691,197
Routine Data	477,942,100	581,127,300	504,760,900	1,563,830,300
Research & Analysis	1,340,216,667	1,340,216,667	1,340,216,667	4,020,650,000
Dissemination	288,859,933	288,859,933	288,859,933	866,579,800
Administrative budget	132,832,800	132,832,800	132,832,800	398,498,400
GRAND TOTAL	2,281,784,000	2,500,137,565	3,288,328,132	8,070,249,697

* Surveys and Census budget excludes the Census, but includes capacity building costs

8.2 The funding mechanism for poverty monitoring

The need for a joint funding mechanism

A wide range of partners is involved in the implementation of the Poverty Monitoring Master Plan. The four main implementing partners are the leaders of the four components of the plan; the National Bureau of Statistics for the Surveys and Census Programme; the President's Office – Regional Administration and Local Government for the Routine Data Programme; the Planning Commission for the Research and Analysis Programme; and the Vice-President's Office for the Dissemination Programme. Each of these partners will in turn collaborate with others for various aspects of the work programme. The Research and Analysis Programme, for example, will be implemented under the responsibility of the Planning Commission, but a range of research institutes, civil society organisations and individual researchers will do the actual research and analysis work.

There are also various funding partners to the Poverty Monitoring Master Plan. First and foremost, the Government will provide an important part of the required funding. But substantial development assistance will be required as well. Bilateral and multilateral development agencies are approached to seek funding for the implementation of the Poverty Monitoring Master Plan.

The challenge, then, is to design a funding mechanism that brings these many different partners together around the agreed Master Plan, while minimising the cost of administering the funding. Traditionally, funding for poverty monitoring is negotiated and administered between individual implementing partners and individual funding partners. This results in high transaction costs and poses risks of fragmentation and lack of cohesiveness. If all implementing partners had to negotiate their own funding and service the reporting requirements of the various funding partners they attract, this would be a significant burden to them, which

would distract them from their core business of implementing the Master Plan. Therefore, a joint funding mechanism has been designed, in order to take maximum advantage of the new opportunities for coordination provided by the Master Plan. It is anticipated that the joint funding mechanism will drastically reduce transaction costs - for the government, for implementing partners as well as for funding partners.

Objectives of the joint funding mechanism

The funding mechanism for poverty monitoring has been designed with the following objectives in mind:

- The Master Plan should be fully funded
- Funding should be available to the implementing partners in a timely manner
- Satisfactory accounts should be produced for all funding partners in a timely manner
- The transaction costs for Government, development partners and implementing partners should be kept as low as possible

Management of the joint funding mechanism

The government will provide an effective interface between the Implementing partners and the funding partners to the poverty monitoring system. The financial aspects of the interface will be managed by the Ministry of Finance, more specifically under the Commissioner for the Policy Analysis Division. Within this Division, an Accountant will be recruited to manage the funding mechanism for poverty monitoring. The functions that will be performed by the Ministry of Finance are:

- Mobilising funding from funding partners for the entire Master Plan
- Receiving funds from funding partners
- Administering funds
- Channelling funds to the implementing partners
- Holding implementing partners accountable
- Consolidating financial reports from the implementing partners
- Presenting consolidated financial reports to the funding partners

The Poverty Monitoring Secretariat, which comprises members from VPO and the Ministry of Finance, will play an important support role in the management of the joint funding mechanism. In order to be able to strengthen the Secretariat to fulfill this role, a Poverty Monitoring Technical Officer will be recruited. Whereas the Accountant will deal with the financial elements of the interface between funding and implementing partners, the Poverty Monitoring Technical Officer will play this role for the technical aspects of the poverty monitoring system. The Poverty Monitoring Technical Officer will be hosted by the National Poverty Eradication Division of the Vice-President's Office. Both the Poverty Monitoring Accountant and the Poverty Monitoring Technical Officer will be members of the Poverty Monitoring Secretariat.

Basic structure of the poverty monitoring fund

In order to maximise coordination, there will be one joint poverty monitoring fund, managed by the Ministry of Finance. The Ministry of Finance will open a special account at the Bank of Tanzania for this purpose. Given that there are four components in the Poverty Monitoring System, administered by four different institutions, there will be four administrative sub-accounts – one for each component of the Poverty Monitoring System. A fifth administrative sub-account will be created for expenditure beyond the remit of individual working groups, to cover, for example, the costs of the Poverty Monitoring Secretariat (including salaries for the Poverty Monitoring Accountant and the Poverty Monitoring Technical Officer).

The five sub-accounts of the poverty monitoring fund will differ substantially in size. They will also attract different levels of external funding. Therefore, individual sub-accounts will be ring-fenced. This will prevent that over-expenditure in a large sub-account will severely impact on a small sub-account. It will also prevent difficulties with the funding partners when their external funding is specifically earmarked for the work of one of the working groups. As the poverty monitoring fund will be making use of a special account, the fund will be protected and not subject to cuts in public expenditure.

Disbursements to the Technical Working Groups

The four working groups will receive regular advances from the central poverty monitoring fund, on a quarterly basis. The advances will be granted on the basis of an agreed work plan and the receipt of a financial and progress report for the previous quarter. This will require the institutions in charge of the four Technical Working Groups to open accounts to receive and manage the funding received from the central poverty monitoring fund. Each of the four institutions will assign an accounting officer to manage this account.

Types of development assistance for poverty monitoring

While there is an overall move in development assistance towards budget support on the basis of government owned development strategies, the funding mechanism for poverty monitoring has to be flexible enough to incorporate a range of modalities of development assistance. Four types of external support for poverty monitoring can be accommodated by the fund outlined above:

- 1- *General, un-earmarked contributions to the Poverty Monitoring Fund:* Funds are made available to be allocated to any component and activity of the Poverty Monitoring Master Plan. This is the most flexible modality of support. It leaves it up to the key stakeholders in poverty monitoring to allocate funds in accordance with the priorities set out in the Master Plan and refined on an annual basis. However, not all development partners are able to provide support of this type and the funding mechanism should be flexible enough to allow these development partners to contribute too.

- 2- *Contributions to one of the components of the Poverty Monitoring Fund:* Funds are made available for one of the four components of the Master Plan. However, funds are not earmarked for specific activities within these components. The respective working groups can allocate funds freely.
- 3- *Contributions to a specific activity of a specific component of the Poverty Monitoring Fund:* This is one of the least flexible modalities of supporting the implementation of the Master Plan. Yet, where development partners find it impossible to provide support of type 1 or 2, the funding mechanism should be able to accommodate this.
- 4- *Contributions in kind:* In some cases, development partners can only provide assistance in kind. This is the case, for example, when regulations prescribe that the development partner has to enter into a direct contract with a consultant or when the development partner needs to do its own procurement of supplies. Another example is that of agencies which have in-house technical expertise that they wish to offer towards the implementation of the Master Plan. While the importance of this type of assistance is decreasing, it still occurs and will be accounted for in the funding mechanism for poverty monitoring. This will ensure that these contributions are recognised, contribute to the overall plans and are planned for rationally.

The first three types of support will use the same procedures for disbursement, accounting, reporting, etc. The fourth type of support will use the procedures determined by the development partners, but all assistance of this type will be planned and accounted for through the management structures put in place for the poverty monitoring system.

ASDP IC/R に対するドナー統合コメント

Comments on the ASDP Inception Report
(Compiled Comment of Donors)
JAN. 22, 2002

The followings are comments which the donors (Denmark, DFID, EU, FAO, Irish Aid and JICA) see worthwhile if taken into consideration through the formulation process of the ASDP final document. However, it is up to the Team (special assignment government team) how to utilize the comments. In addition, the donors do not expect the Team to modify the Inception Report based on the comments below but would rather appreciate the Team to carry on with ASDP preparation work and avoid being behind schedule.

Overall comments

Overall, the IC/R includes almost all necessary aspects. We see it as an excellent job for an IC/R which purpose was merely to define framework regarding ASDP preparation. However, there are several points that seem to need some more clarification within the final document.

1. ASDP was supposed to be a 3-year Rolling Plan according to the TOR, however it has changed into 5 year Rolling Plan in the IC/R. Since MTEF is three years, it is logical for ASDP to become three years and the donors would like to stress this point. If the Team sees a strong necessity to stick to 5- year, an explanation why five years is necessary.
2. The way to integrate on-going donor activities into the first year priority activities in the costing plan of the ASDP must be done with care. Some donors (specially those who are not taskforce members) may think that their ongoing activities shall be terminated if it is not included in the list. They may also think that recurrent budget by the ministries may not be allocated to their projects if they are not listed somewhere on ASDP. There should be some explanations to get rid of these concerns in the ASDP document.
3. Including the following into the "Objective" of the final document shall clarify the goal and principal of this whole exercise: *Since the formulation of this program is based on the principal of the SWAps concept, trying to adopt common accounting and financing mechanism is crucial for this exercise. However, from the experience of the formulation process of other sector programs, it is understood that rushing into an immediate establishment and adoption of "a common accounting and financing mechanism" may not be a wise idea for a newly born ASDP. In another word, it should be noted that "a common accounting and financing mechanism" is a tool to implement ASDP but not the objective. Therefore, the team shall take time to examine the most appropriate accounting and financing framework for ASDP.* One recommendation is to have more numbers of Financing Systems Experts to interact with the Team than stated in the Inception Report. A concrete plan and a modified TOR are discussed latter.

Specific Comments

4. Issues around pastoralists are not adequately addressed in document.
5. Emphasis throughout the document seems to focus on agriculture however other areas seem to be marginalised, eg. marketing, livestock, horticulture.
6. Inadequate emphasis upon cross cutting issues – HIV, gender and rural infrastructure.
7. Possibilities of developing IEC (Information, Education and Communication) campaign to disseminate ASDP should be investigated.
8. Criteria to prioritize intervention (p.10) and the phrase “intervention as public functions” are vague. The fact that market mechanism is not fully permeated in Tanzania should be examined more. Public sector’s role is supposed to be found where private sector cannot play any role such as the area of law and regulation. In addition, roles of support services such as training, extension and research, which have more room for the private sector, should be considered as well.
9. Criteria to prioritize intervention (p.10), “Availability of resources” needs to be elaborated more. It should be clarified whether it is about funds from donors on development budget basis (or recurrent basis), or funds from government on recurrent basis (or development budget basis)?
10. A link with the “Poverty Monitoring Master Plan” should be considered in “monitoring (p.6)” section. Also the forthcoming implementation of Agriculture Census should be considered, too.

Comments on ToR's for Financing Systems Expert

The Terms of Reference for the Financial Systems Expert are good. But there are some comments on the support mechanisms for this expert and on the process within which the work will be implemented. These comments effect the ToR's and therefore a revised ToR is attached. These comments are based on experience with a finance technical working group in the Education Sector.

Technical Working Group

A small technical working group made up of specialists in finance should be constituted. This group should report to the main Government Technical Team. The team should include:

- 1 MoF or ACC General,
- 1 (or max 2) representing the Agricultural Ministries,
- 1 PO-RALG,
- 1 MoH (Due to their experience with SWAp's),
- 1-2 donor representatives
- The Consultant.

The consultant would be the only person to work full time on the mechanisms. The group must be kept small to be effective.

Some suggested representatives for the TWG are

Mr Bernard Mtui	PO-RALG
Mr Kelya	MoH

(Subject to their agreement)

Ms Fiona English

Ireland Aid.

Inputs and Process

There should be a clear proposal for the SWAp institutional framework before the finance group starts work, however there should be possibility to adjust it to include the requirements of the financial mechanisms. Any adjustments required should become clear when the list of critical issues (no 3 below) is being drawn up and answered via consultation.

The process should be finished at least 3 months before the SWAp commences to allow for training and dissemination.

- 1) Selection of appropriate consultant, who will be able to take directions from this group and build it into a coherent system.
- 2) A list of critical policy issues should be drawn up, for each policy there should be a number of suggested solutions and recommendations. The TWG should submit these policy issues to the FASWOG for discussion and decision.
- 3) All communication and instructions on policy decisions should be communicated in writing to the TWG, so that decisions are clear.
- 4) Based on the policy decisions, the government systems, and the technical input of the TWG a draft financial system should be drawn up.
- 5) This should be submitted to a consultation and comment process. Each stakeholder should actively evaluate this document and provide technical comments and inputs.
- 6) The TWG should include feedback from 6) above in the system
- 7) The TWG should submit the final draft financial system to the Government Technical Team for approval.
- 8) During the process the TWG should brief the Government Technical Team regularly.

Timeframe

Based on previous experience the time frame of 3 weeks seems highly optimistic. A suggested timeframe is:

One week to draw up a list of critical issues and recommendations

One week to consult on list of critical issues.

10 days to 2 weeks to draw up first draft of the procedures

1 week for TWG to refine the first draft.

2 weeks for stakeholder comments and input. (During this period the consultant would brief stakeholders, but would only be required for a limited number of hours)

1 week to integrate comments, review and agree final draft.

Submission to the Government Technical Team - 1 week of consideration (consultant only required for one briefing)

Submission to FASWOG - 2 weeks for consideration (consultant only required for one briefing)

Integration of any final FASWOG comments and finalisation of the report.

Capacity Assessment

The financial management capacity element should be split into a separate and substantial piece of work. The time frame of the procedure work would not allow a detailed assessment to be carried out within the context of the financial procedures.

The work should:

- Examining the current human resource financial capacity in the various Lead Ministries to determine their ability to meet the requirements of the various forms of financing and reporting Common Procedures.
- Make realistic recommendations on strengthen financial management capacity in the various lead Ministries.

Output:

A report detailing human resource financial capacity in the ministries with relevant precise recommendations. Recommendations should be prioritised, include estimate costs, and responsibility for implementation.

Timescale:

The report should be ready to include recommendations in the Ministries Plan of action and budgeting.

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 assistance developing Common Procedures for sector-wide programmes.

A small technical working group will be constituted comprising of finance specialists. The Financing Systems Expert will work directly with this group to develop the financial procedures. The technical working group will report to the Government Technical Team.

Terms of Reference

Reporting to Technical Working Group and ultimately to the Team Leader of the Government Technical Team, the Consultant will work with the TWG and the Government Technical Team to develop appropriate Common Procedures for financial accountability for the effective funding and implementation of the ASDP.

Specific tasks will include:

- A list of critical policy issues should be drawn up, for each policy issue there should be a number of suggested solutions and recommendations. The TWG should submit these policy issues to the main group for discussion and decision.
- Working with the TWG and 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
- Working with the TWG and 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

- Draft procedures should be submitted to an extensive consultation and feedback procedure with stakeholders before being submitted for final approval.
- Examining the current financial accounting procedures 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

12 weeks from 1 February 2002 to complete all work.

Expected Output

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

ドナー統合コメントに対する MAFS の回答

V29
MAFS

Government Technical Team Response to Donors' Comments
on ASDP Inception Report

Overall Comments

The Government Technical Team (GTT) welcome the positive approach shown by the donors in their 'Comments on the ASDP Inception Report (Compiled Comments of Donors) JAN. 22, 2002'

With regard to the specific comments, we can respond now and ensure that these issues are clarified in the final report.

Item 1

The Programme will cover the 5-year span of the ASDS but be implemented through a 3-year rolling programme consistent with MTEF.

Item 2

It is undoubtedly true that any ongoing projects will have to be incorporated into the first year of the ASDP if they are to receive recurrent funding from the Government. The Technical Divisions, who are currently devising work plans and budgets with the assistance of the GTT, are aware of the necessity of this. We wish to make progress with implementing the mainstreaming of projects as rapidly as possible. In the very near future we intend to initiate discussions with donors currently financing those programmes that are not consistent with the ASDS to discuss ways of modifying the nature of the projects or putting the donor's funds to better use.

Item 3

We fully appreciate that it may take a long time to achieve a common financing and accounting mechanism. However, we feel that it is important that discussions on the way forward commence immediately and that a draft Framework Document is produced as rapidly as possible because some donors may be reluctant to pledge funds until the financing and accounting issues are clarified.

We see no reason to modify Section 3.1 of the Inception Report that discusses the Objectives of the study. However, on reflection we think it would be advisable to modify Section 3.2 that deals with Outputs. Specifically, we suggest modifying Section 3.2.1.3a) to read:

3.2.1.3 Financing issues. This will include:

a) Funding mechanisms

It will be desirable to develop eventually a common accounting and financing mechanism across the sector based on government procedures for disbursing and accounting for the funds. The approaches being considered, the progress made to date, and an outline of the next steps in developing an appropriate mechanism(s) will be described in the Framework document. This Section of the Framework document will be

modified as and when significant progress is made in agreeing on appropriate financing and accounting mechanisms.

Specific comments

Items 4, 5 and 6

We have produced a revised Annex 2 to the Inception Report based on the Logframe of the ASDS. This will indicate more clearly the prioritisation afforded to the various issues raised under the items. Further information will be contained in the detailed work plans currently being developed, which will form the Sub-programme component of the ASDP.

Item 7

Dissemination throughout the Lead ministries is ongoing as Technical divisions become increasingly involved in developing the sub-programmes. LGAs will be sensitised as they reach the Stages of the LGRP where they are encouraged to create their own DADPs. Dissemination will also occur through the Annual Stakeholders' Conference envisaged as part of the annual cycle of activities. However, the GTT would be keen to discuss with the donors the financing of a wider IEC.

Items 8 and 9

These issues will be clarified in the Final report. However, it is worth mentioning that resource availability considered human resources as well as recurrent and development funds.

Item 10

Agreed.

Comments on ToR's for Financing Systems Expert

While the GTT are in agreement with many of the donors' observations, we consider that some of the donors' comments require clarification. The Government is committed to implementing a sector-wide programme, even in an unrefined form in the 2002/3 year i.e. commencing July 2002. This is why there is an urgent need to complete the work programme and associated budget by 15 March 2002 in order to meet MoF's deadlines. Given this time constraint, there is no possibility of spending 12 weeks preparing the report and having the process 'finished at least 3 months before the SWAp commences to allow for training and dissemination'.

Perhaps the donors meant 'common financing and accounting mechanisms', rather than 'sector-wide approach' (SWAp)? If so, there is no disagreement or need for clarification.

However, while GTT agree that their timescale is probably over-ambitious, there seems to be a lot of slack built into the donors proposed timeframe. The GTT have

read and discussed various background documents provided by OPM¹ and are therefore familiar with the general types of issues that need to be considered.

Moreover, rather than considering the infinite array of funding and accounting mechanisms that are available, the GTT had considered starting with a study of the MoH arrangements. In this regard, Foster and Mackintosh-Walker (Annex 6 p.75) indicate Maximillian Mapunda, Senior Economist, MoH and Paul Smithson, DFID, as contacts.

If these mechanisms appear suitable for the ASDP, the intention would be to focus on these and develop and/or modify them to suit the particular circumstances of ASDP. Once implemented, they can be refined over time in line with the 'process approach' of learning from experience that the GTT is advocating. We consider this pragmatic approach is more appropriate than developing a whole range of possible alternatives.

We would hope that this process could be sufficiently progressed that a meaningful dialogue with interested donors could still be held on 26 February 2002. The GTT would welcome further discussion with the donors on this issue.

Capacity assessment

We agree that this may prove to be a major exercise, and we also envisaged this taking a much longer time than that required to develop the initial Framework document. This is an area where an external firm of accountants might be usefully employed in examining the financial accounting mechanisms in the 4 Lead ministries using the ToR in the Donors' Comments as a basis.

¹ Brown A, Foster M, Norton A, and Naschold F (2001) The Status of Sector Wide Approaches Working Paper 142, Centre for Aid and Public Expenditure ODI, January 2001; Foster M and Mackintosh-Walker S (2001) Sector Wide Programmes and Poverty Reduction Center for Aid and Public Expenditure ODI, 27 July 2001; Lindelow M, Applying the Sector Wide Approach in Agriculture: Case Study of Public Finance Management Issues - Mozambique OPM draft; Jones S, Increasing Aid Effectiveness in Africa? The World Bank and Sector Investment Programmes OPM draft.

3月6日インフォーマルドア－会合該要録

MINUTES OF DONORS AND FINNACAL MEETING, WHICH WAS HELD ON MARCH 6, 2002 AT JICA OFFICE

1 Attendance

The list of Attendants is attached to these minutes

2 Opening

The Chairman, Mr. Atsushi HANATANI, The Special Advisor (JICA_Tanzania) opened the meeting at 11.15 AM. He welcomed the representatives from the donor Community and Financial Team. He said that the purpose of the meeting was to receive comments from donors not presented during the 41st Meeting of FASWOG Task Force.

3 Presentation of Comments

Written Comments

A copy of responses from the Financial Team with regard to the comments that have been submitted so far was circulated to the members who attended the meeting. However, DANIDA, Irish Aid and World Bank, comments would be presented to the Financial Team after they had made consultations with their respective Financial Advisors, earliest possible. Earliest submission of comments would enable the team to incorporate their comments in its final document, as the time for submission of final report is so limited.

Oral Comment/issues

□ World Bank (WB).

- ❖ For a project/programme to qualify for WB funding, financial and Procurement assessment capacity as well as Risk assessment have to be done. At this point therefore, WB needed a clarification on whether these aspects were thoroughly analyzed for ASDP.
- ❖ With regard to Financial Management and Accounting System Manual, it was felt by WB that the Manual defined well the financial mechanism at higher levels of decision-making, but at the district levels where real financial transaction and accounting would take place was inadequate detailed.
- ❖ ASDS and then the ASDP form integral part of other Government formulated policies such as Rural Development Strategy and Poverty Reduction Strategy, and that other Sectors such as Education and Health have adopted similar financing mechanism as proposed for ASDP. WB needed clarification on whether the proposed Manual is similar to those of other sectors or the manual is different.

- ❖ Given the fact that, ASDP will be funded through Basket Funding, WB needed a clarification on how on going agricultural projects/programmes were taken into account under ASDP formulation.

Financial Team Responses

✓ ASDP assessment

In recent years, funding projects has shifted from the conventional approach to programme approach with priority areas identified or projects being rationalized to fit in the agreed programme. So well coordinated funding mechanism needs to be in place. That is why ASDP is an implementation programme of ASDS. It is opened to all stakeholders who are encouraged to engaged with the ASDP process. The ASDP will be implemented by various modalities, including ASDP basket funding, Budget support, GOT own revenues, Multilateral/Bilateral project and other appropriate modalities suitable to the relevant stakeholders.

✓ The Manual and financial mechanism at district levels.

The financial mechanism and accounting procedures for ASDP are the same and comply with other existing sector manuals, as ASDP will be integrated into District Development Plan. However, it was emphasized that the financial management and accounting at district levels is weak although financial needs assessment have done, yet not implemented. So it was strongly recommended that, for districts to be able to manage the ASDP funds properly, financial capacity building at district levels should be given due weight, before and during the implementation of ASDP and even if extra funding would be required for capacity building activity.

✓ Integrating On going agricultural projects/programmes

The existing projects/programmes have to be rationalized to fit into ASDP

□ FAO

FAO felt that leaving the Chief account for P-RALG to produce ASDP financial reports may cause unnecessary delay; unsteady ASDP financial reports have to be compiled at the district level

□ EU Delegation

EU Delegation was not happy with the proposed financial mechanism for District Councils, which involve PO-RALG

✓ **Financial report**

Since the financial capacity to manage funds at district levels is weak, it was advised that the Chief Account of PO-RALG has to take the responsibility of accounting and reporting for ASDP fund.

✓ **Involvement Of Po-RALG-in Financial mechanism**

The roles of PO-RALG in the proposed financial mechanism are not related with opening districts ASDP fund accounts with PO-RALD head office. The roles of PO-RALG include: instructing the transfer of districts ASDP funds from the bank to the districts ASDP accounts, enforces ASDP funds accountability, notify regions that districts ASDP funds have been transferred to the respect districts for them to make follow-up.

□ **Common Comments (EU and WFP)**

How does a district qualified to be recipient of ASDP fund. All districts has to be considered for ASDP fund although the rudimental consideration for a district to qualify for ASDP fund has to be determined by district development plan. It was therefore recommended that a district development plan is fundamental base for any district to qualify to ASDP funds

□ **Irish Aid**

What will be the consequences in terms of funding if ASDP is not included in the financial year 2002/2003 budget.

It was proposed that, members of the meeting has to visit one district in order to know exactly what is happening in terms of financial transaction mechanism, financial reporting and districts financial capacity.

EURO was proposed to be ASDP currency because ASDP would mainly financed by European countries.

Financial team responses

- Being a priority sector, in the country, supplementary budget for ASDP is possible
- District visit proposal was agreed and Irish with cooperation of PO-RALG would coordinate and communicate to other members
- The possibility-using EURO as ASDP currency is not excluded in the future.

4 Other Issues/Comments

As there were no more issues/comments raised, the Chairman closed the meeting at 12.30 P.M.

PRESENT AT THE DONORS AND FINANCIAL TEAM MEETING

S/N	Name	Organization	E-Mail
1	Mr. A, Hanatani	JICA (Chairman)	Jica-tz@raha.com
2	Mr. Naoki Ito	Embassy of Japan	
3	Dr. Ladisy Chengulla	WB	
4	Ms Ria Ketting	UE Delegation	Maria.Paris-ketting@deltza.cec.eu.i
5	Mr Pranch Murray	Ireland Aid	Aidiremb@raha.com
6	Mr. Sizya Lugeye	Ireland Aid	
7	Mr. Justus Kaleyemera	FAO	justus.kalyemera@FIELD.FAO.ORG
8	Mr. Mathew Mcilvenna	WFP	Mathew.Mcilvenna@wfp.org
9	Ms. AnneMarie Roserlund	Danish Embassy	Aneroseum.dk
10	Ms. Kaori Matsushita	JICA	Matsushita.Kaori@jica.go.jp
11	Mr. Ryo Sasaki	JICA-RADAG	radag@raha.com
12	Mr. Exuper James	JICA-RADG	radag@raha.com
13	Mr. Jerome, J.R. Buretta	Consultant	
14	Mr. Richard,E Shankango		

¹ After 16/03/2002 deltza will be deleted

ASDP 策定にかかる費用積算表（当初のもの）

BUDGET ESTIMATES FOR PREPARATION OF ASDP

No	Item	Unit	Quantity	Unit Cost	Total (USD)
1.0	Support to Government Team				
1.1	Special Assignment	mm	33	1,200	39,600
1.2	Drivers Fees	mm	6	268	1,608
1.3	Accountant to manage joint funds (extra duty allowance)	days	30	5.52	166
	Sub-Total				41,374
2.0	External Consultant				
2.1	International Consultants	mm	10	15,000	150,000
	Sub-Total				150,000
3.0	Reimbursable Costs				
3.1	International Travel (Air-tickets and related costs)	each	5	3,000	15,000
3.2	DSA in DSM for International Consultants	days	180	129	23,220
3.3	DSA - Up country for International Consultants	days	150	100	15,000
3.4	DSA Up Country for Govt. Team	each	12	880	10,560
3.5	DSA for Staff from Dodoma	each	8	4,000	32,000
3.6	Travel for both Local and International Consultants in DSM	Lump sum			9,440
3.7	Tickets or fuel for field travel	Lump sum			5,000
3.8	Stakeholders workshops	each	2	25,000	50,000
	Sub-Total				160,220
					4,500
*4.0	Secretarial Services	Various			4,500
5.0	Printing and Binding	each	300	30	9,000
7.0	Contingency (2.5%)				9,127.35
	TOTAL				374,221.35

6.0

This item includes the cost of hiring one Secretary, photocopying papers, toner cartridge (photocopy & printer), diskettes, writing pads, note books, flipcharts, marker pens, office communication and coordination costs.

500

資料 10

援助政策ペーパー資料1

Objectives of this survey

International Development Center of Japan is a private, non-profit research institution specializing in development problems in developing countries and foreign aid policy.

In the 1980's and 1990's, technical assistance has been criticized in terms of its effectiveness for the human resource development and capacity building in Africa. In response to this criticism, many donors have changed its policy regarding the dispatch of experts to Africa. This survey is to grasp the current situation of this trend and give suggestion to Japanese government about the future direction of its policy regarding this issue.

Expert Profiles in Each Donor (1995 and 2002)

(USAID, CIDA, DFID, DANIDA, France, Germany, Sweden, Finland, EU)

1. Total number of experts
2. Field of their expertise
 - ① Health
 - ② Education
 - ③ Agriculture
 - ④ Tourism
 - ⑤ Infrastructure (road, etc)
 - ⑥ Environment
 - ⑦ Gender
 - ⑧ Governance
 - ⑨ Others ()
3. Main roles of each expert
 - ① Advisor (to whom)
 - ② Operational staff
 - ③ Technology transfer (what technology)
 - ④ Others ()
4. Each expert
 - ① Occupies line post
 - ② Works outside line post
5. Length of their stay in Tanzania
 - ① Month and year
6. Contracts
 - ① Contract with individual expert (Donors)
 - ② Contract with individual expert (Tanzanian government)
 - ③ Contract with the organization expert belongs to
 - ④ Others ()
7. Background of each expert
 - ① Consultant working for a consultant company
 - ② Independent consultant

- ③ Expert working at a ministry
- ④ Expert working at a public organization (not ministry)
- ⑤ Expert working at a university
- ⑥ Expert working at NGOs
- ⑦ Others ()

8. Recent policy regarding the dispatch of experts from your country

- ① Gap-Filling
- ② Use of short-term advisers
- ③ Use of local consultants
- ④ Institutional twinning (name of project/program) (get documents)

資料 1 1

援助政策ペーパー資料 2

全体計画（援助政策ペーパー）

調査事項

援助協調に関する日本側の基本的考え方をたたき台として英文で取りまとめるために、以下の調査を行う。

（１） ドナーによる技術協力の現況（技術協力批判との関連で）

（ア） 専門家派遣の現況

- ① 専門家の数
- ② 役割、
- ③ 位置付け（ラインポストを占めているか否か）、
- ④ 期間、
- ⑤ 雇用形態、
- ⑥ 個人コンサルタントか所属先派遣か

（イ） 技術協力の現況

- ① Gap Filling の現状
- ② 短期専門家の活用
- ③ ローカルコンサルタントの活用
- ④ Institutional Twinning の活用

（ウ） 技術協力の意義

（２） セクター・ワイド・アプローチ

（ア） 現況

（イ） 意義

（ウ） 長所

（エ） 短所

（オ） 推進する上での問題点とその克服策

- ① オーナーシップの問題
- ② 援助調整の必要性はどの点で特に大きいか、等

（３） プロジェクト支援

（ア） 現況

（イ） 長所

（ウ） 短所

（エ） 課題

（４） 開発理論と援助の役割

（ア） 戦後の開発理論の流れ

（イ） 援助の役割の変遷

（ウ） PRSP の意義と課題

(エ) Aid Dependence から脱していくプロセス

(5) 日本の援助の課題

(ア) 日本の援助の特徴と長所

(イ) 日本の援助の課題

- ① ノンプロジェクト方式の資金投入は有効か
- ② 国別援助方針のあり方
- ③ プログラム戦略の策定とセクターベースの事業管理
- ④ 現地事務所への権限移譲
- ⑤ 透明性と情報発信
- ⑥ SWAPs や財政支援への関わり方

以上の情報収集・分析を文献調査、関係者（ドナー、タンザニア政府関係者、セクター戦略／プログラム策定に関わったコンサルタント、日本側関係者）との意見交換をもとに行う

資料 1 2

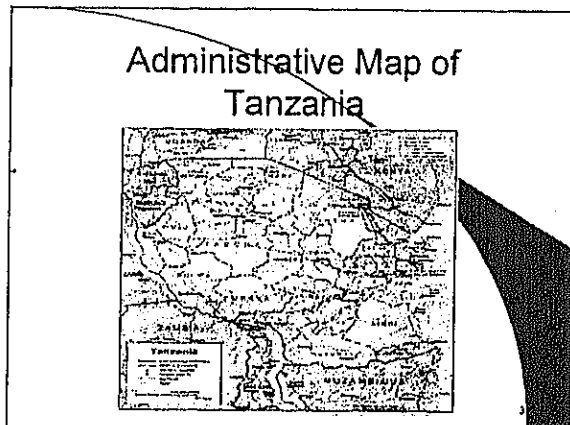
ESRF 中間報告時の資料

**THE BUDGET PROCESS AND
INSTITUTIONAL SET UP OF
AGRICULTURAL MINISTRIES AND THE
LOCAL AUTHORITIES**

By
Prof. H. K. Ruvumbe
Mr. J. Ulangu
Mr. D. Macha

Contents

- Introduction
- Administrative Structures, Roles and Relationships in the Districts, Regions and Central Ministries
- The Legal Framework for the Budget Formulation Process
- Budget Formulation Process
- Central and Local Government Revenues
- Financial Flow Mechanism
- Financial Accountability, Auditing and Confirmation Mechanism
- Capacities of Local Government Authorities



- Introduction**
- **Background**
 - Recent improvements in the budgetary process (PER, MTEF, IFMS)
 - Current budget provides for new realities domestic and internationally
 - Local Govt reform has brought changes in the system of service delivery in regions and local authorities
 - Resulting into interest by donors and other stakeholders in understanding the budget formulation process

- Introduction**
- **Objectives of the Study**
 - General Objective**
 - Provide an understanding of the budgetary process, financial flow and administrative reporting systems in the central and local government, especially as related to the agricultural sector
 - Specific Objectives**
 - Reviewing budgeting process, identify actors, regulations, responsibilities, timing and powers
 - Analyze the disbursement process

- Introduction**
- **Objectives of the Study (specific)**
 - Analyse the reporting system
 - Analyse the current revenues and expenditure structures
 - Review the auditing and confirmation mechanism
 - Explanation of the LGA and Agric. Activities
 - Review the org. structures and relationships
 - Assess the district human and physical resources capacity

Introduction

- Approach & Methodology
 - Study Methods
 - Literature review
 - Field Interview
 - Fieldwork covered:
 - Ministries (Agr. Ministries, Ministry of Finance and PORA)
 - Institutions (NAO, Accountant General's Office)
 - Regions (Mwanza and Dodoma)
 - District Councils (Mwanza City Council, Mpwapwa, Kondoa, Missungwi and Magu Distr. Councils)

Introduction

- Sample selection Criteria
 - Districts:
 - (i) Ongoing Local Govt Reform Programme
 - (ii) Own run IFMS
 - (iii) Variation of econ. activities

Administrative Structures, Roles and Relationships

- The Country
 - 20 Regions
 - 114 Districts
 - Thousands of Wards/Villages/Streets
- Administrative Structures
 - District Levels
 - Locality/Street
 - Village
 - Ward

Administrative Structures, Roles and Relationships

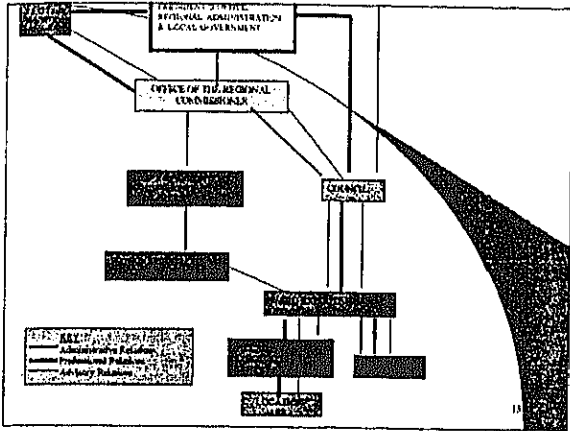
- Administrative Structures
 - Regional Levels
 - Appendix 4
- Administrative Relations
 - Local Government Reform has shifted most functions from the ministries to the Local Authorities
 - See Chart 2.1

Administrative Structures, Roles and Relationships

- Roles and Responsibilities of LAs
 - Activities of LAs
 - See Appendix 6
 - Procurement
 - District Tender Board (DTB)
 - District councils make use of Local Government Financial Intermediaries
 - Current members are made of Council's Public and Finance Committee (As per Procurement Act, 2001, the composition has changed)
 - Has powers to authorize tenders and contracts
 - Central Tender Board
 - Study the conduct of procurement of LAs to ensure full compliance
 - Enforce and monitor the conduct of Govt, regions, districts, parastatals, organisations
 - Quality and Standards
 - LAs have the mandate to set quality and standards of goods and services delivered in the districts, they however need to adhere to the principles set by the sector ministries

Administrative Structures, Roles and Relationships

- Administrative Relationship in the Villages/Wards/Districts
 - WEO represents DED in the ward
 - District Officers oversee village activities
- Administrative Relationship in the Districts/Regions/Central Ministries
 - While district councils under reform relate to regional offices through RAS, those not in reform are related via RC.
 - Councils also relate to central ministries e.g. MOF and Sector ministries (Appendix 8/figure below)



The Legal Framework for the Budget Formulation Process

- The Legal Framework
 - The Constitution of the URT
 - Public Finance Act of 2001
 - Loans, Guarantees and Grants Act, 1974
 - Local Authorities Financial Memorandum of 1997

Also, the budget formulation process is guided by budget guidelines

Budget Formulation Process

- Actors
 - District Council Level
 - Localities'/Streets' Residents
 - Councilors
 - Technical Staff at districts, regional, national level
 - Political Parties; Election Manifesto
 - Donors, NGOs, CBOs
 - Private Sector
 - Members of Parliament

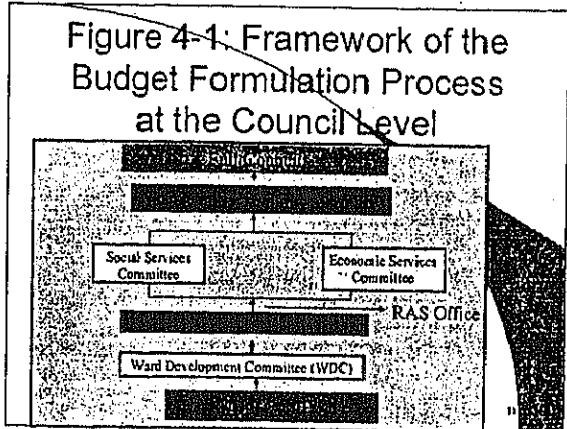
Budget Formulation Process

- Actors
 - Regional Level
 - Technical Staff such as RAS, Regional Planning Officer, Local Government Officers etc.
 - Ministry Level
 - Heads of Department, DPPs, PS, Ministers
 - National Level
 - Planning Commission, Treasury, PORALG, Task Force, Donors, Cabinet, IMTC, Parliament etc.

Budget Formulation Process

- The Process
 - District Council
 - Localities/Streets
 - Villages
 - Wards
 - District Level

See Figure 4-1

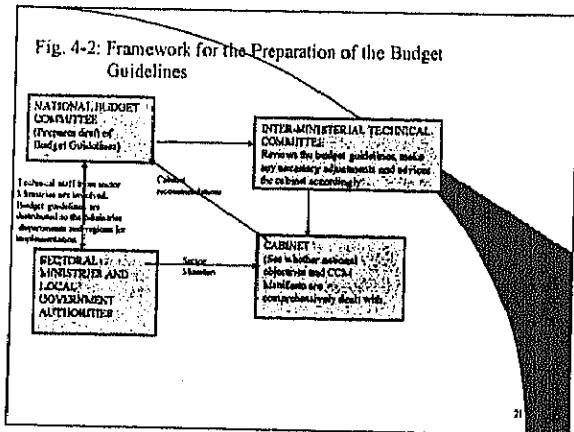


Budget Formulation Process

- The Process
 - Regions
 - Translation of National Objectives
 - Concentrates in the preparation of the recurrent budget of the regional office and coordinating the budgetary process at the District Levels
 - Regular Meetings with District Planning Officers

Budget Formulation Process

- The Process
 - National Level
 - Starts with the Preparation of the Budget Guidelines (See figure 4-2)
 - Ministerial Level
 - National Budget (See Figure 4-3)
 - Budget Time Frame (See Figure 4-4)



Budget Formulation Process

- The Process
 - Budgetary Adjustments
 - Minister for Finance has the powers to approve reallocation of funds within votes
 - Reallocations between votes should get approval by Parliament
 - Accounting Officers do reallocation after receiving reallocation warrant from the Minister for Finance
 - Absorption of ASDP in the Budget
 - What is ASDS?
 - Is a strategy showing areas of intervention for the purpose of improving Agr. Sector.
 - Is an input to RDS
 - Covers crops and livestock production & area related agribusiness

Budget Formulation Process

- How is ASDS being integrated in the budget?
 - ASDS is now developed into ASDP at national level and DADP at district level
 - Agr. Ministries are now finalizing ASDP
 - ASDP objective is to set out targets, priorities and costs of programmes/activities
 - ASDP/DADP financing would be through expenditure envelop made up of the Government, Donors, NGOs, LAs etc.

Budget Formulation Process

- The Impact of PER and MTBF
 - The PER Process
 - Adopted since 1997
 - Owned and led by the Government
 - Supports the Government in improving budget management
 - Improves donor coordination with the aim to ensure that donor assistance is consistent with budgetary objectives and priorities

Budget Formulation Process

- The Impact of PER and MTEF
 - The MTER Process
 - Adopted since 1999
 - Covers 3 years
 - Consists of projections of domestic and foreign resources, overall allocations for all spending units and detailed sectoral MTEF's for the priority sector

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Central and Local Government Revenues

- Central Government Revenues
 - Over 90% tax revenue
 - Remaining - non tax revenues
 - Tax revenue include Import and Excise Duty, VAT, Income Tax etc
 - Non Tax Revenue include Fees/Charges on Services, Proceedings from Privatization, Dividends, etc.

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Central and Local Government Revenues

- Central Government Revenues
 - Retention Funds Scheme
 - See Figure 5-1
- Local Government Revenues
 - Over 80 sources of tax and non tax revenue (table 5-2)
 - Every district chooses the best sources of revenue to administer
 - Table 5-2 shows the sources for Mpwapwa

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Central and Local Government Revenues

- Taxes on Agricultural Sector
 - Central Govt
 - VAT
 - MDV & SDV
 - Local Govt
 - Produce Cess
 - Livestock Cess
 - Both Central and Local Government
 - Forestry Royalties
 - Fisheries Revenue

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Financial Flow Mechanism

- Disbursement from Government Central Accounts
 - Made under the Cash Budget System
 - Allocation Committee sits every month
 - Payments effected by the office of the Accountant General
 - PE, OC and DE

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Financial Flow Mechanism

- Actual Disbursement of Funds
 - Ministries/Department
 - Disbursement is direct from Treasury to the Ministries/Departments
 - The Exchequer Section prepares warrant of funds
 - Utilizes the IFMS Network (See Sample of IFMS Appendix 12)

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Financial Flow Mechanism

- Actual Disbursement of Funds
 - Local Government Authorities
 - Recurrent Expenditures
 - Notification goes to LA's through the RAS
 - Funds go directly to the LA's
 - PE and OC are disbursed monthly and separately
 - Development Expenditure
 - Different from Recurrent Expenditure
 - The Funds pass through the RAS Office

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Financial Flow Mechanism

- Actual Disbursement of Funds
 - Disbursement within Local Government Authorities
 - Funds flow from LAs deposit account to departmental accounts
 - Expenditures are made after approval and signature of two signatories - Categories A and B. A comprises of heads of depts and B comprises of DED and Treasurer.

32

Financial Flow Mechanism

- Role of IFMS in the Financial Management Process
 - First rolled out in 1998/99
 - Provides online retrievable financial reports
 - It is computerized and networked
 - All ministries are covered except two - President's Office and Ministry of Defence
 - Some district councils are also covered, in a stand alone mode.

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Financial Accountability, Auditing and Confirmation

- Financial Accountability
 - Stipulated in the Constitution, Acts and Regulations
 - Accounting Officers of the Ministries are Permanent Secretaries, of the Regions are the RAS and DED for the District Councils
 - Annual Financial Reports are due by October

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Financial Accountability, Auditing and Confirmation

- Auditing and Confirmation Mechanism
 - Attesting Function to test compliance
 - Divided into: Internal Audit and External Audit
 - All Ministries/Depts/Regions/Districts are supposed to have internal auditors

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Financial Accountability, Auditing and Confirmation

- Auditing and Confirmation Mechanism
 - External Audit: The National Audit Commission
 - Carries out the Audit Services on behalf of the Parliament
 - Ensures transparency in government spending
 - There are 20 Audit Offices; one in every region
 - The CAG has powers to independently audit and report to the parliament on the accounts submitted by Accounting Officers.

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Financial Accountability, Auditing and Confirmation

- Auditing and Confirmation Mechanism
 - Problems Facing the National Audit Office
 - Inadequate of Skilled Staff
 - Inadequate of Financial Resources and Equipment
 - Weak Training Programmes
 - Weak Internal Auditing in the Regions
 - Weak Government Follow Up

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Capacities of Local Government Authorities

- Overall Capacity
 - Weak
- Financial Management Capacity
 - Many staff not well qualified
 - Capacity even weaker at the ward level
 - Internal auditing is still new or non existing

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資料 13

ファイナンシャル・メカニズム案に対する

日本のコメント

Comments on
ASDP FINANCIAL MANAMAGENET AND ACCOUNTING MANULAL
(DRAFT) Version 5, 15th Feburary 2002

JICA
20th Feburary, 2002

Page 1 line 2

Before 1.1, the following sentences should be added as 'Background'.

'ASDP is an implementation program of Agriculture Sector Development Strategy (ASDS). The door of ASDP is open to any donors, as well as any governmental ministries / agencies, any NGOs and other related actors. They are encouraged to join the implementation process using various modalities that they can apply including basket fund, budget support, multi / bilateral project and other appropriate modalities.

Page 1 line 7

The following sentences should be added.

'As noticed in the background, ASDP will be implemented by various modalities including basket fund, budget support, multi / bilateral project and other appropriate modalities suitable to different objectives. The objectives of the Manual are to describe procedures and accounting policies that are specifically required for the allocation and management of ASDP Basket Fund that have not yet applied in the agricultural sector so that the procedure has been unfamiliar to all actors.'

(*The italic sentences are the newly added sentences.)

Page 1 line 8, page 2 line 13 and other paragraphes

This manual sometimes uses the word of 'ASDP funds' and sometimes the word of 'ASDP basket funds'. They should be unified using a word of 'ASDP basket funds'.

P3 line 2

The following sentences should be added in the second line of Page 3.

'The door is open for any donor or any organization. They are encouraged to join the ASDP implementation process at any time. Specific membership of all committees is as

defined in the Institutional Arrangements of the ASDP ‘.
(*The italic sentences are the newly added sentences.)

Page 3 line 5 – 9 2.1 IMSC

PS of MAFS, MWLD, MCM and PO-RALG, instead of PMO, should chair the IMSC by rotation because of the ownership of the sector.

Page 3 line 19 –20

The last sentence ‘The committee is co-chaired by the Permanent Secretaries MAFS, MWLD, MCM and PO-RALG’ should be deleted, because this sentence seems to mention not to FASWOG but to BFC.

Page 3 line 21-23

‘Each donor active in the ASDP’ should be modified as ‘each donor active in agricultural development cooperation’. FASWOG is a kind of lobby for any donor interested in agricultural development cooperation.

Page 5 line 11

The word of ‘FASWOG’ should be dropped from ‘(a) The PS, PO-RALG is the co-chairperson of FASWOG and the BFC.’

Page 6 line 5-6

Same comment as above. ‘FASWOG’ should be dropped.

Page 6 line 11

What is the ‘council technical performance’? The meaning of this word should be clearly stated.

Page 6 line 14 –15

What is the ‘report’? Report of entire activities should be submitted to FASWOG, and only activities financed by Basket Fund should be reported to BFC. This difference should be clearly understood and stated.

Page 9 Figure

This figure should be modified reflecting the reality of agriculture sector. Especially the role of 'RS' and that of 'CHIEF ACCOUNTANT MAFS/MWLD/MCM' should be different and the different should be explained in the sentences.

P11 line 14 3.3.1 Funding budgets (d)

The word of 'Donor parallel programmes' should be changed to 'Multi / bilateral projects'.

P12 line 10

(d) 'Pooled grants from the ASDP Fund (irrespective of source of funds)' should be modified as "Grants from ASDP Basket Fund".

P12 line 13 3.4.4 The grant

The title of 'The grant' should be modified as 'Grants from ASDP Basket Fund'.

P12 line 11 3.4.1 Sources of Funding (d)

The word of 'Donor parallel programmes' should be changed to 'Multi / bilateral projects'.

P12 line 3 –4 from the bottom

The word of 'total 15%' should be modified as 'The ratio should be agreed in the discussion of FASWOG and BFC by annual basis.'

P14 line 1

Same comment as above. 'DISBURSEMENT OF FUNDS' should be modified to 'DISBURSEMENT OF ASDP BASKET FUNDS'.

Page 15 flowchart

The word of 'Basket' should be changed to 'ASDP Basket Fund (deposited at ASDP Holding Account)'. This will make clear the structure of financing.

Page 26 line 5 – end 6.2.4 The Council

The capacity of Council is very limited. Some relaxation of reporting mandates had better to be considered in the transition period, as well as investigation by ministries.

Overall (Not specific page)

It should be mentioned that this manual is a 'Rolling Document'. It means this manual should be reviewed and revised based on the lessons learned every year.

Overall (Not specific page)

Supposed that various modernity of development intervention is possible in the framework of the ASDP that is supposed to be consistent with MTEF, the manual should include a system to integrate expenditures of off-budget type projects into MTEF.

Overall (Not specific page)

It should be secured that donors put their contribution to the ASDP Holding Account AFTER the Tanzanian government put her burden of governmental money to the Account. Monitoring mechanism of this order should be included at appropriate place in the manual.

(End)