

ASDP SECRETARIAT
2003/2007 SUMMARY BUDGET ESTIMATE

(US Dollars)

ITEM	2003/2003	2004/2004	2004/2005	2005/2006	2006/2007	Total
Investment Costs						
Vehicles	50,000	30,000				80,000
Office Equipment	16,500	9,500				26,000
Office Furniture	8,000	4,500				12,500
Replacement				0,000		0,000
Sub-Total	74,500	44,000		0,000		118,500
Operational Costs						
Office Managers	51,440	87,200	87,600	87,200	87,200	400,240
Staff Services	36,764	64,066	64,068	64,068	64,068	290,634
Sub-Total	88,204	151,266	151,668	151,268	151,268	542,434
Activity Related Expenses						
	218,250	135,400	144,400	128,400	119,400	745,850
Consultancies						
Local Consultants	100,000	100,000	100,000	100,000	100,000	500,000
International Consultants	17,700	30,000	74,400		50,700	162,800
Sub-Total	117,700	130,000	174,400	100,000	150,700	662,800
Total	599,174	534,916	521,416	409,193	400,018	2,464,721
Contingencies (5%)	29,959	26,746	26,071	20,460	20,001	122,986
TOTAL	629,133	561,662	547,487	429,653	420,019	2,587,707

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF AGRICULTURE AND FOOD SECURITY

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5th June, 2002

Mr. Hanatani
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DAR ES SALAAM

RE: MTEF ALLOCATION TO ASDP QUICK WINS

As discussed and agreed during the last FASWOG Taskforce meeting attached please find a table indicating MTEF allocation to the Quick wins to ASDP. We are yet to know the figures allocated to PO-RALG, and MLHS.

As discussed during the last meeting, we will appreciate to know if donors can fill in the gaps particularly on operationalisation of ASDP and TA for various studies.

S. E. Kaduma
S. E. Kaduma

For: PERMANENT SECRETARY

Annex 3: INCREMENTAL BUDGET TO IMPLEMENT ASDP FOR
THE YEAR 2002/2003

	RESPONSIBLE	USD	TSHS	TSHS: INCLUDED IN MTEF FOR 2002/03
1. Strengthening LGAs capacity for preparation and implementation of District Agricultural Development Programme (DADPs):				
Preparation of guidelines for preparation of DADPs	MAFS	9,350	9,163,000	9,163,000
LGAs capacity in participatory planning strengthened	PO-RALG	28,280	27,714,400	
LGAs capacity in multi sectoral planning and coordination strengthened	PO-RALG	97,000	95,060,000	
Sub-Total		134,630	131,937,400	
2. Review and harmonize the legislation and regulatory framework for the agricultural sectors:				
Review and harmonise crop sub-sector legislation	MAFS	35,150	34,447,000	15,872,464
Review and harmonise livestock development legislation	LIVESTOCK	32,140	31,497,200	31,497,200
Review cooperative societies Act (1991)	MCM	20,000	19,600,000	19,600,000
Sub-Total		87,290	85,544,200	
3. Streamline legal access to land				
Legal and physical access to land procedures streamlined	MLHS	72,800	71,344,000	
4. Remove barriers to cross border trade				
Barriers to cross border trade for livestock products removed	LIVESTOCK	87,827	86,070,460	86,070,460
5. Streamline registration procedures for formation of farmers groups and associations				

	Develop guidelines for the formulation and registration of farmers groups and association	MCM	13,575	13,401,500	13,401,500
6.	Response to outbreaks of crops and livestock pests and disease				
	Control of Brucellosis Tuberculosis and other outbreaks	LIVESTOCK	185,283	181,577,340	181,577,340
	Response to outbreaks FMD, CBPP, ASF, Rinderpest, Newcastle (1,877,800 - 800,000)	LIVESTOCK	1,077,800	1,056,244,000	1,056,422,000
	Response to outbreaks for army work guinea guinea, locusts, rodents etc (1,634,428 - 507,812)	MAFS	1,126,616	1,104,083,680	400,000,000
7.	Produce and distribute foundation and breeder seed for on farm certified seed production				
	Bulking Breeder seeds	MAFS	182,653	178,999,940	To be covered under TARP II
	Foundation seeds	MAFS	263,700	258,426,000	
	Pasture seeds	LIVESTOCK	137,755	134,999,900	134,999,900
	Sub-Total		584,108	572,425,840	
8.	Operationalisation of ASDP				
	Coordination role of ASDP (including secretariat)	MAFS	348,240	341,275,000	120,000,000
	T.A for various studies (lumpsum)	MAFS	300,000	294,000,000	
	Sub-Total		648,240	635,275,200	
9.	Rural Roads				
	Study on generic issues institutional and financing arrangement for Rural Roads	PO-RALG	110,000	107,800,000	
10.	Food Security Policy				
	Food Security Policy formulated	MAFS	73,000	73,500,000	35,000,000
11.	Draft Power				
	Animal power promoted	MAFS	81,980	80,340,400	To be covered under NAEP II
	Grand Total		4,385,249	4,199,544,020	

Exchange Rate 1 USD = Tshs.980/=

TERMS OF REFERENCES FOR THE UPDATE OF PUBLIC EXPENDITURE
REVIEW FOR AGRICULTURE SECTOR
(PER) FOR FY 2002/2003

1. INTRODUCTION

The agriculture sector claims a distinct position in Tanzania as the key engine for economic growth and poverty reduction in the medium term. Agriculture is the major occupation of more than 80% of population of whom the majority live in rural areas. There is no way the country can achieve the Poverty Reduction Strategy (PRS) targets without transforming agriculture from traditional subsistence farming to commercial farming. Deriving from this fact, the government has since early 2001 formulated the Rural Development Strategy (RDS) and subsequently the Agricultural Sector Development Strategy (ASDS) to be the principle guiding policy initiatives for achieving the PRS objectives consistent with the national development vision 2025.

Nevertheless, successful implementation of the RDS and ASDS require substantial amount of physical and financial resources both public and private. Not only that but also it calls for efficient and effective use of the resources strategically allocated to priority intervention areas so as to register impact on the broad income poverty reduction targets in the medium and long term. The sector is on track in its initial stages of implementing the PRS targets because it is in the final stages of formulating the agricultural sector development programme (ASDP). It is expected that if the ASDP gets sufficient funding for its implementation then the agricultural sector would really claim its position as the backbone of the economy as well as a pivotal role in poverty reduction.

Therefore, the challenge facing the agricultural sector is how to link the PRS, ASDP and the MTEF within a given resource envelope in the medium term. Hence, the agriculture sector PER FY 03 amongst other important issues will aim to address the aforementioned challenge.

1.1 Focus of the Study

The thrust of this year's PER will continue to be poverty reduction, focusing on the sectoral issues raised in the Poverty Reduction Strategy (PRS). Nonetheless, this year's PER study amongst other relevant issues will aim at (a) undertaking costing of priority expenditure programmes and activities to feed into the budget guidelines; (b) Link the PRS, ASDP and MTEF (c) establish broad performance targets and indicators in the context of the MTEF.

In order to fulfill the above focus, the agriculture sector study will need external support (consultancy) to supplement its internal/local capacity built in the previous PER's undertakings.

2.0 SPECIFIC TERMS OF REFERENCE

(i) Introduction:

- Objectives and Major focus of PER 2003;
- Institutional Reforms and their impact to the Agriculture Sector;
- Overview of action planned in FY 03 in response to PER FY02 findings.

(ii) Assess the Agricultural Sector Performance:

- Agriculture and the Economy
- The performance of the agriculture sector
- Major constraints to agricultural sector development in the country
- Prospects of the agricultural sector.

(iii) Analyze the recurrent and development Budget performance for the past three years and for the current fiscal year:

- Assess trends in planned expenditure and actual disbursement at sectoral and sub-sectoral levels (including central - local government split) with respect to Policy and PRS Objectives
- Review and justify deviations in budget performances (budgeted vs. actual expenditure)
- Assess planned versus actual resource allocation in FY02 at agriculture sector and sub-sectoral levels highlighting any notable new developments and their relationship with the FY 03 budget.
- Analyze non-wage expenditures (OC) by major expenditure items over the past three years and assess the relationship between budgeted actual

longer comparison to
actual - actual
possible?

expenditure for at least five largest budget items with respect to the objectives of the agriculture sector.

- Identify expenditure items which have benefited from increased budget allocations and actual expenditures of the agriculture sector.
- Analyze revenue collection by the agriculture sector.
- Undertake a detailed review of the agriculture sector project portfolio.
- Indicate how the decentralization affects the sector's expenditure programme
- Review the latest report of the controller and Auditor General and actions taken by the sector to address the major queries raised

(iv) **Review of existing plans and strategies for the Agricultural sector, with a view to harmonize the PRS, ASDP with the MTEF.**

- Re-aligning and affirm the agricultural sector priorities and articulate links between the inputs and outputs identified in the MTEF and the ASDP / PRS objectives
- Assess the impact of the Agriculture Sector Development Programme (ASDP) on the PRS targets under the broad income poverty targets in the medium term.

(v) **Undertake/refine costing of priority intervention over the medium term and their impact on PRS targets.**

- How? →
- Undertake costing of priority interventions in the ASDP
 - Compare the financial requirements for meeting PRS targets to projected resource availability for the sector
 - Review options for restructuring expenditure to meet the targets
 - Spell out the implications of the given options and recommendations

(vi) **Review the key performance indicators that will be used to monitor progress**

- Identify annual indicators and medium term impact measures
- Relate indicators with the PRS and information being collected through the poverty monitoring process
- Review sector performances with respect to indicators

(vii) **Crosscutting Issues (HIV/AIDS, Gender and Environment):**
Identify cross-cutting - related activities with great impact in agriculture sector and costing to be included in the 2003 / 2004 Budget and MTEF FY 2003/04 - 2005/06.

(viii) **Indicate the Medium-Term Plan and Budget Framework**

- Review costing of priority interventions with respect to resource ceiling

- Develop Medium – Term Plan and Budget framework projections for the agriculture sub sectors.

(viii) **Conclusion and recommendations of PER – Study**

- Summary Of Major Findings
- Conclusion from the study
- Policy recommendation

2.0 STUDY APPROACH AND METHODOLOGY

The study will involve fieldwork, deskwork and interviews to collect information and data from selected District Councils and respective sector Ministries. In carrying out the agriculture sector PER study it is proposed that a consultant to supplement the capacity of the local experts team. The study report is expected to be an input in the preparation of the Medium Term Expenditure Framework (MTEF) for 2003/04 – 2005/06.

4.0 EXPECTED OUTPUT

The following are expected to be produced:

- A document summarizing the conclusions from the above analysis.
- A draft MTEF for 2003/04 – 2005/06 for the agricultural sector, and
- Detailed tables showing budget, actual and commitment expenditure

5.0 TIME FRAME

The expected time for the study will be five months. The study will be carried out from September 2002 to January 2003. Time allocated for external consultants will be from effective from October 2002. However, the output for the costing of priority programmes is required to be submitted by mid November to feed into the budget guidelines.

Consultancy:

A Consultant will be required to facilitate the government team in the following areas:-

1. Review of existing plans and strategies for the Agricultural sector, with a view to harmonize the PRS, ASDP with the MTEF.
2. Review key performance indicators for agriculture sector that will be used to monitor progress. Indicators should be reviewed in line with the poverty monitoring indicators being developed as part of PRSP process.

3. A consultant will also be required to assist the government team to fine tune the PER report

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THE UNITED REPUBLIC OF TANZANIA



PUBLIC SERVICE REFORM PROGRAMME

OPERATIONALISATION OF THE SELECTIVE
ACCELERATED SALARY ENHANCEMENT SCHEME

15 February, 2000

Civil Service Department
President's Office

OPERATIONALISATION OF THE SELECTIVE ACCELERATED SALARY ENHANCEMENT SCHEME

1. Introduction

1.1 This document examines issues related to Local Cost Compensation (LCC) and its rationalization, and then presents an approach to transform the present ad hoc LCC arrangements into a more systematic scheme which redresses the limitations of the current incentive regime. A framework is developed for a selective accelerated salary enhancement (SASE) scheme for managerial, professional and technical personnel. This scheme will be complementary to the medium-term pay strategy.

1.2 Many of the problems associated with poor service delivery, weaknesses in policy formulation and monitoring, low (and/or declining) standards of performance—are related in part to the low level of remuneration, the lack of an appropriate incentive regime, and the inability of the Government to attract and retain appropriately qualified managerial, professional, and technical cadres. Now that efforts to reform the public service and to improve service delivery have taken center stage, enhanced work performance and capacity building have assumed greater importance in the public service reform process.

2. Local Cost Compensation: Rationale and Impact

2.1 Local cost compensation (LCC) narrowly defined is the term generally used to refer to the incentive payments and salary supplements donors provide to key positions in the public service and in donor-funded projects, as well as the salaries paid to local personnel contracted to facilitate donor projects. More broadly defined it would include any direct and indirect monetary benefits that government personnel derive from donors. These include topping-up of salaries, extra duty or overtime allowances paid to civil servants for working on donor-funded activities, for example, sitting and attendance allowances for participating in donor-funded workshops, meetings or committees.

2.2 LCC payments have been perceived as being required to attract, retain and motivate personnel, as well as to ensure higher levels of performance and commitment from otherwise low paid and (potentially) demotivated public servants. LCC salary supplements have been generally far higher than the basic salaries paid to civil servants with comparable responsibilities, though these vary significantly from donor to donor, project to project, as well as within a project depending on the funding arrangement.

2.3 For FY99/2000, the total expenditures of all donors on LCC support combined are estimated at between US\$50 million and \$100 million. With the FY99/2000 government wage bill budgeted at TShs.287 billion (roughly US\$347.5 million at the current exchange rate), LCC support broadly defined is estimated at the equivalent of between 14.4% and 33.8% of the total government wage bill (and 17.9% to 35.7% of the non-military wage bill). If this level of LCC is accurate, then the government wage bill is understated due to the fact

Operationalisation of the SASE Scheme

that direct and indirect LCC support and donor salary supplementation, are not taken into consideration.

2.4 While LCC support is significant in its size, both donors and government view such support as an inefficient, second-best solution. The major drawbacks of the present arrangement are:

- a. vertical and horizontal inequities in the public service compensation are reinforced since:
 - i. conditions of service vary from donor to donor, leading to inequities with the LCC arrangement;
 - ii. personnel who receive LCC earn much more than their colleagues in the same grade who are, perhaps, doing similar jobs;
 - iii. junior personnel who receive LCC may be better paid than their superiors who have more responsibilities;
- b. the selection of LCC recipients is not always based on merit and is often not transparent:
 - i. in some cases, donors know who they want to hire because of prior interaction;
 - ii. in some cases self-selection is practiced as the more diligent and competent personnel tend to pursue donor-funded positions;
 - iii. still, in other cases, even when the recipient is nominated by his/her ministry or department the selection process may not be seen as transparent.
- c. the salary supplementation is anomalous, as in the majority of cases it:
 - i. bears no relation to what the government can afford in the medium term;
 - ii. does not promote long-term capacity building within the public service; and
 - iii. gives no consideration to sustainability of this support for funded posts; and
- d. the numerous donor-funded workshops, seminars, conferences, and travel per diems, while providing indirect salary supplements, take the best public servants and senior management away from their regular duties, with little positive contribution to improved service delivery and/or policy formulation and implementation.

2.5 Given the short-term wage bill constraints, the government will have difficulty enhancing salaries of all skilled personnel within the next few years and thus risks disillusioning the core technical and professional personnel. However, the introduction of a targeted salary enhancement scheme may provide the pay incentives required to jump-start the public service reform effort and improve performance and services in the near term.

3. Rationalising/Systematising Salary Enhancement

3.1 Reinvigorating the government and improving service delivery will require, among other things, addressing human resources problems in the public service:

- a. attracting and retaining professional, managerial and technical personnel with requisite skills;
- b. motivating personnel towards desired levels of performance;

Operationalisation of the SASE Scheme

- c. undertaking necessary training and capacity building;
- d. building institutional structure for improved team performance: (minimising the islands of prosperity which currently exist in the world of donor-funded projects and programmes); and
- e. paying adequately within the government resource envelop and raising salaries over time to move towards a reasonable living wage.

3.2 A consistent pay reform strategy, which systematically raises compensation for all civil servants, is the long-term goal of Government. However, given the current lack of resources, a concentrated effort is required as a minimum to restore human and motivational capital and goodwill (embodying honesty, integrity and commitment to performance) of key managerial, technical and managerial cadres within the public service.

3.3 Inasmuch as donor-supported intervention complements Government's pay strategy it will facilitate improved performance and capacity building in the public service. Rationalising and harmonising LCC may be desired, but this in itself would do little to address the broader incentive and capacity building problems. There is a need to go beyond LCC interventions towards the development of a scheme that supports efforts to address the broader problems. Rather than merely rationalising LCC, it is proposed that donors pool a proportion of the resources that they would normally earmark for LCC and contribute a portion of these funds to the establishment of a scheme that will better complement the medium-term pay reform strategy. By doing so, LCC as an ad hoc arrangement could be transformed into a systematic scheme where donors collectively support the government's efforts to improve its capabilities to attract, retain and adequately motivate its personnel and build the requisite human resource capacity to facilitate improved service delivery and strategic outputs. This scheme is hereinafter referred to as the Selective Accelerated Salary Enhancement (SASE) scheme. It is proposed that through the SASE scheme donor-funds support an accelerated pace of salary enhancement for managerial, professional and technical personnel.

3.4 The idea is that donor support for SASE type schemes can contribute to raising public sector efficiency and improving service delivery is not unique to Tanzania. There are examples of similar programmes in Mozambique and Bolivia, where the respective governments have embarked on efforts to bring rationality to LCC type interventions. Multilateral and bilateral donors in these countries are providing assistance to the respective governments to finance five-year SASE schemes. Through these schemes donors will finance, on a declining basis, a portion of the incremental recurrent costs for increased salaries for managerial and professional positions in the government.

4. Mechanisms for Implementing the SASE Scheme

4.1 The SASE scheme will be implemented as follows:

- a. The government will adopt and adhere to a medium-term target pay structure, which covers the period FY2000/01 through FY2004/05.
- b. Donors would agree to provide the government with budgetary support to supplement salaries of SASE scheme recipients, i.e. such donor support would allow the government to pay many of its core personnel FY2004/05 salaries in

the current fiscal year:

- c. All personnel of a particular grade and step/increment, whether SASE recipient or non-recipient, will be entitled to the same basic salary, as is currently applicable. The salary structure for each fiscal year will be set out in the medium-term pay reform programme. The difference in compensation between SASE scheme recipients and non-recipients will be the positions that they hold and whether salary supplementation is afforded to that position. Within the funding limits, positions deemed as key/critical will be included under the SASE scheme and afforded salary supplementation. The amount of the supplement in a given fiscal year will be the difference between the target salary and actual basic salary for that fiscal year.
- d. Each fiscal year, as the government makes salary adjustments in line with the medium-term pay reform programme, the gap between target salary levels and actual salary levels will be reduced, thus reducing the donors' financial commitment, as the government's ability to pay competitive compensation rises.

4.2 With SASE, the long-term sustainability of the salary levels is not at issue, since the target salary structure is based upon an affordable wage bill five years hence. As annual salary levels converge towards the target levels, donors support is reduced.

Selection of SASE Scheme Recipients

- 4.3 MDAs will use their strategic plans to identify positions that are deemed critical to service delivery, public service reform efforts, and strategic government outputs. These are the positions most critical to the success of efforts to reinvigorate the government improved service delivery and enhanced policy formulation and implementation. (It is estimated that approximately 1,500 to 2,300 recipients will be identified using this approach.)
- 4.4 Transparent criteria will be used to select personnel for SASE. Ideally management teams will jointly agree on the criteria for selection, the selection process and the nominees. These teams should adhere to merit principles and practices as set down in Government's new Management and Employment Policy. This will include selecting candidates who have a track record for producing results.

Piloting the SASE scheme

4.5 The SASE scheme will be piloted in select MDAs before it is extended to the public service as a whole. Adopting the pilot programme approach will allow more learning by doing and provide scope for some experimentation to learn what works before the scheme is extended to other MDAs.

4.6 It is proposed that the SASE scheme be piloted in six MDAs, these are:

- a. Civil Service Department - CSD;

Operationalisation of the SASE Scheme

- b. Ministry of Agriculture and Co-operatives - MoAC;
- c. Ministry of Water - MoW;
- d. Ministry of Finance and the Planning Commission
- e. Ministry of Health - MoH; and
- f. Water Drilling and Dam Construction - WDDC.

4.5 These organisations were selected as pilot institutions for the performance improvement model, given their lead role in change management and their potential impact on the socio-economic well being of the average Tanzanian citizen. Also these MDAs are well advanced in the formulation of their strategic plans and are now poised for implementation of their respective reform programmes. MoH is also included as a potential model for other sectoral ministries.

3. Costs and Financing Requirement to Operationalise the SASE scheme

3.1 The cost of the SASE scheme, and hence its financing requirements, will be determined by:

- a. the number of salary supplement recipients;
- b. the average salary supplement per recipient, which in turn will be a function of:
 - i. the medium-term pay reform programme salary scales adopted by the government;
 - ii. the extent to which the Job Evaluation and Re-Grading report recommendations and the ministry-by-ministry re-grading proposals are adopted and implemented and the timing of this implementation; and
 - iii. the approach adopted to implement the scheme:
 - immediate full enhancement; or
 - two-phase enhancement.

Costing the Implementation of SASE

3.2 Implementation of the scheme for approximately 2,500 technical, professional and management personnel will require additional expenditures of approximately Tshs 12,522 billion (or US\$15,666 million) over the five year period. Given Government's current difficult financial situation, donors will be asked to assist in the implementation of this scheme.

Financing the SASE Scheme Fund

3.3 A special SASE Fund will be established to finance the pilot programmes. Much of the finances that multilateral and bilateral agencies currently spend on ad hoc LCC arrangements should be pooled into the collected SASE Fund. Additional moneys could be pledged by donors to support the fund. Some sector and/or project support could also be channelled through the fund to complement other direct financial support for sectoral projects and programmes.

3.4 If it is agreed that expenditures are diverted away from the present LCC arrangement, little in the way of additional funding would be required by donors to meet the costs of the

Institutionalisation of the SASE Scheme

SASE. Currently, it is estimated that the amount of donor funds that go towards covering LCC directly and indirectly amounts to between \$16.3 million and \$50.0 million. Donors should put a portion of these funds into the SASE scheme fund, instead of engaging personnel directly and engaging civil servants on short-term consultancies. Benchmarks would be agreed between the government and donors on the continuation of funding and monitoring will be engaged as in any other funding effort.

6. Performance Standards and Enhanced Salaries

6.1 Past experience in Tanzania and some other countries in need of public service reform has made clear the point that paying workers salaries that are too low is inefficient. As pay stagnated and declined in real terms, service quality and delivery deteriorated and performance standards declined significantly.

6.2 It is recognised that salary enhancement of selected posts will not in itself lead to improved performance and service delivery, nor necessarily to increased commitment to work. A framework for institutionalising good performance requires, among other things:

- a. assigning the right person to perform the right job/task;
- b. providing fair compensation for the work effort and appropriate incentive payments (salary differentials related to skill acquisition and meeting and exceeding performance expectations);
- c. setting clear and realistic work objectives and guidelines;
- d. providing adequate and appropriate training and scope for skill acquisition (generally through learning-by-doing);
- e. appropriate supervision, monitoring of work performance and a fair, objective and transparent appraisal/assessment process; and
- f. that the incentive regime makes a distinction between excellent, good and poor performers; and
- g. that rewards and penalties are both vital for a well functioning regime:
 - i. diligence and exceptional performance should be rewarded;
 - ii. lax or poor performance should be penalised, with the minimum penalty in the case of SASE recipients being transferred to a post without salary supplementation;
 - iii. consistent poor performance or unacceptable work practices should lead to dismissal from the public service.

6.3 An objective staff performance appraisal system will be introduced to measure performance and to tightly link incentives and promotions to performance. The system will set objectives and targets for staff so as to:

- a. assess performance and determine whether an increment is merited;
- b. identify exemplary performance so as to award merit-pay bonuses; and
- c. grant promotions based on merit rather than on longevity of service.

6.4 Such an appraisal system requires that all personnel have up-to-date job descriptions and that these are adequately detailed, specifying outputs, quality considerations and time frames for completion of tasks, as well as other objective criteria.

7 Principles to be applied under SASE

7.1 From a strategic perspective, it is vital that over the medium- to long-term, significant progress is made towards sustainable capacity building in the public service. This capacity is crucial for significant improvements to be achieved in the performance of the public service: in policy-making, in facilitating and regulating the private sector, in quality delivery of essential public services; in building administrative and managerial capacity to sustain the reform effort. Significant enhancements in public service pay, especially in technical and professional grades, is needed to create the incentives for both building and effectively utilising capacity.

7.2 It is desirable to introduce a SASE scheme adopting accelerated salary enhancement for all professional and technical personnel with immediate effect. This would clearly improve the competitiveness of the government in its efforts to attract, retain and capacity-build personnel with the requisite skills for improved performance of the public service. However, given present resource constraints and performance management limitations, this may not be feasible. Given the limited resources available and projected over the medium-term period, the SASE scheme will therefore be introduced on a selective basis. Salary supplements should be targeted to positions that are critical to improving service delivery, managing the reform process, and provision of quality strategic outputs. The scheme will be piloted, and the reform effort will benefit from learning-by-doing and experimentation, before the scheme is extended to other MDAs.

7.3 Incorporating the SASE scheme as a complementary element of the consistent medium-term pay reform strategy will result in a more systematic strategy to improving compensation of the core public service personnel. This will also enhance the concerted effort to restore human and motivational capital and goodwill (embodying honesty, integrity and commitment to performance) to the public service.

7.4 If the government does not achieve its revenue targets and the actual wage bill ceilings for a given fiscal year is lower than the target ceiling (resulting in a greater than anticipated divergence between the target and actual salary levels), the government will alert donors in advance regarding the likely shortfall and negotiate with donors on the action(s) to be taken, including possibly:

- a. reducing the amount of SASE scheme funding for that year, to a level consistent with the revenues available; or
- b. increasing the amount of donor support required to bridge the shortfall; and/or
- c. extending the period of financial support for another fiscal year or so, as circumstances dictate.

7.5 The guiding principles for transforming LCC ad hoc arrangements into a systematic salary enhancement scheme are as follows:

In the medium-term the government will take responsibility and accountability for improving the salary of public servants to the targets set in the Medium Term Strategy (see attached). In this regard all salary supplement payments made should be linked to the government's medium-term strategy, regardless of how it is financed:

- i. The medium-term target salary structure is felt to be realistic, i.e., the

Operationalisation of the SASE Scheme

- resulting wage bills must fit within the government's (projected) resource envelop:
- ii. Personnel should be recruited and paid directly by the government, although in part through a donor contributed fund.
 - iii. The medium-term target salary scales should serve as the benchmark for the payment of salary supplementation, as this will allow government to internalise such supplementation as and when donor support is phased out.
- b. Donors should agree to phase-out LCC ad hoc support and to support a joint fund which is to be used to provide salary supplementation for SASE scheme beneficiaries.
 - c. With effect from the introduction of the SASE scheme, no new personnel should be engaged on LCC arrangements. Where personnel are already engaged on LCC arrangements:
 - i. those whose compensation fit within the target salary level set by government should be placed under the SASE scheme;
 - ii. those whose compensation is in excess of the target salary level should have their compensation grandfathered until the project/programme is terminated. At the end of the project, if they desire to retain their public service post they must return to the appropriate target salary level.
 - iii. those with special skills (information technology experts, for example) who continue to be required by the government at the end of the project/programme should be engaged (under contract with the government); such arrangements should be consistent with the requirements of the MDAs' strategic plans.
 - d. Contract employment should be kept to a minimum:
 - i. contract employees should only be engaged where capacity in the public service is lacking or specific skills are required;
 - ii. the positions to be contracted should be consistent with the manpower requirements of the MDA as specified in their respective strategic plans;
 - iii. personnel engaged on contract terms should be competitively recruited through an open and transparent process;
 - iv. contracts should be engaged by the government, not by donors.
 - e. Establish and maintain a specific time-frame (e.g., five years) for the operation of the SASE scheme, with the government and donors agreeing on clear benchmarks for (among other things):
 - i. the implementation of the scheme; and
 - ii. the government assuming responsibility for meeting the full salaries of all personnel engaged.
 - f. From the outset all incentives payments should be linked to improved performance and based on an open and objective appraisal mechanism;
 - g. All salary supplements should conform to the target salary levels and the process of selecting participants in the scheme should be transparent and objective.
 - h. Monitoring and evaluation mechanisms would be agreed on by the government and donors to ensure that funding criteria and reporting arrangements are adhered to.

7.6 Recipients of SASE should be paid the medium-term target salaries five years hence

Questionation of the SASE Scheme

with effect, i.e. on July 1, 2000 raising their salaries immediately to the FY2004-05 level. They should be paid a basic salary by the government and a salary supplement from the proposed SASE scheme fund. The amount of the supplement should be equal to the difference between the average target (FY2004-05) salary level for their grade and their respective average monthly salary at the time that they join the scheme.

7.7 While the PIP will be managed by the CSD, the SASE scheme fund will be managed by the Treasury, as is done for the central government wage bill. Establishing a parallel payment structure at CSD for 2300 people would be too costly and create increased administrative costs unnecessarily. Further, SASE salary supplements will be paid through the central government payroll.

7.8 A distinction will be made between basic salary plus salary supplementation versus the target salary. The significance is that while basic salary may be considered an entitlement and the individual is afforded personal protection/rights, salary supplementation is not an entitlement. If the target salary is paid as a basic salary plus salary supplementation, and based on an objective performance assessment the incumbent is transferred for reasons of poor performance to a position at the same grade but does not have SASE scheme coverage, he/she would not have a claim to personal protection/rights.

7.9 Unfortunately, not all MDAs will have access to SASE from the onset of the PSRP. Initially only those MDAs that have completed strategic plans will be in a position to apply for SASE. However, donors that are providing top-ups to Civil Servants in MDAs that do not have strategic plans will, nevertheless, be expected to ensure that any top-ups that are provided to Civil Servants are within the guidelines that would have applied if SASE funds were available (as per the appendix attached).

Operationalization of the SASE Scheme

Table I
Wage Bill Gap

Category	FY0001	FY0102	FY0203	FY0304	Total Wage Bill Funding Gap
Immediate Enhancement Approach					
Average Salary Supplement per recipient (m)	152,247	143,379	92,479	55,322	
Wage Bill Gap (in bn. of T\$)	4,922	3,233	2,319	1,403	12,887
Wage Bill Gap (in mil. of US\$)	56,029	37,660	27,495	16,579	138,763

Derivation of Projected Wage Bill Ceilings for Medium-term Pay Reform Targets

Wage Bill Projections and Salary Structure Scenarios: Assumptions

A2.1 What should be the medium-term pay reform target? What salary structure should the government strive to achieve? To address these questions, detailed analyses were undertaken in the Pay Reform Implementation Study (PRIS) strategy document, on the basis of four wage-bill projections and salary-structure scenarios.

A2.2 On the basis of the analysis presented in the PRIS report, the government has indicated a preference for adopting scenario D. In this scenario the wage-bill-to-GDP ratio starts out low (at 4.4%) and then rises (to 4.9%) at the end of the time-frame. This scenario is derived under the assumption that if the government wishes to increase the wage-bill-to-GDP ratio, a gradual rise may be preferable from the balanced expenditure standpoint. This would facilitate the achievement of more pay-reform priorities over the medium term, without crowding-out Other Charges (OC).

A2.3 The analyses in the PRIS report drew upon the government's medium-term expenditure framework (MTEF) projections.¹ These projections have been subject to review and have been subsequently revised. This necessitates that the wage bill assumptions and wage-bill ceilings used to develop the preferred scenario also be revised. This is required to ensure that the salaries scales in the target medium-term pay reform strategy provide an appropriate and a realistic wage-bill fit.

A2.4 The affordability of the size and salary level of the public service depends, to a major extent, on total government revenue collected. This in turn is related to:

- the level of non-subsistence GDP; and
- the revenue mobilisation effort.

The latter factor is more subject to government control and policies.

¹ Theodore R. Valente: Pay Reform Implementation Study, *ibid.*

² United Republic of Tanzania, *Guidelines for the Preparation of the Seventh Rolling Plan and Forward Budget for the Period 1999/2000 - 2001/2002*, issued by the Vice President's Office, Planning Commission and the Ministry of Finance, Dar es Salaam, Tanzania, January, 1999. See also: Planning Commission, "Recent Macroeconomic Developments and Outlook for the MTEF Period: An Overview," presented at Public Expenditure Review FY99 Consultative Meeting, Karimjee Hall, Dar es Salaam, April 15-16, 1999.

Wage Bill Projections and Salary Structure Scenarios: Outcomes

A2.5 The GDP projections for FY2000/01 through FY2004/05 and the resulting wage-bill ceilings are presented in Table 2. The resulting wage bill ceilings are much lower than those derived in the PRIS and used for the bases of analysis. Correspondingly, salary scales will have to be adjusted (see Appendix 1 below.)

Table 2
Revenue and Wage-Bill Share of Government Revenue.
Using MTEF Assumptions

Category	FY00/01	FY01/02	FY02/03	FY03/04	FY04/05
Gross Domestic Product (in TShs. bn)	1,122.31	1,031.36	1,072.79	1,012.17	1,001.86
Revenue-to-GDP Ratio - MTEF Revenue Scenario	0.154	0.152	0.152	0.152	0.152
Government Revenue Projections (in TShs. bn)	879.463	1,001.45	1,118.01	1,211.72	1,342.29
Total Central Government Wage Bill by Scenario (in TShs. bn)	322,942.5	371,537.2	414,783.2	449,549.6	497,988.8
Wage-Bill Share of Government Revenue	37.10%	37.10%	37.10%	37.10%	37.10%

A2.6 It should be noted that the wage bill ceilings presented here are slightly different from those in the revised MTEF. In contrast to the figures presented in the table above, MTEF revised projections for wage bill ceiling over the period are:

- TShs.320,954 billion for FY2000/01;
- TShs.361,434 billion for FY2001/02; and
- TShs.404,000 billion for FY2002/03.

A2.7 This scenario is derived in a wage-bill model, with assumptions regarding the size and distribution of the government workforce. The likely beginning, end and average employment for each fiscal year are presented in Table A2.2. By assumption, government employment declines from 253,860 at the start of FY2000/01 to 223,500 by the end of FY2004/05, much slower rate of employment decline than assumed in the Medium-Term Pay Policy, which envisaged government employment declining to 225,000 by the end of FY01/02.³ A drastic, fast reduction is unrealistic, indeed the rate of employment reduction has slowed considerably during the past year because more teachers, protective service workers (police) and professional and technical personnel were added to the government payroll. The number of personnel in the IGTS scale peaked at 123,085 in July 1997. By July 1998, the figure had declined to 119,934, before reaching a low of 118,368 in December

³ United Republic of Tanzania, President's Office, Civil Service Department, Public Service Medium Term Pay Policy, Dar es Salaam, Tanzania, November 1998.

⁴ In the absence of information about the likely changes in size of the protective service workforce over the next five years, it is assumed that their numbers will remain more or less constant over the next five years. In the case of teachers (the IGTS scale), it is assumed that the number will increase to 121,000, where it will remain. Officials at the Ministry of Education would not speculate as to the future growth of the teaching workforce. They pointed out that 2,500 new teachers were already approved. Some had already been added to the payroll. The projection for future teacher requirements would await the completion of the teacher audit and would depend upon the implementation of the education policy that changes the pupil-teacher ratio from 37-to-1 to 45-to-1.

Operationalisation of the SASE Scheme

1998. Between December 1998 and March 1999, the figure rose by more than 1,500 (to 119,893).

Table 5
Government Civilian Employment Assumptions
FY2000/01 through FY2004/2005

Category	FY2000/01	FY2001/02	FY2002/03	FY2003/04	FY2004/05
Beginning FY Employment Level	245,360	245,181	243,940	238,726	226,326
End of FY Employment Level	245,191	237,966	231,884	227,425	225,312
Average FY Employment Level	249,000	241,573	237,655	233,075	225,864

A2.8 Of course, a slower employment reduction would slow down the realisation of pay-reform targets. However, the employment projects are consistent with the strategies proposed by the various sub-components of the PSRP.

A2.9 From the projected wage-bill ceilings data, using the wage bill model the report develops a medium-term target salary structure for the government. These data are presented in Appendix 1 below.

Appendix 1:

Target Salary Scales
FY2000/01 through FY2004/05

Communication of the SASF Scheme

Target Salary Structure for FY2000/01 Using New Grading Scales		
Grade	Minimum Salary	Maximum Salary
A	47,529	51,709
1	47,529	51,709
B	52,847	57,494
2	52,847	57,494
C	77,517	85,940
3	77,517	85,276
4	87,323	95,940
D	98,242	116,948
5	98,242	105,924
6	108,466	116,948
E	120,456	154,887
7	120,456	132,961
8	137,615	154,887
F	160,308	210,181
9	160,308	180,428
10	186,743	210,181
G	217,957	321,163
11	217,957	247,224
12	258,371	281,779
13	258,204	321,163
H	333,048	484,803
14	333,048	365,053
15	378,597	417,217
16	434,740	484,803
I	583,798	662,393
17	583,798	662,393
J	690,876	720,583
18	690,876	720,583
K	699,017	743,268
19	699,017	699,876
20	743,268	743,268
L	789,350	789,350
21	789,350	789,350
M	838,290	838,290
22	838,290	838,290
N	890,264	890,264
23	890,264	890,264

Target Salary Structure for FY2001/02		
Using New Grading Scales		
Grade	Minimum Salary	Maximum Salary
A	55,300	60,163
1	55,300	60,163
B	61,487	66,894
2	61,487	66,894
C	90,307	111,625
3	90,307	99,218
4	101,599	111,625
D	114,304	136,068
5	114,304	123,242
6	126,200	136,068
E	140,150	180,209
7	140,150	164,699
8	160,113	180,209
F	186,516	244,543
9	186,516	209,926
10	217,273	244,543
G	253,591	373,670
11	253,591	287,642
12	298,285	327,646
13	339,977	373,670
H	387,496	559,730
14	387,496	425,698
15	441,657	465,427
16	504,844	559,730
I	583,798	662,393
17	583,798	662,393
J	690,876	720,683
18	690,876	720,683
K	765,980	814,237
19	765,980	814,237
20	865,534	865,534
L	920,062	920,062
21	920,062	920,062
M	978,026	978,026
22	978,026	978,026
N	1,039,642	1,039,642
23	1,039,642	1,039,642

Target Salary Structure for FY2002/03 Using New Grading Scales		
Grade	Minimum Salary	Maximum Salary
A	63,377	88,950
1	63,377	88,950
B	70,467	76,664
2	70,467	76,664
C	104,263	128,876
3	104,263	114,551
4	117,301	128,876
D	131,969	157,096
5	131,969	142,288
6	145,703	157,096
E	161,809	208,059
7	161,809	178,807
8	184,858	208,059
F	215,341	282,335
9	215,341	242,869
10	250,851	282,335
G	292,782	431,418
11	292,782	332,096
12	344,383	378,513
13	382,518	431,418
H	447,381	653,772
14	447,381	491,719
15	509,912	583,712
16	586,260	653,772
I	688,422	803,785
17	688,422	803,785
J	846,386	891,244
18	846,386	891,244
K	947,393	1,007,078
19	947,393	1,007,078
20	1,070,524	1,070,524
L	1,142,249	1,142,249
21	1,142,249	1,142,249
M	1,218,780	1,218,780
22	1,218,780	1,218,780
N	1,304,095	1,304,095
23	1,304,095	1,304,095

Target Salary Structure for FY2003/04 Using New Grading Scales		
Grade	Minimum Salary	Maximum Salary
A	70,046	76,208
1	70,046	76,208
B	77,885	84,734
2	77,885	84,734
C	114,391	141,394
3	114,391	125,879
4	128,695	141,394
D	144,788	172,356
5	144,788	156,109
6	159,856	172,356
E	177,526	228,269
7	177,526	195,956
8	202,814	228,269
F	236,259	309,760
9	236,259	265,911
10	275,218	309,760
G	320,602	466,051
11	320,602	362,214
12	374,923	410,982
13	425,263	466,051
H	482,363	690,722
14	482,363	528,628
15	547,130	599,607
16	622,991	690,722
I	724,567	836,383
17	724,567	636,383
J	877,365	920,356
18	877,365	620,356
K	983,861	1,124,318
19	983,861	1,081,247
20	1,124,318	1,124,318
L	1,204,144	1,204,144
21	1,204,144	1,204,144
M	1,290,843	1,290,843
22	1,290,843	1,290,843
N	1,386,365	1,386,365
23	1,386,365	1,386,365

A proposal for the possible ASDP Secretariat structure

JICA 02/10/2002

1. Background

1-1. ASDP workshop, held on 30th September and 1st October came to a conclusion that the structure and mandate of ASDP Secretariat should be further discussed before its actual formation.

1-2. The draft ASDP Framework and Process Document recommends the Secretariat's role as the following:

The ASDP Secretariat

The ASDP Secretariat coordinates ASDP under the direction of the ICC. It has a facilitation and oversight function and will not directly implement the main ASDP activities these are the responsibility of the districts and line ministries. The ASDP Secretariat has a Core Team of five experienced and highly motivated professionals recruited in a competitive and transparent manner from the market. The core Team is made up of a Coordinator, a Programme Officer, a Monitoring and Evaluation Officer, A communication and Advocacy Expert and a Finance and Administration Officer.

The Secretariat will be assured of the authority and technical capacity to enable it interact with stakeholders at a senior level. The Secretariat will provide the framework and resources to ensure effective coordination between the ASLM and assist them to track ASDP progress. Initially, the government and donors will finance the secretariat. However, support from other groups, especially the private sector is encouraged. The secretariat is initially established for four years, when its performance and utility will be reviewed.

1-3. The importance of the role of the Secretariat is recognized by all the stake holders. But ASLM and the other stakeholders especially the donors have yet to reach the agreement on such issues as its composition and structure.

2. Concerns and Comments

The following are the concerns and comments made by the ASLM and donors (Based on the minutes of FASWOG Taskforce held on August 22, 2002).

2-1. Common ideas

- (1) ASDP will be the core business and will provide the operational framework for the ASLMs.
- (2) ASDP has to be implemented as soon as possible.
- (3) The role of the Secretariat is crucial to the successful implementation of the ASDP
- (4) The members must be sufficiently motivated and committed to deliver according to the ToR.

2-2. ASLM

- (1) ASLMs do not have spare officers who can accomplish the task of ASDP Secretariat.
- (2) There are officers who are capable to be part of the Secretariat but those are already occupied with heavy workload.
- (3) Therefore, the Secretariat members must be recruited from the Market.
- (4) Having officers to work with highly paid Secretariat members from the Market, may demotivate them. Therefore, deployed officers from ASLMs should obtain enough salary increase.

2-3. Donors

- (1) Recruiting from the Market may take longer time than recruiting within the government system.
- (2) Ownership may be lost if ALL the Secretariat members are recruited from the Market.
- (3) If majority of the Secretariat members are from the Market, the sustainability of the Secretariat may become vulnerable.
- (4) If the Members, specially the Coordinator, are not from the government, they may find difficulty in avoiding redtape.
- (5) Donors cannot fund top-ups to government officers.

2-4. Additional information

Incrementing government officers salary is already being practiced.

- (1) Sokoine Agricultural University has almost tripled the professors and lectures salary since 1998.
- (2) ESDP is utilizing SASE (Select Accelerated Salary Adjustment) to motivate government officers taking the Secretariat function.

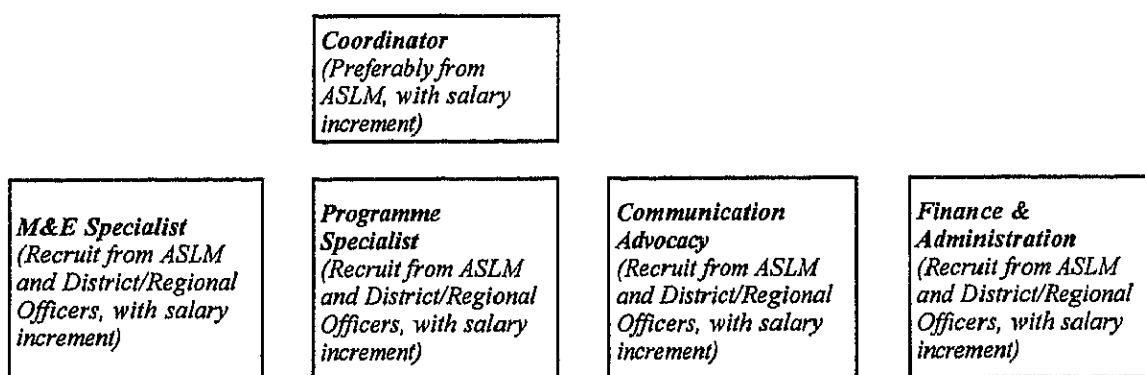
3. Conclusions led from above

3-1. Key points

- (1) It is better to formulate the Secretariat by civil servants ideally from ASLM officials.
- (2) Whether recruited from the Market or not, commensurate salaries need to be paid.
- (3) What ever options are going to be taken, an Exit-Policy/Plan must be formulated before establishment of Secretariat gets started.
- (4) The need for a quick and consensual resolution to this is essential in order to get the programme up and running. (A quick resolution will also be beneficial in terms of relations between donors and GoT and will show our commitment to getting things going.)

3-2. Options for Consideration

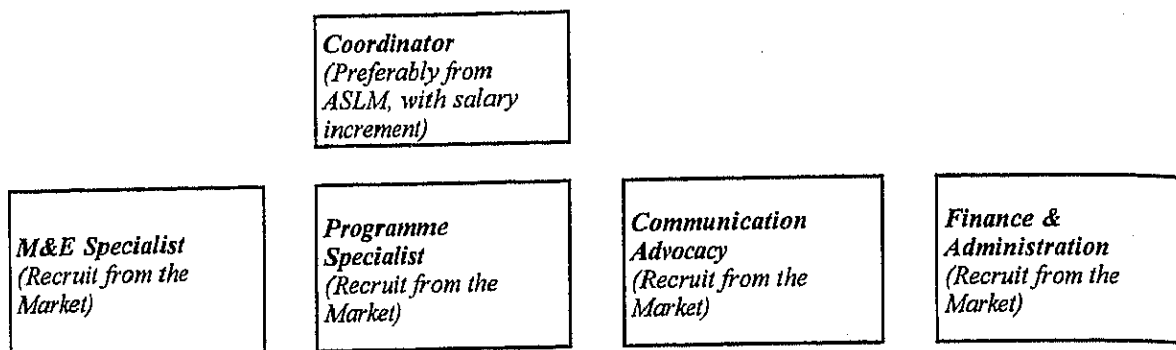
Case 1: All members drawn from the government.



Expected advantages:

- (1) Fast recruitment
- (2) All members speak same language (as government officials).
- (3) Un-tapped outstanding human resources may be found.
- (4) Likely to cost the least.
- (5) Chance to institutionalise the Secretariat function within ASLM.

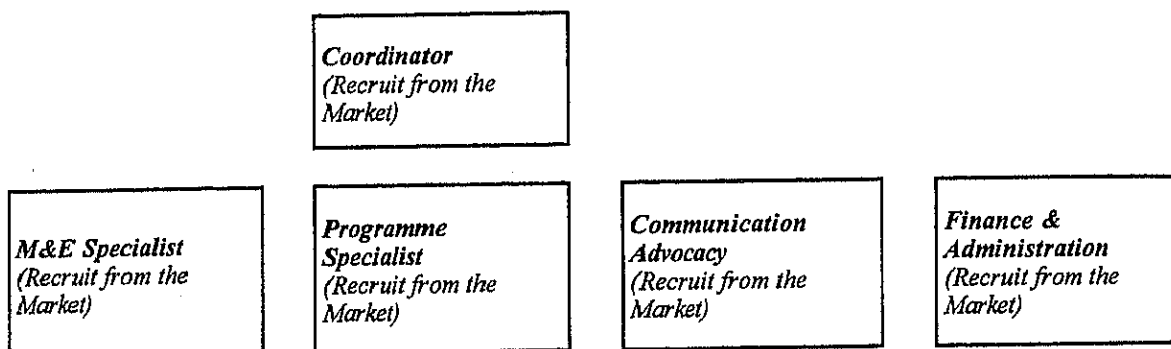
Case 2: Coordinator (leader) from the government and others from the Market.



Expected advantages:

- (1) Fast recruitment for the Coordinator
- (2) Un-tapped outstanding human resources may be found.

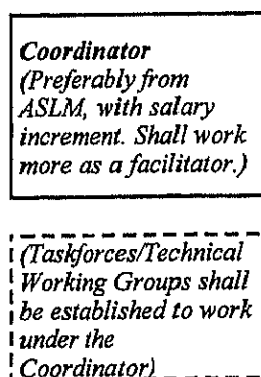
Case 3: All drawn from the Market



Expected advantages:

- (1) Has the highest chance to recruit significantly high calibre people.

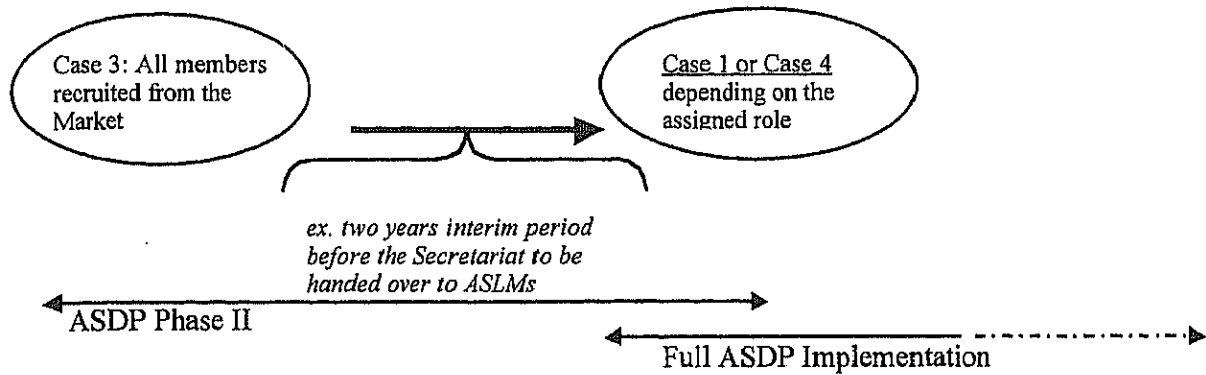
Case 4: One Government Coordinator with limited (ex. facilitative) function (as practiced in ESDP)



Expected advantages:

- (1) Fastest way to establish a Secretariat

Case 5: Start with Case 3 for limited period of time (ex. until completion of ASDP Phase II) and shift to Case 4



3-3. Remarks

- (1) An Exit-Policy/Plan to ensure the sustainability of this Secretariat function must be carefully laid specially for Case2 &3.
- (2) Decrease of the number of Secretariat members from five to three may be considered (ex. Putting M&E and Programme Specialist together, Communication Advocacy and Finance & Administration together).

(END)

CONSOLIDATED COMMENTS ON ASDP FRAMEWORK AND PROCESS DOCUMENT

October 9, 2002
ASDP Donors

1. General Comments

We observe that the current document has successfully reoriented and restructured the previous draft, and that most of the major concerns raised previously have been addressed and clarified. In addition, we welcome the flexible and open position of the current document on the future interventions and funding modalities, considering the intrinsically complex nature of agriculture sector development. We would also like to express our sincere respect for the tireless efforts taken by all the people involved in the redrafting work.

The success, we believe, will depend on the design of sub-components and interventions, which will require substantial financial/human resources and time allocated to this process. We still recognize that there is certain risk that through the split of agricultural ministries, interventions may be duplicated, which may lead to unnecessary high costs. It is therefore recommended to have a pragmatic approach and combine as many interventions as possible. Furthermore, ownership by the lead ministries supported by greater participation from stakeholders will be key to make this programme a success.

What follows hereunder are some of the issues which we deem need more elaboration in the course of finalizing the document.

2. Main Issues

(1) On Interventions and Priority Setting

While acknowledging the situation where district based activities are to be carried out without interruption regardless of the progress of ASDP and priority of these activities are to be decided primarily by districts through the formulation of DADPs, it appears necessary to establish the prioritization of actions to be taken at the national level, especially those related to theme or sub-sector wise policy/regulatory framework review (primarily covered under sub-programme B), as these are expected to set the general orientation of innovative ways of service delivery to be introduced later at the district level.

Another important part of the prioritization will be further definition of Quick Wins, given that funding may not be sufficient to cover all identified interventions. It will also be important that all ASLMs participate equally in the prioritization and Quick Wins selection.

(2) On Funding Requirement

Clear reasoning, though hypothetical and tentative, is needed to justify 20% per annum increase of development fund. And is this realistic? How will this increase be absorbed in the future government budget? How much of this development fund requires new financing (after taking into account on-going and committed fund)?

Why OC fund is assumed to receive minimum increase? Is it not OC fund that is really needed at district level to cater for operational expenditures of field staff (including extension)? If operational cost is assumed to be covered by Development Fund, what happens after the termination of donor support?

(3) On DADP Approval Process

There is need to have greater clarity on the mechanism by which DADPs are approved and financed, and respective roles of regional and central bodies in the process. The mechanism proposed must be fully consistent with the rules and regulations laid down by on-going decentralization and local government reform process.

(4) On Organizational Review of ASLMs

Is existing organizational set-up adequate to implement proposed interventions? Leaving aside the issue of reunification of three ministries (this must be outside the mandate of ASDP), is it not necessary to provide preliminary discussions on the mandates, functions, staffing & financial position, performance of central departments, regional/district cadres and affiliated training and research institutes? Or will this be part of the work in Phase II? If so, it needs to be stated in the document.

(5) On Private Sector Stimulation Measures

It is highly commendable that the current draft stresses the importance of private sector, including financial institutions, in agricultural development and reaffirms that they are the engines of agricultural production and growth (Chapter 3.1). It also identifies the roles and functions currently played or expected to be played by these actors, and sheds lights on some of the major constraints facing them at the moment.

It is however not very explicit in the current document what specific actions can be taken by the public sector to encourage private sector to play more active role in the sector. It is desirable in light of providing some entry points of discussion and elaboration to be undertaken in Phase II, some exemplary measures, or possible choices of actions to be taken by the public sector, though tentative they may be at the moment, be suggested in the main text.

(6) On Promotion of Micro Financing

Considering the limited access of small scale farmers and producers to credits and other financial services in rural areas, and their potential impacts of these services on the agricultural production and marketing, it is desired that more explicit attention be given to promotion of micro financing in the country, possibly drawing examples from on-going good practices and presenting future courses of actions to be taken by the public and private sector.

Reference should be made, in the document, to the national Micro Finance Policy both within the section on policy framework and subsequent sections on guiding principles and sub-programmes. Reference should also be made to the Bank of Tanzania Micro Finance Directors in the section dealing with institutional set-ups.

(7) On Stakeholders' Participation

Stakeholders' participation does not come through strongly in the document. The Bagamoyo workshop proved the need and value of the private sector participation; such participation now needs to be institutionalized even more than is currently proved. There are various models developed in the other countries which could be explored in this regard.

(8) On Cross Cutting vs. Cross Sectoral Issues

There needs to be a clear distinction between cross cutting – i.e. issues which all sectors need to consider and mainstream within their work such as gender, HIV/AIDS etc., and cross sectoral or inter sectoral – i.e. issues which impact significantly on agricultural productivity and profitability but are the responsibility of other sectors or general ministries, e.g. roads, lands, tax, regulation of business. These two types of require very different responses – one is requiring actions from the ASLMs themselves but with appropriate support from specialist cross cutters, e.g. gender, the other is all about the relationship between two institutions with different remits but whose operations impact on each other.

3. Editorial Points

The current document has pointed out a number of important and intriguing approaches regarding ways to institute business “unusual” in the sector. But these need some more explanations and in cases specific examples to make these points more clearer and understandable. Some of them are listed below.

(p.8, para.4) There need to be fewer controls...:
what are unnecessary, for example?

(p.17, last para.) While the new performance-linked salary structure will be one opportunity...:
Is this already implemented by the government or what is the current status of examination/implementation?

(p.18, third para from the bottom) council staff:
Does this mean Councilors?

(p.19, table5.1). A2.~A4. and B1.~B3 appear to be similar. More explanation is needed to distinguish these two sets of interventions at different level.

(p.22, para.2) ...two-way communication...:
needs further explanation on what should be done between who and who.

(p.26, para.1) ...and there will be no single MTEF for ASDP.:
what does this mean? Needs clarification.

(end)

Consolidated Comments on the "Proposed Guidelines on the Process of Participatory Planning for District Agricultural Development in Tanzania"

1. General comments

- The draft guidelines have improved since the zero draft. It is clearer now that the target group for the guidelines are not field level staff and primary stakeholders but the people at national, regional and district levels who will manage the process and compile higher level plans. (D)

- Though the above improvement could be seen, the draft TOR prepared late July is still valid, and **there seems to be a substantial shift in the intended focus of the envisaged guideline and the actual draft presented.**

This is an evidence in comparing the headings:

The heading of the latest draft "Guidelines on *the Process of Participatory Planning* for DADP"

The heading of the TOR which reads " Guidelines for preparation of DADP". (D)

Thus the title of the guideline should be renamed to "**Guidelines for preparation of DADP**" as suggested in the TOR. (M)

- **The document is still too long and wordy, and difficulties will remain in translating – the consultant should bear in mind the target audience for this guideline.** The guidelines are very general in nature and do not specify the agricultural issues in particular the general framework and orientation of ASDS and ASDP which has necessitated the formulation of DADP. **To improve this point, the list of Sub-programs and/or Quick-wins, in addition to the brief background of formulation of ASDS and ASDP (1-2 pages), should be included in the guideline.** (M) (I) (J)

- A key question is whether the guideline should be elaborated and dominated by the participatory approaches or the guidelines should take those approaches for given and being developed in the context of decentralization and LGRP. It is believed that the guidelines would improve operationally if the latter is that case and **the focus shifts from the explanation of participatory approach to elaboration of how agricultural issues can be identified, appraised, prioritized and implemented** within which ever participatory framework is used. (D)

- It should be clearly understood that participatory planning at village and ward level is not done for agriculture in isolation but for all spheres of life. **As such the participatory process should not be the central part of the guidelines** but the framework in which the guideline can be employed. **If they are a central part, there is a great risk that the development of DADP will create its own parallel planning structure with this own core teams etc.** (D)

- Much more focus is needed to address the issues outlined in the TOR chapter 5, bullet e. to g. and in particular:

- Identify the key information and data that are required for District Administrations for the development of a DADP.
- Prepare and provide a suggested table of contents of a DADP document
- District M&E framework
- Detailed procedures for disbursement of funds, accountability and reporting modalities.

- Specify the roles of different stakeholders in (planning) and implementing district programmes. (D)

- We believe that the general framework and orientation of development should be formed by the district management level (= the core team) and provided to the ward- and village-levels **before the participatory approach is applied at these levels.** In other words, it is indispensable that common recognition of the situation surrounding district agriculture sector and shared vision / objectives of future development be held among major stakeholders involved in the planning process in the district. The necessity of District Strategic Plan is clearly stated by the consultant in P19, and that is correct recognition. **Thus we propose that an exercise called “District Situation Analysis and Vision Setting” be undertaken after the proposed Step 2 “Launching of the Programme”.** The detailed works are suggested in the specific comment section. (See also the Attachment 1) (J)

- **Appropriate and user-friendly record forms should be developed and included in the draft.** If O&OD manual include some record formats, attach those formats in this guideline! **Please not say ;‘Other manual has the forms, so that get it and read it’.** The district staff will have problems in interpreting the document particularly if they are required to read it in conjunction with the O&OD manual. Apparently the LGRP donors feel the O&OD manual is weak and requires considerable editing. **A set of suggested formats are attached with this comment, and it is advised to attach them to the guideline.** (I), (J)

- The guidelines mentioned that there is a need to increase the financial analysis capacity. Whereas this is recognized that it may be doubtful if one in a foreseeable future will be able to do this at lower levels i.e. village or ward. In stead of that, it would possibly be more appropriate if a work is suggested in the guidelines to generate accurate information on farming at district level and on various farming enterprises in terms of average economic benefit both in terms of return to labor and in terms of return to land. This would create a comparison for farmers against which they can compare themselves and based on that give them a real choice of what enterprises to concentrate according to their own capacity. (D)

2. Specific Comments

Document Structure

- In order to make the document more user-friendly, it is suggested that the first 10 pages be omitted and start with a short (1-2 pages) introduction. These pages only serve to justify the use of participatory approaches and the context within the policy framework. Keep in mind again; participatory approach cannot be a central part of the guidelines. In case of necessary, this section can be annexed. (I)
- The document is a mix of processes for developing DADPs and the processes for implementation (Section 4). Section 4. will therefore become irrelevant from next year. This section should not be part of the guidelines. In case that it is necessary, this section can be annexed again. (I)

Chapter 1.

Page 2 of the preliminary draft; The Legal Basis for District Participatory Planning;

- It is suggested that the presentation follows the established structure i.e. Council level, Ward level and village level. (D)
- Section 1-2.1 is not appropriate for guidelines in nature and these sections should be more condensed. (M)

Chapter 2.

Page 6 – 11 of the preliminary draft; The whole of chapter 2.

- The chapter contains too much elaboration of participatory approaches and past experiences. This chapter should be reduced substantially to a more focused overview of existing practices. (D)
- It is noted that there is a concern that MAFS apparently is developing independent guidelines for PADEP, which would effectively create a parallel structure for agricultural planning. (D)

Page 11 of the latest draft (Oct 3); 2.1 The planning cycle

- The Budget guidelines from Central Government to ASLM are provided during January not March. (M)

Page 13 of the latest draft (Oct 3); Box 2

- PADEP is a project and not a participatory approach. (M)

Page 14 of the latest draft (Oct 3); Figure 1: Flowchart of Planning Process.;

- In reflection of the general comments raised, the 'District Situation Analysis and Vision Setting' should be stated and separated from the proposed Step2 of Launching of the Programme. In the newly created Step 3. of 'District Situation Analysis and Vision Setting', the following works should be conducted. (See also the attachment 1 (Flow chart))

Step3. 'District Situation Analysis and Vision Setting'

- 1) District agriculture fact analysis
 - Fact sheet of production, sales, agricultural population, etc.
- 2) External analysis
 - Identification of 'opportunity' (market chances, etc) and 'threats'
- 3) Internal analysis
 - Identification of 'strength' (production potential, etc) and 'weakness'
- 4) **Development of 'Vision'** and accompanied 'Goals' (Also 'Catch ward' selected)
- 5) Setting Main Development Objectives
- 6) **Selecting candidates of district's main interventions from the DADP Sub-programme List and/or Quick-Wins**

(J)

Page 18 -19 of the latest draft (Oct3); **Step 4. Development of Village Plans**

- This section should include the general framework and orientation of ASDS and ASDP to enable the LGAs translate the same in their own localities. (M)

Page 24 of the latest draft (Oct 3); **Step 7. Participatory Monitoring and Evaluation.**

- It is desirable that some examples of M/E Indicators are suggested in this guidelines, especially those at outcome and impact level. We also believe that these indicators cover at least two areas of "Productivity" enhancement (area based) and "Profitability" enhancement (household based) recognizing two major strategic objectives of ASDS.

- Productivity indicators (Quantity of production per unit km ² and per household, by each major products ¹ , by each type of farmer ²)	- ()ton per km ² ()ton per household by each product ().
- Profitability indicators (Earning from production per km ² and per household, by each major products, by each type of farmer)	- ()Tsh. per ha/acre ()Tsh.per person by each product ()

If those indicators are not included, we never know the degree of DADP progress.

Page 21 of the latest draft (Oct 3); The village plan will come up with...

- There should be an example of a "Table of Content". It must be recalled that during the workshop, there was a suggestion to make a sample content of DADP and the consultant team had agreed to put it as an annex. The proposed format is attached as Attachment 2. (J)

Page 22 of the latest draft (Oct 3). Scrutiny and Consolidation...: ...the village plans should not be amended...

- What if the ward feels that village plans lack rational and are not comprehensive enough to garner required resources from the higher level of authority. (J)

Chapter 3.

Page 12 – 24 of the preliminary draft; **The whole of chapter 3.**

- There seems to be some confusion in the use of the terms. References to the experiences by TANZAKESHO and general elaboration on participatory approaches should be left to the introductory parts of the document. Furthermore, the chapter lacks the necessary details to be used as a guideline for an actual development of DADP's. Further elaboration on the various steps and responsibilities are required. (D)

- This could be done with a brief overview on the O&OD process taking the flowchart in figure 1. Based on the flowchart, it is suggested to elaborate how agricultural issues fits in, what will be required at the various steps and the roles of different stakeholders. (D)

- The emphasis on avoiding parallel structures is appreciated. However, the proposed set-up where Core Teams and Ward Patrons play an essential role may easily lead to the establishment of such parallel structures. (D)

Page 27 of the latest draft (Oct 3). **3.1 National level**

- There should be more elaboration on this section with more inputs from ASLMs incorporated. More tangible and comprehensive argument is needed in this section so that users of this guideline at district level as well as central level will find it very useful and practical. (J)

Page 29 of the latest draft (Oct 3). **3.1.3 Contents of Instructions and Information**

- ASAC is an advisory body it cannot provide guidelines to the LGAs. Guidelines would be provided by the ASLM through PO-RALG. (M)

Page 31 of the latest draft (Oct 3). **3.3.1 Authorities Responsible for Preparation**

¹ For example, cereals (6 types: Maize, paddy, Sorghum, Bulrush Millet, Beans, Wheat), Cash crops (5 types: Cotton, Coffee, Tobacco, vegetable, fruit), Oil crops (5 types: Groundnut, Cashewnut, Sunflower, Simsim, coconuts), Livestock(4 types: Cattle, Goats, Sheep, Pigs)

- Please note District Agricultural Sector Development Advisory Team (DASDAT) has changed to District Agricultural Sector Advisory Committee (DASAC). (M)

Chapter 4

Page 25 – 34 of the preliminary draft; **The whole of chapter 4.**

- The guideline described in this chapter lacks the necessary level of details to ensure a mainstreaming of the agricultural planning in the overall district planning process and to streamline it in a regional and national context. The guideline should relate more specifically to the process presented in chapter 3 in terms of timing, content and responsible entity for the various activities i.e. guidance, planning, budgeting, appraisal, M+E etc. at the different levels. The role of the different stakeholder is in particular important in this chapter. (D)
- The table of content of a DADP with some guidance on content and presentation including budget requirements could be presented in an annex to this chapter. (D)

Page 27 of the preliminary draft; **iii**

- It is assumed that the reference is to ASDS and not to ASPSP. (D)

Page 41 of the latest draft (Oct 3). 4.4.1 Financial Analysis

- Are these recommendations such as “IRR computation” really necessary and feasible to be applied at the village level? Is it not too sophisticated to apply such analytical method at the grassroots level? (J)

Page 42 of the latest draft (Oct 3). 4.4.3 ASDP versus ASLM Budgets and Guidelines

- DADPs are part of the DDPs. Some of the agricultural activities contained in DDPs will be financed by own sources while incremental will be processed through ASDP. (M)

Chapter 5

Chapter 5 of the preliminary draft; **Outstanding issues.**

- It is suggested that this chapter should be deliberated on outstanding issues such as capacity building etc. from an agricultural point of view. Further the general co-ordination between planning support given in general and that provided as a fringe on agricultural support i.e. according to information from the DPLO in Iringa will TASAS support 20 districts among other Iringa District - are the same to be provided through ASPSP Phase II, DADS. The same source are available at other 40 districts supported by UNICEF/PO-RALG on the O& OD Process including Mufindi District. (D)