

Support Program
on
Rural and Agricultural Sector Development Phase 2
in
the United Republic of Tanzania

Final Report
Appendixes

February 2009

JAPAN INTERNATIONAL COOPERATION AGENCY
INTERNATIONAL DEVELOPMENT CENTER OF JAPAN

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The Support Program on Rural and Agricultural Sector Development Phase 2
in the United Republic of Tanzania

Final Report

Appendixes

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February 2009

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Exchange Rates
(as of January 2009)

US\$ 1 = Tsh 1,310.72

US\$ 1 = ¥ 90.44

Tsh 1 = ¥ 0.069

(JICA's Monthly Rates)

Appendix 1

Rural and Agricultural Development Advisory Group of JICA Tanzania Office (JICA-RADAG)

**The Synthesis Work on Local Government Decision-making, Budgeting and
Financial Performance for the ASDP Joint Appraisal Mission ¹
Synthesis Report (Final Draft)**

February 2006

Luuk Schoonman and Ippei Itakura²

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¹ The findings and interpretations expressed in this report are those of the authors and do not necessarily represent the views of JICA-RADAG or JICA.

² JICA-RADAG

List of Abbreviations

A-CBG:	Agricultural Capacity Building Grant
A-DPG:	Agriculture Development Partners Group
ASDP:	Agricultural Sector Development Programme
ASDS:	Agricultural Sector Development Strategy
ASLMs:	Agricultural Sector Lead Ministries (including PO-RALG)
ASSP:	Agriculture Service Support Programme
CBG:	Capacity Building Grant
CDG:	Capital Development Grant
CMT:	Council Management Team
DADG:	District Agricultural Development Grant
DADP:	District Agricultural Development Plan
DALDO:	District Agriculture and Livestock Development Officer
D-by-D:	Decentralization by Devolution
DC:	District Council
DDP:	District Development Plan
DED:	District Executive Director
DPLO:	District Planning Officer
EBG:	Extension Block Grant
GoT:	Government of Tanzania
HLG:	Higher Level Government
IPF:	Indicative Planning Figure
JAM:	ASDP Joint Appraisal Mission
JICA:	Japan International Cooperation Agency
LGA:	Local Government Authority
LGCDG:	Local Government Capital Development Grant
LGRP:	Local Government Reform Programme
LGSP:	Local Government Support Programme
LLG:	Lower Level Government
M&E:	Monitoring and Evaluation
MAFC:	Ministry of Agriculture, Food and Cooperatives
MC:	Municipal Council
O&OD:	Opportunities and Obstacles to Development
PMO-RALG:	Prime Minister's Office - Regional Administration and Local Government
PRS:	Poverty Reduction Strategy
RAS:	Regional Administrative Secretary
RS:	Regional Secretariat
SACCOS:	Savings and Credit Cooperative Society

1 INTRODUCTION

The Agricultural Sector Development Programme (ASDP) is to be jointly appraised by development partners (DPs) together with the counterparts of the Government of Tanzania (GoT) from February 14 to March 1, 2006. The draft TOR of the ASDP Joint Appraisal Mission (JAM) includes the local government issues, which are to be dealt with by the Local Government Decision-making, Budgeting and Financial Performance. In preparing the TOR for the JAM, it is found that several studies and programmes have been conducted in the area of the local government issues but their findings have not yet been synthesized.

Following this consideration, this work named as the Synthesis Work for the Local Government, Decision-making, Budgeting and Financial Performance (the Work) was decided to be conducted by the JICA-RADAG through under consultation with JICA and other DPs relevant to the agriculture sector, i.e., Agriculture Development Partners Group (A-DPG).

The overall objectives of the Work are to synthesize the findings of previous local government related studies and analyses on the Local Government Capital Development Grant (LGCDG) system, District Agricultural Development Plan (DADP) and other issues relating to local government, and to provide the JAM with insight into key issues to be addressed during the appraisal.

For the Work, various governmental institutions, A-DPG members and other organizations were contacted to collect data and information on the LGCDG, DADP and other issues relating to local government. Because of limited time, no field visits to districts could be made during this assignment. Instead, recent field visit and study reports were used and a few Local Government Authorities (LGAs) were contacted by telephone to provide information on both DADP and LGCDG implementation at district level. The collected secondary data and information were reviewed and synthesized in this report (See Annex 1 for People interviewed and Annex 2 for the List of Document Collected).

In order to identify key issues to be addressed by the JAM, this report set up six steps. In Section 2, the report describes key issues relating to the LGCDG system, and subsequently deals with the DADP issues in Section 3. Following focuses on these systems, the report also looks for major issues to be considered in the harmonization of DADP with the LGCDG system. The fifth section then covers issues which are not discussed in the previous sections but relating to local government. The final section draws key issues in light of the draft TOR³ of the local government component of the JAM.

³ Draft revised on basis of ADGP discussions on Feb 6, 2006.

2 LGCDG SYSTEM

2.1 Outline of the LGCDG System

2.1.1 Background and Objectives

With the commitments to the policy of decentralization by devolution and the Tanzania Development Vision 2025, the Government of Tanzania (GoT) has, in collaboration with DPs, established the LGCDG System. The overall purposes of the LGCDG system are 1) to establish an efficient, transparent and performance-based mechanism for channelling development grants to local government authorities; and 2) to increase communities' access to infrastructure and services.

The LGCDG system is to streamline the current multiple fund flows to LGAs, which contributes to simplifying the tasks of LGAs, avoiding the duplication of their works. Currently some grants go through PMORALG, while others go through a relevant ministry. Through the LGCDG system, funds are mainstreamed into two types of grants, namely Capacity Building Grant (DBG) and Capital Development Grant (CDG). The LGCDG system is also to realize transparent and even fund allocation which goes along with the national policy of poverty reduction. According to a study of 'Local Government Fiscal Review 2004', wealthier LGAs generally receive more amount of the budget than poorer ones, which is against the government's policy of poverty reduction. With uses of the formula-based and assessment-based allocation, the LGCDG system is expected to mitigate the current uneven situation. The following table highlight the features of the grants of CBG and CDG in terms of their purpose of use, access criteria and so forth.

Table 1 Major Features of LGCDG

Grant Type	CBG	CDG
Purpose	to support training and capacity building targeting LGA leaders and administrative staff	to finance infrastructure construction and rehabilitation in accordance with a centrally established investment menu
Example	Management and Leadership Skill	Class rooms and Health center
Access Criteria	Minimum Conditions (MCs) are 1) Provide A Capacity Building Plan ; and 2) Timely submit reports on utilization of any previously received CBG	1) Satisfy MCs on the annual basis 2) Performance measures (PMs) from the subsequent years for the incentive +/- 20 % from the last transfer
Resource Amount	Average USD35,000 Flat Rate: USD 20,000 per Council + the Balance Allocated based on 1) Population in 2002 (70%), 2) Land Area (10%) and 3) Poverty Population (20%)	Total : Pooled, No of population of LGAs having passed MCs x USD1.5 The Balance Allocated same as CBG + the +/- 20% Incentive But LGA provide 5% of Co-financing from Year 2.
Sharing	Minimum 40 % for LLG	50% for LLG through the provision of IPF

Source: Prepared by the JICA-RADAG based on PO-RARG, *LGCDG System Implementation and Operations Guide*,

2.1.2 Institutional Arrangements

In the financial institutional arrangements, there are three groups of financial resources: 1) the GoT, 2) World Bank/IDA through the Local Government Support

Programme (LGSP) and 3) other donors through Local Government Reform Programme (LGRP) basket fund (See Fig. 1). LGRP and LGSP support the LGCDG system through several components, such as governance, finance, human resource development, institutional strengthening of PMO-RALG and so on.

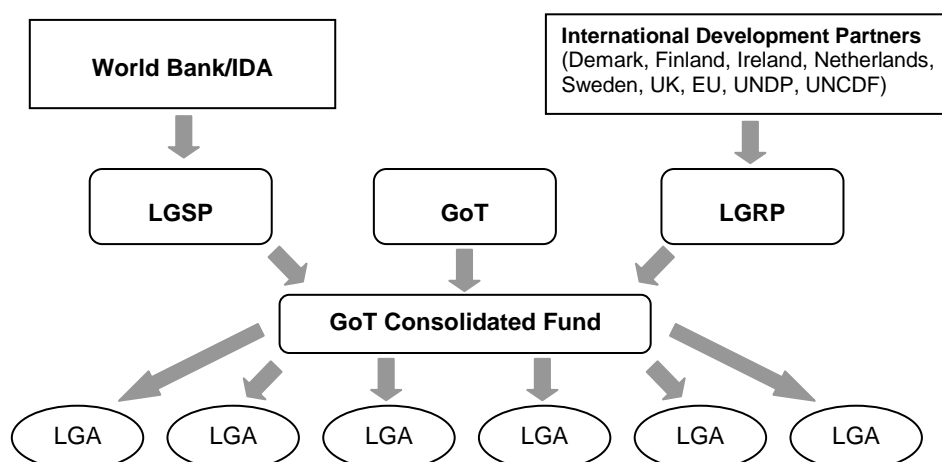


Figure 1 Flow of Funds

Source: by the JICA-RADAG based on PO-RARG, *LGCDG System Implementation and Operations Guide*, July 2005.

In the institutional arrangements for implementation, there are three oversight bodies at the central level: 1) the LGCDG Steering Committee, 2) The LGCDG Technical Committee and 3) the LG Capacity Building Consultative Group⁴. DP are in the Technical Committee and Local Government Capacity Building Consultative Group, where they can provide comments on the system, the fund allocation and its effective utilization, though the final decision will be made by the GoT (See Figure 2 overleaf).

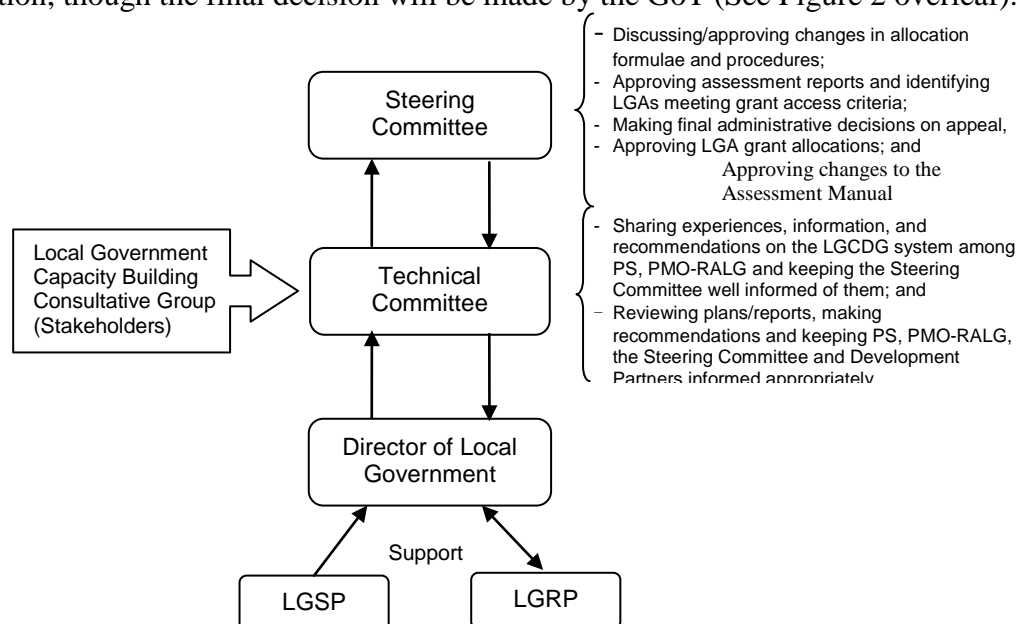


Figure 2 Oversight Mechanism

Source: Prepared by the JICA-RADAG based on *LGCDG System Implementation and Operations Guide*, op. cit.

⁴ Details are available at pp.15-16, *LGCDG system Implementation and Operation Guideline*, PORALG

2.1.3 LGCDG Cycle

The LGCDG system runs on annual cycle shown below. This cycle goes along with the normal budget cycle once the system gets on track⁵.

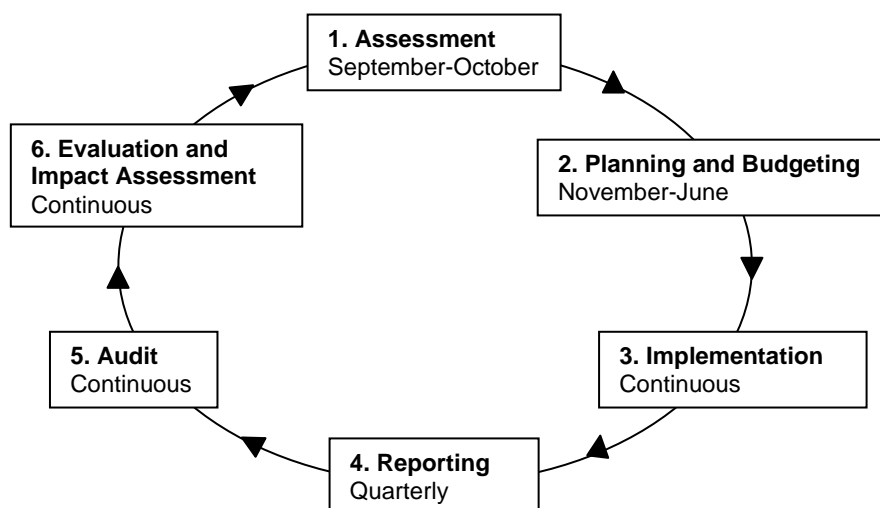


Figure 3 the LGCDG Cycle

Source: Prepared by the study team based on *LGCDG System Implementation and Operations Guide*, op. cit.
Assessment

The assessment at the initial stage of the establishment is contracted out to consultants who report the outcome to PMO-RALG. Each LGA will be visited and consultations will be held with the Council Management Team (CMT) to review functions, processes and activities. The assessment is supposed to run annually September-October. Once the exercise is completed, PMO-RALG is in a position to compute the size of the grants and should notify the qualified LGAs by November of the size of the grants.

Planning and Budgeting

The planning and budgeting for the next financial year is to start in November, when PMO-RALG publicizes the Planning and Budgeting guidelines. 50% of the grant is to be utilized at sub-council level. Planning, both at council and sub-council, is supposed to run concurrently from December to February.

District and ward facilitation teams will facilitate the planning at village and mitaa level, using the Opportunity and Obstacles to Development (O&OD) methodology. Village plans are then forwarded to the Ward level, where prioritization takes place and the IPF envelope allocation is agreed. The consolidated plans are submitted to the Council for inclusion in the District Development Plan (DDP). The district includes the village plans in the DDP without making any alterations. The district and sub-district plans are compiled in a draft DDP, and a rolling three year Medium Term Expenditure Framework (MTEF) is updated through PlanRep (discussed later) where available. After approval by the full council, the DDP is sent to the Regional

⁵ More detailed operation guides which clarify who does what and when can be found in *LGCDG System Implementation and Operation Guide*.

Secretariat, which scrutinizes the adherence to guidelines, policies and regulations. The district rectifies the draft as required, and the final plan is approved by the full council at least 2 months before the beginning of the next financial year. All district plans are consolidated at regional level and submitted to PMO-RALG, which submits all regional plans to the LGCDG Technical Committee for discussion. The final approval of the annual plan and budget is supposed to take place by the end of June by the Steering Committee of LGCDG.

PMO-RALG is responsible for timely disbursement of funds. The funds are disbursed in four equal instalments. Disbursement of the first quarterly instalment should take place July-August.

Implementation

All procurement done at LGA level is guided by the Public Procurement Act and Local Government Procurement Regulations. Funds are not to be transferred below the district level. Hence all major procurement and contracting will be done at district council level. The LGA Tender Board may, however, delegate specific procurement authority to the Ward Executive Officer.

Reporting

Reporting is following the normal GoT reporting systems for development funds with financial and quarterly progress reports submitted by LGAs to PMO-RALG through Regional Secretariats. Reports should be submitted through the IFMS / Epicor and PlanRep systems where available. LGAs failing to report for penultimate quarters within the specified deadlines will not receive funding for the following quarter.

Audit

Audit requirements follow the GoT system and regulations. Value-for-money audits will be carried out under the LGCDG system. These audits are designed to assess the economics, efficiency and effectiveness of LGA operations.

Evaluation and Impact Assessment

The Local Government Monitoring Database (LGMD) requires LGAs to submit and transmit annually information from villages, mitaa, wards and districts and the pro-poor sectors. PMO-RALG uses a fiscal decentralization monitoring framework for assessing the LGCDG system implementation and Core Welfare Indicators Questionnaire (CWIQ) for impact assessment, though it is not clear how well these systems are prepared and functioning.

2.2 Progress to Date

2.2.1 Assessment

The LGCDG was basically designed in 02-03. The system started to partially operate in the 2nd half of the FY 04/05 and was fully operational from FY 05/06. While 47 councils were assessed for FY 2004/05 with results of 25 qualified for CDG and 47 qualified for CBG, all the 113 councils were assessed for FY 2005/06, resulting in 66 qualified for the LGCDG and all for CBG.

For FY 2005/06, initial assessment was carried out in January 2005 in 47 councils, which are the same councils screened for FY 2004/05 and the remaining 66 councils were assessed in April/May 2005. From February to April 2005, a desk review was

carried out by a consultant⁶ contracted by PMO-RALG to assess whether certain previously disqualified councils have rectified the situation to meet the minimum access conditions. According to the review report, out of 47 LGAs that were screened for FY 2004/05, 18 LGAs were qualified for both FY 2004/05 and FY 2005/06, 7 qualified for FY 2004/05 but failed for FY 2005/06, 11 failed for FY 2004/05 and rectified to be qualified for FY 2005/06 (1 of 11 is provisionally qualified), and 11 failed for both FY 2004/05 and FY 2005/06 as shown in Figure 4. Most of the disqualification is on account of adverse audit reports and financial mismanagement. The results indicate that it is not certain whether councils once qualified will be qualified in the next assessment.

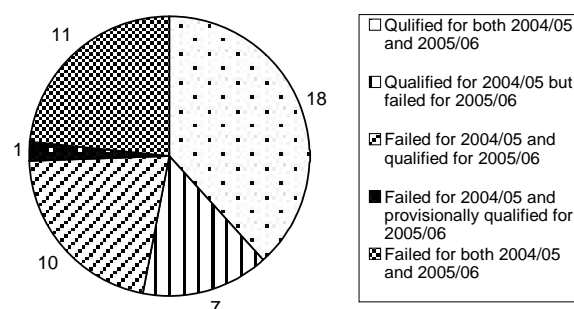


Figure 4 Qualification Status of 47 LGAs

Source: Prepared by the JICA-RADAG based on *Review of the 2004 Assessment Results for 47 LGAs*.

2.2.2 Operations

While effort has been made, the activities are relatively behind even the schedule planned for the transition. The comparison between the transitional plan and the actual is shown in Table 1. Despite the effort, there seems some delay for the 2005/06 implementation. The LGSP explained that the reasons for the delay are logistic/administrative difficulties such as opening bank accounts, preparation of the participation agreement, delay of the no objection letter from the World Bank, and the remote location of some councils. It also seems that the delay of the first year still pushes the whole 2005/06 schedule forward.

Table 2 Operational Timetable

Year	Month	Planned	Tentative	Actual
2004	May			
	Jun			Assessment for 2nd half of FY 2004/05 at 47 councils
	Jul	FY2004/05		
	Aug			
	Sep			
	Oct	Assessment for 2005/06		
	Nov	Disbursement of CBG flat rate ²⁾ ; Official notification of qualification ³⁾ (by PMO-RALG)		
	Dec	Issue the Planning and Budgeting Guidelines		
2005	Jan	Planning and budgeting		Initial assessment for FY 2005/06 at 47 councils
	Feb			LGAs received the guidelines
	Mar	Submit planning documents to the Regional Secretariat		Review on the qualification status of 47 councils.
	Apr		Disbursement for 2nd half of 2004/05	Assessment for FY 2005/06 at 66 councils ⁴⁾

⁶ PricewaterhouseCoopers.

	May			Partial disbursement for 2004/05 ¹⁾
	Jun		Assessment for 2005/06	
	Jul	Disbursement (1st quarter)	Disbursement (1st quarter)	Assessment result compilation
	Aug			
	Sep			
	Oct	Disbursement (2nd quarter)		
	Nov	Assessment for 2006/07		Disbursement (1st quarter) 2005/06 + Disbursement 50% Capacity Building Grant
	Dec	Issue the Planning and Budgeting Guidelines		
2006	Jan	Disbursement (3rd quarter)		
	Feb		LGAs receive Planning and Budgeting Guidelines	
	Mar Apr		Assessment for 2006/07 ⁵⁾	

Notes:

- 1) Due to the delay in funding, 80% (Tsh 4.8 billion) was transferred and the balance was supposed to be disbursed when funds become available.
- 2) Flat US\$20,000 is allocated first, and the balance will be filled later.
- 3) Information obtained by the study team suggests that many of councils do not receive official notification from the central government. Some of them received notifications without any statement on the amount of grants.
- 4) The assessment period is based on *Financial Synthesis Report-Assessment of 66 LGAs for CDG and CBG under the LGCDG system*.
- 5) According to LGSP/ LGRP. The assessment is delayed because of procurement issues

Sources: Prepared by JICA-RADAG based on the following information.

- *LGCDG System Implementation and Operations Guide*.
- *LGSP Semi Annual Report January-June 2005*.
- Information obtained during the field study conducted in Dodoma and Coast Regions from December 1-8, 2005.
- *Financial Synthesis Report-Assessment of 66 LGAs for CDG and CBG under the LGCDG System*.
- *Final Report: Review of the 2004 Assessment Results for 47 LGAs*.
- Aide Memoire Supervision Mission, September 19-28, 2005.

2.2.3 Support System for the LGCDG System

There are some supporting systems for the LGCDG system.

Epicor

Epicor is the accounting system promoted in the LGCDG system has been installed in 38 councils and another 47 will follow this FY. According to LGRP, 37 out of the first 38 have abandoned the manual accounting. Although councils suffered from the lack of robust back-stopping to run the Epicor system, this problem has been almost solved by setting up zonal support teams. While the use of Epicor is not included in the criteria for qualification for LGCDG, it is planned to have computerized accounts systems in all councils by the next year.

PlanRep

PlanRep, the system used for reporting under LGCDG, was rolled out to all councils last year. Although councils were supposed to enter their MTEF plan and budget in PlanRep at the beginning of the year and use the program to prepare reports during the year, very few council did use the program. The system has now been improved and accepted by MoF and PMO-RALG, however. The PlanRep2 has been rolled out to all districts the beginning of February 2006. All plans for FY2006/07 will have to be presented this year in PlanRep 2. Failing to do so will result in the disqualify of the LGA for funding.

Some of the improvements of the new system are:

- linkage to the SBAS planning system which is used at ministerial level,
- linkage to NSGRP strategies
- health sector planning component included
- linkage to Epicor, making use of the 28 digit Chart of Accounts Structure

Although PlanRep is basically a planning and implementation reporting tool, it has also a component on indicators for impact monitoring.

A procurement manual for Lower Level Government (LLG)

The procurement manual for Lower Level Government (LLG) has not yet been prepared. Experiences with procurement at sub-district level of programs like TASAF and PEDP should feed into its design. The Local Government Procurement Regulations might still have to be amended to allow full participation in procurement at this level.

A Financial management manual for villages/ mitaa

It has been developed and distributed to all councils. A training program for villages and ward functionaries was planned to go alongside its distribution but has not yet started.

The Local Government Monitoring Database (LGMD)

This Database has been developed for evaluation the impact. It was rolled out to part of the districts the end of 2004. The system captures data and indicators at primary level in the district. Most of the data collected are from the pro-poor sectors; agriculture is not prioritized in the list. Further discussion on the system is still planned to make sure that meaningful data are collected for all sectors.

O&OD participatory planning

It is expected that O&OD planning has been conducted in all districts in the country by the end of June 2007. At preset it has been rolled out to 67 districts. Most of the other districts, however, have experience with other participatory planning methodologies e.g. PRA, which in some cases causes confusion and discussion among users in identifying appropriate methodology.

Capacity building (CBG component)

A capacity building component has been included in LGCDG system with the disbursement of CBG. The grant has to be used both for building capacity at district and sub-district level, in the initial years mainly to built the capacity for administrating the LGCDG system. All districts qualified for this funding for FY 2005/06.

Under the CBG, the districts have to do a Capacity Building Needs Assessment and to prepare a CB plan. It was felt that the fastest way to built capacity was to provide short training courses to improve skills in weak areas. Career development, retooling and consultancy assistance could -to a lesser extend- still be part of capacity building. 10 standard training modules were developed under LGCBG. Training will be outsourced to licensed service providers (institutes, firms and local resource persons) and can be procured by the LGAs under their capacity building budget.

PMO-RALG, which has been restructured last year, will do the overall coordination. The Ministry will be supported at regional level by Regional Secretariats to do back stopping and to provide advice to LGAs on Human Resource Development and Capacity Building. Both PMO-RALG and the RSs have not yet built up their capacity to play their new roles in full.

2.3 Key Issues for the LGCDG system

Assessment

The process of assessing LGAs to qualify for LGCDG has been transparent and good quality reports were produced.

Whereas the districts are timely informed about the assessment, information sharing within the district appeared sometimes insufficient causing inadequate preparation. Council Directors should ensure that copies of the Assessment Manual and possible amendments are made available to all heads of department and other key senior staff members.

The last two years, the assessments were much delayed, due to delays in the procurement process. This has disrupted the annual circle and planning process, because districts and villages are only informed about their development envelope after finalizing their planning.

Recurrent failure to qualify for the LGCDG system

Roughly one quarter of the districts that were assessed twice, failed to qualify (11/47), and more than one third failed (18/47) one out of the 2 years. 42 % of the districts that were assessed only once did not qualify.

Some of those districts are the poorer districts in disadvantaged areas. Poorer districts have far more difficulties to attract and retain competent, motivated and qualified staff. Key positions of heads of departments and other senior staff remain vacant for sustained periods, undoubtedly (further) affecting the management capacity of the district. Moreover, non- or mal-performing staffs are sometimes demoted to such districts. Thus there is a real danger that poorer districts will be deprived from LGCDG funding (and other funds channelled through LGCDG). This will make it more difficult to attract competent staff, and therefore performance is unlikely to improve. Poorer districts will be trapped in such 'poverty' circle.

PMO-RALG and PO-PMS Human Resource Strategy are expected to assist for handicapped LGAs to hire competent staff.

Late disbursement of funds

Funds disbursement was late both in FY 2004/05 and FY 2005/06, which was caused by late approval for funding. This leaves the district with only limited time for implementation. In FY 2005/06 funds were made available at the time when planning for the next FY should have started, putting more constraints for implementation. Even if carrying-over of funds in the subsequent years is allowed, the actual time for implementation and use of funds is reduced.

Guidelines for planning information

Budget and planning guidelines usually reach the district in delay (February). Both PMO-RALG and MoF provide guidelines for LGAs which sometimes contradict each other. The guidelines are mainly in a form of a listing of policy issues and as such easy to read. Many officers at district level fail to use those guidelines in a meaningful way except for knowing the budget ceilings.

Participatory planning

Participatory planning methodologies are used and O&OD is introduced at country-wide. However, the current process offers much room for improvement.

- Despite the intentions, few real comprehensive village development plans were prepared due to flaws in participation and facilitation.
- A key feature of O&OD is the multi-sectoral input. However, certain sectors get less attention than others.
- The participatory planning raises expectations at village level that are often not met.

A study in some districts by REPOA revealed that in some cases there was a lack of commitment on the part of the implementers, and that the planning was not a broad based-participation, mainly involving technocrats and less the community.

- The planning process tends to result in a list of broadly stated goals instead of concrete projects.
- The resulting plans tend to focus on physical infrastructure, lacking the balance with agriculture support activities.
- Environmental issues receive insufficient attention.
- O&OD has been costly to implement.

In the past two years, the resources spent have not been commensurate with the results. Although ideally O&OD is to be done once, its annual review requires still expensive costs. Unless the O&OD become less costly and more manageable by the communities themselves, its sustainability can not be guaranteed, as districts might not have the financial capacity to sustain O&OD planning. Hence the methodology should be made cheaper and better manageable by the community itself.

Participation in implementation

Whereas participatory planning is more commonly practiced over the last years, participation of the community in implementation is less well developed. Only if programs are reaching out straight to the community like PEDP and TASAF, this real participation is achieved. For the LGCDG system, it is useful to learn from their experiences how to involve the community in the implementation process.

Appraisal and selection of plans at ward level

At ward level village plans are appraised and prioritized in line with the Indicative Planning Figure (IPF). However, the wards lack proper and strategic prioritization tools. This is exemplified by the use of funds in the previous years under LGCDG. A large proportion of the grants were spent to build secondary schools and health clinics. Meanwhile there are not enough secondary school teachers and nurses. Therefore costly facilities may lay idle, questioning the soundness of the LGCDG approach to planning local infra-structural investment.

Perception of LGAs

Most of LGAs visited by the study team in December 05 perceive the LGCDG system positively because the system allows LGAs to allocate their budget at their discretion. However, there is a common concern among LGAs on the LGCDG implementation. They are not sure if the grants will be timely disbursed. Timing is crucial for effective implementation of projects, in particular for agricultural activities that completely depend on seasonal factors.

Human resources management

Financial decentralization is taking place, but decentralization of human resource management has not yet made progress. LGAs require permission from the President Office - Public Service Management to fill vacancies, a time consuming process. Some LGAs have vacancies for extended periods, awaiting permission from central level. A further decentralization of human resource management must be considered to go along with the LGAs financial responsibilities.

Capacity of the District

Effective functioning of the LGCDG system depends on the capabilities of its users. Capacity building is taking place in this context.

- LGAs have had problems to produce effective and efficient capacity building plans for different levels of staff.
- The capacity building plans rely almost exclusively on training. However the relationship between training and improved capacity leading to improved performance is tenuous. Trainability of staff and ability and willingness to change routine practices and mind set have to be considered as pre-condition for selection of training.

The reform process with its multitude of new systems concurrently introduced, overstress the LGAs. Furthermore, requirements on short notice from higher level authorities are given priority by district staff. These interfere with the efficient implementation of the DDP. Due to such other commitments, key-staff are often not available when decisions are needed or meetings held. Although delegating responsibilities is allowed by the system, this rarely happens. As a result, decisions are not taken and the implementation of activities is brought to a halt.

The implementation capacity of districts often requires out-sourcing of activities. Though this is encouraged, some districts prefer to do most of the implementation themselves. In other instances, the procurement and tender processes start late causing unnecessary delays in implementation.

Villagers are often not involved in the implementation process. Not only reduces the ownership of projects by communities, but also it puts heavy burdens on the works of the district, thus reducing the overall implementation capacity of the district. As participation of the community increases, the implementation capacity of the district will also increase.

Support system

Epícor and PlanRep have been introduced to the LGCDG system. Some of the districts have still problems in using these systems. Back-stopping is insufficient, however.

Decentralisation-by-Devolution (D-by-D) and LGCDG for improved services to the community

The objective of LGCDG has been to increase communities access to infrastructure and services'. LGCDG (and LGRP) state that D-by-D leads to improved services to the community. This is a yet unproven statement.

LGCDG typically managed to build classrooms and health centers, but does not allow the funds to improve the quality of education or to increase number of staff in the schools and health centers.. A major concern therefore is that the system has to work in a more holistic way if it is to achieve its goal.

The preparation of 'Client Service Charters' is currently planned. This might assist in providing clarity what communities can expect of the services. This might lead to informed clients who demand for improved services

Although systems for monitoring impact have been introduced both at national (PMS) and district government level (LGMD), these systems are still weak. Monitoring and reporting goes hardly ever beyond process and output level, but fails to capture the impact.

3 DADP

3.1 Outline of the DADP

3.1.1 Background and Objectives

Under the Poverty Reduction Strategy, the Government of Tanzania (GoT) formulated the Agriculture Sector Development Strategy (ASDS) in October 2001 and the Agricultural Sector Development Programme (ASDP) in March 2003. ASDS contains a set of innovative and practical actions for agricultural development, i.e.

- 1) focus on agricultural productivity and profitability
- 2) promotion of private / public sector partnerships; and
- 3) decentralized implementation through District Agricultural Development Plans (DADPs)

The goal of the DADP is to enable LGAs to take up their anticipated roles in order to achieve the ASDP objectives of greater and sustained agricultural activity, profitability, and farm income. These are essential to attain the envisaged increase in agricultural growth from the current 3.6% to 10 % p.a. by 2010.⁷ It also should be mentioned that DADP is three-year rolling plan as an integral part of the DDPs. DADP has been launched in FY 03 / 04 with two specific objectives:

- 1) Farmers have better access to and use of agricultural knowledge, technologies and productive assets and infrastructure, contributing to their productivity and profitability; and
- 2) LGAs plan and coordinate agricultural services and investments in a more capable, efficient, participatory and sustainable manner⁸.

3.1.2 Experiences of DADP process in the previous years

Planning process

LGAs were sensitized on the DADP and DADP guidelines were provided. LGAs were instructed to use the O&OD approach for planning. It was stipulated that DADP was an integral part of the DDP. In theory the formulation process starts at the community level in a participatory manner. Once village plans are prepared, they are submitted to the ward and compiled into one single ward plan. The District council incorporates all ward plans into a DADP, which in turn is consolidated in the DDP.

During the first year, however, many districts were not able to formulate DADPs in a participatory manner, relying on the already existing information obtained through other planning activities. It was also difficult to consolidate the DADPs within the DDP as the first-year process was not synchronized with the normal government budget.

For the 2004/05 DADP process, districts were informed of the DADP ceiling by PMO-RALG in April 2004. No sensitization workshops were provided, however. The ceiling was calculated based on different formula from the first year before, given

⁷ DADP Support Programme July 2005- June 2012

⁸ DADP Support Programme July 2005-June 2012

the total budget of Tsh 4 billion. PMO-RALG advised that the beneficiaries of the projects contribute 50%. Many districts failed to submit their DADPs before May 2004. About 80 districts submitted their project list, not a full DADP, by July 2004, in line with the informed ceiling per district.

Appraisal and fund allocation

The MoF provides a total budget ceiling. The ceiling to each region is determined by PMO-RALG and adopted by ASLMs using a formula. Within the ceilings by region, potential projects were examined using a set of criteria and ensuring that each sub-sector i.e. crops, livestock and cooperatives and marketing received some funds.

In the first year, June 2003, the initial allocation of Tsh 11 billion was curtailed to Tsh 4 billion upon the finalization of the central government budget. Based on these new ceiling funds were reallocated to DADP by the ASLMs without PMO-RALG. Appraisal of the DADPs in 2004/05 took place in August 2004.

Funds were allocated to the following components.

- Construction of small irrigation schemes
- Purchase coffee hulling machines
- Construction/ rehabilitation of dams
- Rehabilitation of cattle dips
- Strengthening SACCOs

Funds Disbursement

Districts are notified on the projects to be funded under DADPs. Dedicated bank accounts had to be opened for each LGA. Ministry of Agriculture, Food and Cooperatives (MAFC) disburses the funds to the districts. The district is supposed to transfer the funds for construction to the bank accounts of beneficiaries based on an action plan, while funds for supervision remain at the district council.

For the FY 2003/04, MAFC notified the LGAs late September 2003 and started sending 80% of the funds to the district in late October 2003. Only 6% of the disbursed funds had been spent by March. In fund disbursement in FY 2004/05, LGAs were not in some cases notified about the allocated funding. Actually, some district agriculture offices obtained the information by taking the initiative to contact the MAFC (e.g., sending person for inquiry).

Monitoring and evaluation

Reporting was to follow government procedures (quarterly reporting). Both district and Regional Secretariats (RSs) send progress reports to MAFC. The ASLMs was in position of overseeing the progress of activities based on these reports. Field visits were conducted by MAFC twice during the first year.

3.2 Progress to Date

For FY 2005/06, not many instructions were given by the central government for the last twelve months. There was a workshop held in April 2005 by PMO-RALG and MAFC for familiarization of LGAs with the new DADP guidelines, but only some selected LGAs were invited. Although there was an announcement of the DADP ceiling on a newspaper in August 2005, some council did not notice it. No letters

were issued from the center to remind them of the announcement.

Since the budget guidelines for LGAs did not contain the ceiling of the DADP fund for individual councils, they were unable to prepare proper DADPs (or a list of activities that the councils called an action plan) in a synchronized manner with other plans of council. What the district staffs often do is that they anyway prepare their agricultural plan regardless of the ceiling (as they do not know it) and re-plan once the ceiling is provided.

In late October 2005, councils have received notifications from MAFC about the ceiling of the DADP fund, and instructions to open a bank account and prepare and submit an action plan for FY 2005/06. Despite the short notice, the councils immediately responded to the instruction and submit their plans. They re-planned or adjusted, according to the ceiling, the original plan that had been prepared in the process of the regular planning process (March - May). Most of the councils interviewed by the JICA –RADAG had already received the fund by early December 2005, though it is found that one of the districts has not yet received the funds for FY 2005/06 even until to date (February 2006). The total ceiling of the DADP for FY 2005/06 is Tsh 4.23 billion according to the newspaper announcement. Therefore, councils received more or less the same amount of fund in FY 2005/06 as that in FY 2004/05.

3.3 Key Issues for the DADP

Change of mind-set agriculture staff

Districts have not yet fully understood the overall policy background of the DADPs. Very few districts consider ‘activities to make agricultural production and processing profitable’ and ‘involve private sector service providers’. District staff should be more encouraged to clearly see their role as technical, financial and physical facilitator for the activities of the community.

Transparency in prioritization and approval process

There should be more clear transparency both in the prioritization of village plans and preparation of the DADP at district level and the appraisal and decision making at Ministerial level. Criteria and budget ceilings should be known in advance and selected activities be announced. Participation of stakeholders in the formulating the DADP at district level will improve transparency.

Funds allocation and disbursement

Planning and implementation of activities has been hampered because districts were not adequately notified by MAFC on allocation of funds and disbursement of funds was too late. In agriculture, timing of activities depends on seasonal variables and adherence to schedule is often essential. Timely notification and actual allocation of funds is therefore crucial for DADP implementation.

O&OD as planning tool for agriculture

O&OD is a designed as a multi sectoral participatory planning tool. The Goals of Vision 2025 are a starting point for the discussions. The process is to result in a comprehensive village development plan.

Some weaknesses of the O&OD have been mentioned earlier. Facilitation and participation are often insufficient, and it is not always as multisectoral as intended. The process is expensive in relation to the outputs. The O&OD often does not come up with a designed project. Other participatory planning methods have been used as well. In practice, the results depend more on the experience and capability of the stakeholders and staff involved than on the participatory planning techniques used.

O&OD is said to be less suitable for the agriculture sector. Participation of farmers is sometimes poor. The agriculture activities might thus not be well reflected in the plan, while agriculture is the backbone of the rural society. Environmental issues are rarely getting the attention it deserves. External facilitation of agriculture planning is to some extent therefore justified. However, this will further increase the cost of the process. A more sustainable solution would be to empower communities to plan independently and through a simplified O&OD.

Quality of DADP plans/ planning capacity

In general DADP plans are not the meaningful comprehensive and strategic plans envisaged. Most districts presented lists of projects to be included for implementation. The project listed mostly resulted from a form of participatory planning, but plans are not annually reviewed. It is common practice to include projects that are not accomplished in the next year's plan.

The districts do not address important elements of ASDS components in their strategic plan, e.g. policy, regulatory and institutional framework; research and extension; private sector development and marketing and cross cutting and cross sectoral issues. Data from the agricultural sector in their district or region are not fed into the planning exercise. The district technical staffs see themselves as managers rather than facilitators.

Stakeholder participation in many districts does not include representatives from farmers, private sector and NGOs. District Agricultural Strategic Plans are not yet in place in most districts.

The DADP guidelines are in the process of being revised. However important the guidelines are, the district technical staff must be able and willing to think more strategically about agriculture development. The process to build this capacity will take time and may require outside support.

Technical capacity of the District/ lack of technical information

In most districts at least part of the agriculture staff has been trained in participatory techniques. The SUA SEP methodology for instance was introduced countrywide and intervention included participatory techniques. However, the expertise and capacity to undertake participatory techniques varies greatly between districts.

Technical capacity and access to information are an even bigger problem at district level. Extension staffs are often not sufficiently knowledgeable of technical options and recent findings of research institutes. Information available at Ministerial level does not always reach the districts. Also information available with other organizations (like TechnoServe) or the private sector is not readily available in the districts in the absence of good linkages. As a result extension staffs often promote conventional and sometimes outdated interventions. Improving information exchange

between the different levels and the different actors is important to enable staff to play a meaningful role in increasing agriculture production.

Capacity building of community

When it comes to the capacity of the district, it should include the capacity to increase that of communities, as it is the community who actually formulate the plan. Into this aspect, various experiences could be utilized from the previous studies and programmes. The one of the major findings of PADEP is that not all District Facilitator Team (DFT) members were able to provide the Ward Facilitation Teams (WFTs) with the same training that they have received. This indicates that top-down approach is not effective, requiring more direct involvement of the LLG and communities in the trainings. The previous experiences offer practical tools to the district, when it considers how to build the capacity of the communities. PADEP and DADS have a common in that they directly involve WFT together with DFTs in the participatory approach trainings. Both of them also provide the training of business-oriented approach, giving practical tools for farmers to play in the market. The FAO has gained substantial approach in Farmers Field Study (FFS) for training for food-crop production. In collaboration with the Kilimanjaro Agricultural Training Centre (KATC) supported by JICA, it provides practical trainings on paddy production. It could be essential for the District to know and utilize these tools for the capacity building of the communities.

Participation of stakeholders of the agriculture sector

Very few districts have established District Agricultural Sector Advisory Committees or public - private partnerships. Key stakeholders are not always involved in the preparation of the DADP. In some districts farmer groups have been established at village and ward level, but they are still weak and often not consulted by the district. A meaningful dialogue between all such stakeholders is important to the ASDS, but this has not yet been achieved. Again, such dialogue involving stakeholders requires a change of attitude.

Role of Regional Secretariat (RS)

The role of the Regional Secretariats changed with the decentralization. The Regional Secretariats were restructured. Agriculture moved under the Economic Development Support Services Cluster. It has been recognized that Regional Secretariats' roles has moved from supervisory and inspection to advisory, facilitation, back stopping and support. This requires a change in mindset.

Regional Secretariats are still understaffed due to the limited number of posts pertaining to the agricultural sector. There is a consultation process with regard to increase of the number of staff in the agricultural sector. An Institutional Strengthening Programme (ISP) for Regional Secretariats has been planned. However, ISP is in mainly going to focus on the Management Support Services Cluster, to strengthen the LGCDG system. The Regional Secretariat could play an important roll in back stopping, information supply and supporting the agricultural sector reform.

Integration of DADP into DDP

This process is not yet completed and most districts have not yet integrated their DADP in the DDP. In the past the DADP planning cycle did not follow the general district planning cycle. The revised DADP guidelines aim to ensure that Agriculture is sufficiently covered and that the DADP are integrated in the DDP.

Progress in DADP implementation

The implementation of DADP has been slow at district level. Even after receiving funds, funds used to stay unused for a long time at district level. The preparation of good action plans is still not done in most of the districts. Some districts failed to make the community participate in the implementation or gave insufficient support to them after disbursing the funds into their accounts. Participation should start during planning and continue during implementation, monitoring and evaluation.

4 UTILIZATION OF THE LGCDG SYSTEM FOR DADP FUND DISBURSEMENTS

4.1 Expectation for Changes

Once DADP funds would be disbursed through the same channel as the LGCDG fund, both systems would have many things in common and in difference. The aspects shared by the two systems can be summarized below.

- The planning and implementation cycle will be the same.
- The organization of primary responsibility will be the same (PMO-RALG).
- Allocation of fund will be formula-based, though the formula may be different.
- Both systems will be subject to assessment. Conditions may be different, but those for the DADP are additional. That is, District can be qualified for enhanced DADP funds, if qualified for the LGCDG, while if only agricultural conditions were unmet, only the DADP fund will be suspended.
- Both systems are assessed by one team dispatched by the central with one agricultural expert joining the original team.
- The reporting format and process will hopefully be the same in the near future.
- Monitoring and evaluation will be done in a similar process.

Some aspects which might still be different:

- The DADP fund is earmarked for the agriculture sector, which is at variance with the idea of LGCDG on discretionary funding
- DADP proposes to have additional assessment criteria and minimum conditions.
- The formula of allocating funds among LGAs is different between the DADP and the LGCDG system.
- There is no formula for allocation of funds at sub-district level but this might not follow the IPF approach for each ward as used under LGCDG.
- An additional planning step at village level has been included to identify and prepare Village Agriculture Development Plans based on the Village Action Plan developed during the O&OD process
- Although the contribution of the district to the DADG has not been decided upon this might differ from LGCDG
- Cost sharing for agriculture investments at community level will depend on the type of investment. The contribution varies between 0-100%, but for most investments a contribution of at least 20% is required.

4.2 Key Issues for Harmonization

Perception of the Field

A recent field study by JICA-RADAG in December 2005 in Coast and Dodoma regions, revealed that in general, LGAs welcome the unification of the two funds, as 1) administrative issues will be simplified, 2) funds disbursement could in theory go much faster as one ministry controls the fund flow, 3) communication channels will be shorter, facilitating information flow, and 4) planning could be synchronized and made more effective and strategic.

On the other hand, there is a negative concern about the disbursement. LGA agriculture and livestock officers consulted during this Work anxiety of this aspect: as the first disbursement of LGCDG for FY 2005/06 was only received the end of the year, there was only half a year for implementation and use of funds.

In the study of JICA-RADAG in December 2005, it is also pointed out that most of the LGA agriculture and livestock officers were not aware of the plan to link of DADP with the LGCDG system. Some of them even did not know the LGDCG system and assessment for qualification. LGA agriculture and livestock officers in Tanga and Morogoro regions were informed of the upcoming assessment for LGCDG and of the DADP that would be linked to this system. They were, however, not yet informed about a special assessment and minimum conditions for qualification for DADP. It shows that information flow to the district and information sharing within the district is late and insufficient. The top council officers attend seminars and are better informed, but there is no culture of information sharing in the districts. It should also be noted that LGAs often do not have the funds for duplicating documents to inform field staff.

Assessment (both minimum conditions and performance assessment)

In the LGCDG system there are two kinds of grants for LGAs, i.e., CBG and CDG. It is evident that access to CBG is easier than to CDG.

MCs of CBG include two criteria only, namely

- 1) the provision of a Capacity Building Plan; and
- 2) timely submission of the reports on utilization of any previously received CBG (only from year 2 onwards).

Qualifying for CDG involves more comprehensive criteria. The first screening MCs are easily verifiable standards with regards to key capacities of LGAs, such as financial management, planning and budgeting. After passing the first screening MCs, the Performance Measures (PMs) are assessed in subsequent years. This may lead to an increase of 20% of the basic CDG allocation (See Table 1 in this report or *LGCDG System Implementation and Operations Guide, July 2005* for detailed).

DADP provide districts with three major transfers:

- 1) District Agricultural Development Grand (DADG)⁹;
- 2) Agricultural Capacity Building Grant (A-CBG); and
- 3) Extension Block Grant (EBG).

These grants have two elements: a standard / basic grant and an earmarked / top-up grant. The basic grant is unconditional. If LGA meet the MCs they are eligible for PM assessment, and if passed, the districts are awarded with an top-up grant equivalent to +/- 25 % of the basic resources (See Table 3 below and *ASDP through Basket Fund Government Programme Document January 2006* for detailed).

⁹ The District Development Fund through a separate mechanism is to complement DADG to finance public elements of large-scale irrigation schemes (See *ASDP through Basket Fund Government Programme Document January, 2006*).

Table 3 Major Features of DADP Grants

Grant	DADG	EBG	A-CBG
Purpose	Discretionary fund to finance investment in infrastructure or productive assets	Basic: Finance salaries and operating costs of public extension Staff at LGA level Top-up: Discretionary fund to finance the cost of contracting private agricultural service providers	Basic: Discretionary fund to finance training and capacity building of LGA Earmarked: finance farmer empowerment and capacity building for potential private sector service providers (only active for the first 2-3 years of implementation)
Example	Small well construction	as indicated above	sensitization initiatives
Access Criteria	Basic: 1) Unconditional and 2) Using the formula based on the No of villages (80%), population (10%) and rainfall index (10%) Top-up/Earmarked : 1) Satisfy MCs on the annual basis and 2) PAs for the subsequent years for the incentive +/- 25 % from the latest one		
Resource	Basic : Government fund Top-up/Earmarked : shared between the Government and DPs (percentage of which will be determined during the appraisal)		
Amount	Basic : around Tsh 30 million / year / LGA Including the enhanced: Tsh 140 to 280 million with +/- 25%	Average Tsh 137 million / district / year on formula basis in gradual process for more rational distribution; things are not yet clear.	Basic : around Tsh 18 million / year / district

Source: ASDP through Basket Fund Government Programme Document January, 2006
Guideline for District Agricultural Planning and Implementation Draft Final
District Agriculture Development Plans Support Programme July 2005- June 2012

DADP will use additional minimum conditions (MCs) related to the agricultural sector. PMO-RALG expressed its concern of putting too many minimum conditions as this might make the total assessment more difficult especially when other sectors start joining the basket with their own conditions. For the first year only few conditions will apply which are rather easy to meet. The most important one is having a DADP as part of the DDP. It is not clear if the quality of the DADP is also considered in the assessment.

MCs assessments are based on evidence and such evidence must be provided during the short visit of the assessment teams. This requires the districts to be well prepared before the assessment team arrives. This year the districts have been informed about the up-coming assessment and that DADP will have to be included in the assessment, no information on MCs has been sent to the district as yet.

The formula for allocating basic funds under DADP is different from LGCDG (the number of villages 80%, population 10%, and rainfall index 10%). This formula should ensure that a bigger part of the funds flow to rural areas (instead of urban councils), where most of the production takes place.

Earmarking of funds

Earmarking of funds is against the spirit of D-by-D, and PMO-RALG would like to see the LGCDG funding to the district to become discretionary. Most stakeholders of the agriculture sector (ASLMs, Donor but also districts), however, feel that it is important at least for the initial years (and maybe longer) to earmark the funding. It was exemplified from the use of LGCDG in previous years that the majority of the funds at village level went to education, especially secondary school building. Agriculture was only included in a few cases. Although one might say that this apparently reflects the priority of the villagers, stakeholders feel that it is necessary in the initial years to build the capacity for agricultural planning and sensitize the community on the importance of the productive sector. Councillors are sometimes less interested in agricultural activities and prefer social infra-structural investments.

Matching grant percentage

The matching grant percentage for LGAs towards the DADP funding has not been decided upon. The district has to contribute 5% to the LGCDG grant. It would make sense if DADP harmonises to this level. The last year assessment of districts showed that 25% of them failed to reach the minimum score on fiscal capacity, showing that some districts might have problems contributing the 5%.

The contribution at sub-district level depends on the type of activities. If they are more private goods, the contribution is higher (up to 100%). If they are the more public type of goods, contribution ranges from 20-50%. For few types of activities 0% is proposed but these are more environmentally oriented. Most of the activities selected will range probably between 20-50% which looks reasonable and is in line with other similar programs. Experience under PADEP has shown that contribution of 50% for farmer groups was normally not a problem. Other programmes working at community level, like TASAF, showed that a cash contribution of 20% caused sometimes delay in implementation due to the poor financial situation in some rural areas.

Distribution of funds at sub-district level

It is not yet clear from the documents that how districts will distribute the funds at sub-district level. LGCDG is making use of the IPF system for wards, which is an equitable system. The average DADP funding envelope is expected to be Tsh 170 million. If these funds have to be distributed equally over all wards, this might lead to too much fragmentation of funds. Lessons could be learnt from DADS which had more equitable distribution strategy in Mbeya and a more concentrated one in Iringa, where the distribution was decided at district level. The second option needs stricter criteria and full transparency.

Late Disbursement of funds

The LGCDG system has shown its main weakness in the last two years the timely disbursement of funds. Districts are left with only limited time for their implementation. The experience of DADP has revealed the same problem of late disbursement (See table 4). This might be one of the 'killer assumptions' for DADPs,

since timely disbursement is even more important for the agricultural activities. It has been observed in some districts and other agricultural programs that disbursed funds stay for long time in bank accounts and in the end of the year the amount of balances become huge as shown in the table below. It also indicates that the sequence of events did not follow the required schedule, as ceilings must be decided at the first stage. These problems require urgent amendments. After the initial timely disbursement of the first instalment, it seems more important for the implementation of the DDP that funds are continuously available in order to follow the implementation process in an appropriate manner.

Table 4: DADP FY03/04

Milestone	Funds requested by LGAs	Ceiling decided at meeting	Funds re-allocated at the final allocation meeting	Notification districts, though not all	Disbursement of funds	Utilization of funds
Ideal Schedule	Planning to be done Dec-Feb 03	Ceiling to be decided November 02	Districts notification of ceilings December 02	Notification to be done July 03	Funds to be disbursed Jul-Aug 03	Before the end of June 04
Time	April 03	May 03	July 03	Late September 03	Late October 03	March 04
Total amount	50.6 billion	11 billion	4 billion		3.2 billion	0.2 billion

Although the DADP example is two years old, there is some evidence that the system has not shown much improvement over the last 2 years. Experience under DADS showed that even if funds were available, the use of funds was sometimes slow due to poor management, insufficient skills, limited human resources and technical knowledge. It is still too early to evaluate how funds will be used under LGCDG as funds have only been disbursed recently to the districts.

Lessons learnt from Other Programmes to be fed into the system

Useful lessons can be learnt from programs like PADP, DADS, and EZCORE, although their approaches might have been different from the one proposed under the DADP. The final aim of all programmes is to increase production and hence reduce poverty.

(1) Lessons learnt from PADEP and DADS

1) Participation of villages

PADEP and DADS channel their funds for implementation to the community. This means that after the participatory planning, the community can do its own implementation of the activities. The role left for the district is to supervise and facilitate the implementation. The experience of PADEP showed that projects which usually cost the government large amounts of money were implemented within a short time, disbursement of funds was efficient. The experience under DADS is that activity funding through the village promotes private sector-village linkages. Although both programmes reported that implementation was sometimes still slow because of limited capacity at village level and poor follow

up from the district level, the community is participated and empowered (See Annex 3).

2) Participation of private sector

Both programmes have tried in different ways to improve the participation of the private sector and support private-public partnership. Under PADEP the districts and the community were trained and sensitised on effective private-public partnership. DASACs were established under the programme and partnership arrangements and linkages were facilitated. DADS recommended that in order to promote the involvement of the private sector, a public-private partnership has to be created at different levels. The following processes were recommended 1) tackle the attitudinal change at district level towards the private sector, 2) encourage the districts in their facilitating and service providing role and 3) create a first public-private partnership. Experiences from both programmes show that the participation of the private sector needs a lot of effort and is a slow process.

3) Role of the Regional Secretariat

RSs were closely involved in the implementation of DADS. Facilitated by the programme, they were able to play their role in facilitating and back stopping the LGAs. The region also plays a role for districts to share experiences, provide information and to support the agricultural reform. PADEP also supported Regional Secretariats to back-stop district in their areas of jurisdiction. The backstopping by regional level is in general well appreciated by the districts. There is a need for coordination of programmes and the Regional Secretariat could play a role in this.

(2) Lesson learnt from the EZCORE

EZCORE which has been working on client oriented research and extension in 4 districts provides some useful lessons learnt. Not only did the programme achieve to strengthen the research –extension linkage and managed to get the research more farmer focused coming up with applicable advices to the farmers.

Through its approach it managed to strengthen linkages between farmers and the district and improve service delivery. Capacity was built both at district and farmer level and farmers' groups were strengthened and provided with information. Plans improved in that they included knowledge available in institutes and recent technologies. Planning was more holistic, from production to consumption. Farmers who adopted new production technologies have improved their output.

The important lesson is that farmers' involvement in identifying their technical problems and possible areas for research can strengthen the agriculture sector as a whole in the district.

5 OTHER ISSUES ON LOCAL GOVERNMENT

Effectiveness of Commodity Approach

In the past the commodity approach has been followed as intervention in the agricultural sector mainly under the ministry and crop boards. This has not been very successful. However recent commodity intervention initiatives which focus on cash crops (e.g., TechnoServe /Dai Pesa) have been contributing to improving the marketing of crops and hence reducing poverty of the smallholders involved. The approach is completely different from the proposed DADP/LGCDG. At the end, however, they have been effective to achieve the same objectives. Some of these interventions have a lot of knowledge/ information and this could flow into the district planning. Although both approaches are different, it is necessary to find a way of linking these two different approaches.

Removing bottlenecks for private sector

The experiences of the ASPS II indicate three major constraints on the private sectors, including farmers¹⁰. The first constraint is a taxation system at the district level, which in some cases do not follow the regulation of the central government regarding the maximum rate of unit tax, having negative impacts on producers. Secondly, by-law and regulations tends to prevent farmers from determining production strategies according to market demands and their capacity. The third one is a physical problem on transportation road. In order to encourage the private sector, the role of the LGAs should be reviewed in light of these findings.

SMEs in agricultural sector development¹¹

It has recently been recognised that Small and Medium scale enterprises could play a valuable role in development of the agricultural sector at district level. This is another area where support should be given and approaches should be linked at district level.

Gender issues

Many studies pointed out needs for gender integrations at local level. In general, women still remain marginalized from planning and the decision-making of the agricultural activities, despite the fact that they could provide useful inputs to the plan. Through the interview in this Work, it is questioned how women are involved in the O&OD methods. Moreover the lesson of the EZCORE Project supported by DCI holds the view that while gender balance are taken in the participatory planning, it does not mean that women are participating in the analysis and project formulation; the plan designed through the participatory approach are still missing gender perspectives¹². This observation brings the critical issue of how women are involved in planning and decision making not only in terms of the number of participants but also of quality of the plan.

¹⁰ ASPS II Appendix D Component Description District Agricultural Development Support(DADS), October 2002

¹¹ Inventory study of the Small and Medium Enterprise (SME) sector in Tanzania, IFAD, December 2005

¹² Strategic Review of the Eastern Zone Client Oriented Research and Extension (EZCORE) Projects Final Draft Report, November 2004

6 CONCLUSION: KEY ISSUES FOR DRAFT TOR OF ASDP JOINT APPRAISAL MISSION

In sum there are some key issues requiring essential but critical considerations. The first critical issue is the delay of fund disbursements. This will reduce the time span originally taken for implementation of the plan, which results in poor performance of the LGAs. Among the most vulnerable for this problem is the agricultural sector, as its activities are much affected by seasonality. Moreover it is found that many LGAs in general show the positive perception for LGCDG and DADP utilizing the LGCDG system, but also provide concern on the timely disbursement, implying that the question is not of system but of how to mobilize the system. Secondly, delayed delivery or lack of information should be overcome between the central and the local levels and among the local levels. It caused poor preparation for the assessment and duplication of planning by LGAs, as they do not know necessary information such as assessment schedule and budget ceiling. The third critical common issue is how to build the capacities of the LGAs. The capacities here include not only administrative and financial ones but also technical aspects in agriculture and participatory planning. It also refers to the vision regarding the role of the agriculture officers at LGAs, including the issue of partnerships with the private sectors.

These three problems are not independent from each other, rather mutually affected with each other as has been described in this report. The JAM is expected to identify the appropriate approaches and mechanism to solve this problem. The Work now draws conclusion, introducing key issues for each specific TORs as follows.

Review the linkage and adjustment with the LGCDG system from the perspective of MCs and performance assessment criteria

The appraisal should include:

- Confirmation of consistency among documents
Some documents indicate linkages e.g., meeting MCs under the LGCDG system is prerequisite for the local government to be assessed for agricultural grant qualification, while others do not explicitly specify it, leaving the needs for confirmation. With the aim of sharing information, the linkage should be confirmed and common understanding should be established among stakeholders, including the local government.
- Assessment of the approach to capacity building of local government
Once the understanding of the linkage with the LGCDG in terms of MCs and PMs has been constructed among stakeholders, careful consideration should be given to the issue of how local government can acknowledge the linkage and enjoy the system including the time framework needed for trainings to accommodate it.

Review local government planning and budgeting practice from both technical and economic decision making, participatory perspective and the linkage to LGA reporting

The appraisal issues should include

- Assessment of approach and strategy to the capacity building to the local government not only in administrative but also in technical aspects, including economic points of view such as commodity approach;
- Review of the O&OD methodology and measures to overcome shortcomings such as expensive costs and ability to manage by communities; and
- Clarification of the currently proposed reporting system (*ASDP Basket Fund Financial Document Draft*) on its consistency with LGCDG system including evaluation of the potential usage of the PlanRep in reporting system.

Revisit the matching grant percentage for local investments and mechanism for implementation (project cycle at district level)

The appraisal issues should include:

- Confirmation of the matching grant percentages; probably starting the definition of matching percentages; reviewing the DADP guidelines for cost sharing between DADG and beneficiary; and confirming the inclusion of contribution from LGAs, which is determined as 5 % under the current LGCDG system
- Review the DADP guidelines and *LGCDG System Implementation and Operations Guide* for the project cycle; and
- Reviewing the issues of disbursement delay with analysis of why it occurred.

Review the monitoring and evaluation system and process for financial performance

The appraisal should include:

- Review of how the financial reporting arrangement is linked with LGCDG system;
- Consideration of effectiveness of Epicor and PlanRep; and
- Possible elaboration on monitoring and evaluation on the technical performance.

Assess the capability at all levels to implement the programme including the availability of sufficient and qualified Human Resources

The appraisal should include:

- Given the limitation of human resources, assessment of approach and strategy to the capacity building to the local government not only in administrative but also in technical aspects, including agriculture and economic points of view; and
- Review of the O&OD methodology and measures to overcome shortcomings such as expensive costs and ability to manage.

Review the technical coordination roles of RS in supporting LGAs

The appraisal should include:

- Focus on the change in the roles of RS as depicted in Section 4 in this report;
- Assessment of approach and strategy to the capacity building to RS; and

- Assessment of the coordination methodology for broad ranges and mechanism in institutional arrangements.

Assess the approach to promoting private sector and marketing development

The appraisal should include:

- Assessment of approach and strategy to the capacity building to the local government in technical aspects, including development of vision for marketing development as well as the public / private partnerships; and.
- Assessment of possible approaches (e.g., commodity approach, training, and information and knowledge sharing between private and public sectors).

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- 27.** Participatory Agricultural Development and Empowerment Project (PADEP), Annual Progress Report 2004/2005, MAFS, URT
- 28.** Alternative sources of funds for districts following the cessation of LAMP, Land Management Programme (LAMP), 2005
- 29.** Local governance finances and service delivery in Tanzania, A summary of findings from six councils, NIBR/CMI/REPOA, 2005
- 30.** Financial transparency in LGAs in Tanzania, (draft report), REPOA, August 2005
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Annex 1

People Interviewed

- Mr. Hirofumi Hoshi, JICA
- Mr. Takeshi Oikawa, JICA
- Ms. Catherine Murphy, JICA
- Ms. Mana Takemura, Embassy of Japan
- Mr. Akira Sugimoto, JICA/ PMO-RALG
- Mr. Chacha Nyakimori, ASDP Secretariat
- Mr. Richard Musingi, , PMO-RALG
- Mr. Ali Mlupilo, PMO-RALG
- Mr. Cosmas Takule, LGSP, PMO-RALG
- Ms. Louise Setshwaelo, FAO
- Mr. Brendan Glynn, LGRP
- Mr. Simon Lapper, LGRP
- Mr. Steven Fondriest, USAID
- Mr. Sizya Lugeye, DCI
- Mr. Paul Sherlock, DCI
- Mr. Graham Wilson, UDSM-CC
- Mr. Achayo, MAFS
- Mr. Esther Thomas, PADEP
- Mr. Henry Gordon, World Bank
- Mr. Tim Piper, TechnoServe
- Ms. Ellen Buch-Hansen, DANIDA

Annex 2

List of Documents Collected

No.	Name of Documents	Published by	Type
1	Improving DADP planning and implementation through study and analysis of lessons learnt during implementation of ASAP II -DADS in Iringa and Mbeya Regions -ASPS II :Study final report, June 2005	DANIDA	Computer file
2	Sector Programme Support Semi Annual Report as per 30th June 2005 Agricultural Sector Programme Support Phase II District Agricultural Support Component in Iringa Region Tanzania August 2005	DANIDA	Computer file
3	Tanzania Agricultural Sector Programme Support Phase II, Appendix D Component Description District Agricultural Development Support (DADS), October 2002	DANIDA	Paper
4	Tanzania Agricultural Sector Programme Support Phase II, Appendix B Component Description Private Agricultural Sector Support (PASS), October 2002	DANIDA	Paper
5	PlanRep 2 Operating Manual	University DSM, Computer Center	Computer file (+ soft ware)
6	Participatory Agricultural Development and Empowerment Project (PADEP), Annual progress report 2004/2005	PADEP	Paper
7	Alternative sources of funds for districts following the cessation of LAMP, Land Management Programme (LAMP), 2005	SIDA	Paper
8	Local governance finances and service delivery in Tanzania, A summary of findings from six councils, 2005, NIBR/CMI/REPOA	REPOA	Paper
9	Financial transparency in LGAs in Tanzania, draft report,REPOA, August 2005	REPOA	Paper
10	Synergies and Conflicts between TASAF II and the LGCDG, 2004, PO-RALG	PO-RALG	Paper
11	Restructuring Regional Administration, Planning and Management Guide for Regional Secretariat, 2003, PO-RALG	PO-RALG	Paper
12	LGSP, Semi Annual Report July - December 2005, PMO-RALG	LGSP	Computer file
13	Institutional Strengthening Programme (ISP) for Regional Secretariats, Implementation and Management Guide, 2005, PMO-RALG	LGRP	Computer file
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15	Guidelines for District Agricultural Development Planning and implementation (draft), January 2006, ASDI	ASDP secretariat	Computer file

16	A-DPG visit to Mbeya, Iringa and Morogoro Region, November 2005	A-DPG secretariat	Computer file
17	Local Government Support Programme Design of Capital Grants Programme and Capacity Building Programme for Local Governments. Volume two: Final Design report, December 2003		Computer file
18	The Functions and Organisation Structure of PO-RALG, URT, February 2005	PO-RALG	Computer file
19	32. Strategic Review of the Eastern Zone Client Oriented Research and Extension (EZCORE) Project, First Draft Report, November 2004	DCI	Computer file

Annex 3

Village participation in planning and implementation, a lesson to be learnt from PADEP and DADS for the implementation of DADP in Districts

Project Cycle part (village participation)	LGCDG (+ planned DADP)	DADS + PADEP
From Planning to disbursement of funds		
Information planning and Budget ceilings to District	Communicate planning and budget guidelines with formal allocations for LGCDG. This has been usually late. It is supposed that the assessment has been done by this time and the development envelope is known.	(PADEP) It informs the district on the total funds available for a FY for all the selected villages in the districts. (DADS) The district is informed on the ceilings before the planning process starts. This makes planning and budgeting more realistic.
Information budget ceilings to LLGs	Communicate IPF to wards and start the participatory planning. The IPF is based on an equitable share of 50% of the grant over all wards, based on the census figures of 2002. As assessment and planning preparations are late, planning takes place without knowing budget ceilings and availability of funds	(PADEP) Selected villages are informed that the ceiling for village activities is Tsh 35 million (20% contribution) and for farmer group activities Tsh 2.7 million (50% contribution)
Participatory planning at LLG	(LGCDG) O&OD is supposed to be used. The planning is not always comprehensive. Real participation is sometimes poor. Agriculture sector not well reflected. (DADP) Additional planning has been proposed in part of the villages to prepare VADPs. Plans both for LGCDG/DADP are not always reviewed annually.	(PADEP) uses PRA focused on the agricultural sector. District and Ward facilitation teams trained by PADEP, do the facilitation. Not all districts have the same experience and capacity, which sometimes delays the process. (DADS) O&OD has been used. It has been shown that the plans are not always very comprehensive, and areas like EIAs and feasibility study are not included.
Prioritization of plans and decision making for funding	(LGCDG) Prioritization of village plans done at ward level. The ward lacks proper prioritization tools. (DADP) Prioritization is done at district level. The selection was in the past not always strategic and lacked transparency.	(PADEP) The village prioritizes which activities to undertake. (DADS) follows the government system for the DADP. Strategic thinking in the preparation of the plan and selection of activities was seen as weak.
Incorporation of LLG plans in DDP/DADP and participation in planning process	(LGCDG) Plans are being included in the DDPs, although many districts had problems last year to incorporate them in full and plans were mainly presented attached to the DDP. (DADP) Few districts managed to come	(PADEP) The activities might not be reflected in the DDP. PADEP tried to support the DADP development, but as guidelines were lacking, not much progress has been made.

	up with full DADP and to incorporate them in the DDP. Participation of key stakeholders both for the planning of LGCDG and DADP is still not common practice in most of the districts.	
Appraisal and Approval DDP	Appraisal and approval of the DDP is to take place, starting from district to central level, between April and June.	(PADEP) the district is not allowed to change projects planned at village level. (DADS) the district could decide on the activities in line with development envelope available from DADS. Consultation and advice from the RSs were part of the process.
Notification to the LLG of approved projects	PMO-RALG is to notify the LGAs in July. The LLGs should be notified by July/August.	(DADS) The district informs the villages on the projects selected
Disbursement of funds to district	Funds transferred from MoF to LGAs (upon request from PMO-RALG) by July/Aug. Funds disbursement for LGCDG has been late over the last 2 FYs. Funds to be disbursed in a quarterly base. Follow up disbursements depends on the reporting of previous quarters.	(PADEP) funds are disbursed on demand base. When funds are requested by the village, the requests are compiled by the district PADEP office and forwarded, if satisfied by the reporting, to PADEP/MAFS. Disbursements normally takes not more than 7 days (inf. PADEP office) (DADS) Funds are disbursed to the district prior to actual detailed activity planning and budget.
Disbursement of funds to sub-district level	No disbursement of funds is supposed to happen to LLGs under the LGCDG system	(PADEP) Funds are to be disbursed straight into the village/ FG account. (DADS) the selected activities in the village are directly funded.
Implementation, reporting and M&E		
Funds availability	Funds were sent to village accounts under DADP in the past, although they sometimes stayed for long time at district level. Under LGCDG it depends on the efficiency and capacity of the district on how quick available funds start to be used.	(PADEP) If all the preparations have been done and requirements fulfilled, funds should be available throughout. (DADS) the funds are available at village level whenever needed.
Preparation action plan	An action plan has to be prepared participating in the community. But how well and how fast this happens depends on the district. (LGCDG)	(PADEP) The district/ ward is to advise on the preparation and write up of the project proposal and action plan. There might be a delay if the facilitation are slow to follow-up. (DADS) The village is facilitated/ assisted with the preparation of an action plan

Implementation of activities	LLGs are supposed to be participated, but in many districts this does not happen as yet. (LGCDG)	(PADEP) has the experience that projects which usually cost the gvt large amounts of money were actually implemented with little monetary investment and within a short time. (DADS) The village is fully responsible for the funds and the implementation.
Procurement	Procurement is supposed to happen at district level. Minor procurement can be delegated to ward level (LGCDG)	(PADEP) communities do the procurement themselves, guided by a simple procurement manual. (DADS) Procurement and tendering are done at village level.
Financial management	Financial management is to happen at district level. A training manual has been prepared for LLGs, but they have not yet been trained (LGCDG)	(PADEP) financial management is done at village level (DADS) Financial management is done at village level.
Reporting	Financial and progress Reports are prepared at district level (EPICOR/PlanReP) LLG is not involved in this reporting.	(PADEP) Financial and progress reports are prepared at village level. The PADEP office at the district checks and compiles the reports and send these to PADEP/MAFS. (DADS) Financial and progress reporting is done at village level
M&E	The village is not involved in this. LGMD has been introduced under LGCDG . It is supposed to collect data at LLG level and feed it back to them after processing. The system has not yet started. (DADP) has not yet clearly spelled out how to do M&E for the agric. sector.	(PADEP) has trained the districts and community on participatory M&E using a simplified format. (DADS) Public auditing is done at the village

Appendix 2

United Republic of Tanzania



**Agricultural Sector
Development Programme
(ASDP)**

**GUIDELINES FOR DISTRICT AGRICULTURAL
DEVELOPMENT PLANNING AND IMPLEMENTATION
(A Simplified Version)**

Draft

March 2006

LIST OF ABBREVIATIONS

A-CBG	Agricultural Capacity Building Grant
ASDP	Agricultural Sector Development Programme
ASDS	Agricultural Sector Development Strategy
ASFT	Agricultural Services Facilitation Team
ASLMs	Agricultural Sector Lead Ministries
ASP	Agricultural Service Providers
ASSP	Agricultural Services Support Programme
CDG	Capital Development Grant
CBO	Community-based Organisation
CMT	Council Management Team
DADG	District Agricultural Development Grant
DADP	District Agricultural Development Plan
DALDO	District Agricultural and Livestock Development Officer
DASP	District Agricultural Strategic Plan
DC	District Council
DCT	District Core Team
DDP	District Development Plan
DDS	District Development Strategy
DED	District Executive Officer
DEO	District Extension Officer
DFF	District Farmers Fora
DFT	District Facilitation Team
DIDF	District Irrigation Development Fund
DPLO	District Planning Officer
EBG	Extension Block Grant
EDSS	Economic Development Support Services
EELC	Economic, Environment and Land Committee
FC	Full Council
JAM	Joint Appraisal Mission
LGA	Local Government Authority
LGCDG	Local Government Capital Development Grant
MAFC	Ministry of Agriculture, Food Security and Cooperatives
MAFS	Ministry of Agriculture and Food Security
M&E	Monitoring and Evaluation
MTEF	Medium Term Expenditure Framework
NGO	Non-governmental Government
NSGRP	National Strategy for Growth and Reduction of Poverty
O&OD	Opportunities and Obstacles to Development
PME	Participatory Monitoring and Evaluation
PMO-RALG	Prime Minister's Office- Regional Administration and Local Government
PO-RALG	President's Office- Regional Administration and Local Government
PRA	Participatory Rural Appraisal
RDS	Rural Development Strategy
RS	Regional Secretariat
TDV 2025	Tanzania Development Vision 2025
VADP	Village Agricultural Development Plan
VC	Village Council
VDP	Village Development Plan
VEO	Village Extension Officer
WARC	Ward Agricultural Resource Centre
WDC	Ward Development Committee
WDP	Ward Development Plan
WFF	Ward Farmers Fora
WFT	Ward Facilitation Team
WUA	Water Users Association
ZARDI	Zonal Agricultural Research and Development Institute

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1. INTRODUCTION

1.1 Background

The last District Agricultural Development Plan (DADP) sensitization seminars were conducted in five regions, using the Guidelines for Preparation and Implementation of District Agricultural Development Plans (DADPs) revised in December 2004. The seminars which took place in May 2005 were attended by Regional Agricultural Advisors, Regional Livestock Advisors, District Planning Officers, and District Agricultural and Livestock Development Officers (DALDO). The DADP Guidelines of December 2004 have been subjected to review by field users as well as other technical officers and donors. It was pointed out that, among others, the primary focus of the Guidelines was agricultural investment and there was a room for improvement regarding agricultural services. The comments/suggestions provided during the review process resulted in the development of another version of the Guidelines – Guidelines for District Agricultural Development Planning, Main Text (November 2005), which has not been distributed to the districts yet.

Along with the Main Text (November 2005) which will be the new comprehensive DADP Guidelines, there was a need to prepare a simplified guideline which is concise and user-friendly, primarily for administrators who are involved in the DADP planning. In this context, a simplified version, the Guidelines for District Agricultural Development Planning and Implementation, Draft Report (February 2006) were prepared and presented at the Agricultural Sector Development Programme (ASDP) Joint Appraisal Mission (JAM) which took place in February 2006. After the JAM, a small working group was formed with representatives from Agricultural Service Facilitation Team (ASFT) who had developed guidelines focusing on agricultural services and ASDP Secretariat, respectively, with the directions of the Director of Policy and Planning, Ministry of Agriculture, Food Security and Cooperatives (MAFC), to revise the guidelines by incorporating the comments provided in the JAM and also by further improving them. This document is the output of this working group.

1.2 Outline of the Guidelines

This document presents guidance in terms of instructions, advice and tools to be used both at district and beneficiary levels in planning, implementation and monitoring of DADPs. DADP is a three-year rolling plan of district level priorities and activities related to the agricultural sector as an integral part of the District Development Plan (DDP). In these guidelines all five components of ASDP Sub-programme A have been addressed.

In line with the above, and for an effective DADP process, Local Government Authorities (LGAs) are required to approach **agriculture** beyond crop and livestock production into addressing all sectors that have a bearing on agricultural productivity and profitability including infrastructure, industry, water and rural roads. This is how agriculture is defined in these guidelines.

Thus, the main purpose of these guidelines is to give a systematic and concise guidance to LGAs in developing and implementing full-fledged DADPs as envisioned in ASDP. The main intentions are therefore to ensure that:

- i. Agriculture is sufficiently captured in the participatory (O&OD) planning processes, including appropriate consideration for vulnerable groups and emergency crisis prevention,
- ii. Sufficient technical, social, environmental, economic and financial feasibility screening is done before selecting an activity,
- iii. Communities and farmer groups are effectively involved in developing and implementing Village Agriculture Development Plans (VADPs),
- iv. Private sector is increasingly involved in all processes,
- v. Effective and efficient decentralization of agricultural planning, implementation and reporting through a participation system is put in place, and
- vi. LGAs are empowered to make their own decisions and priorities.

These guidelines are organised into 5 sections. Section 1 covers Introduction, Section 2 describes Institutional Arrangements. DADP Planning Process is explained in Section 3 whereas Section 4 describes sub-component wise activities. Section 5 covers Implementation Arrangements.

These guidelines should be reviewed annually to ensure that information contained is always updated.

Key documents that are useful in DADP planning and implementation are summarized in Appendix 2.

In the context of these guidelines, the public and private sectors include the following:

Table 1. The Public Sector and Private Sector in the Guidelines

Public Sector	Private Sector
<ul style="list-style-type: none"> - Agricultural Sector Lead Ministries (ASLMs), - Other Ministries and public institutions whose work contributes to the agriculture through cross-cutting and multi-sectoral activities and issues, - Regional Secretariat (RS), - Local Government Authority (LGA), - Ward Development Committee (WDC), - Village Council, and - Commodity Boards. 	<ul style="list-style-type: none"> - Producers, - Farmer groups and their networks, - Processors and agri-business groups, - Professional associations, - Non governmental and community based organizations (NGOs and CBOs), and - Non-public institutions which are important to agriculture including academia, consultant companies and other service providers.

1.3 DADP Framework

In this section, agricultural strategies and policies, and other local government framework documents which are relevant to DADP are briefly explained.

Agricultural Sector Development Strategy (ASDS)

ASDS is the foundation for the development of the agricultural sector in the United Republic of Tanzania. It conforms to National Strategy for Growth and Reduction of Poverty (NSGRP), Rural Development Strategy (RDS) and Tanzania Development Vision 2025 (TDV 2025).

The primary objective of ASDS is to create an enabling and conducive environment for improving profitability as the basis for improved farm incomes and rural poverty reduction in the medium and long term plans. The strategy lays the foundation for the development of the

agricultural sector, hence the national economy and poverty reduction especially in rural areas. Identified strategic areas of interventions in the agricultural sector are as follows:

- i. Strengthening the institutional framework,
- ii. Creating a favorable environment for commercial activities,
- iii. Clarifying public and private roles in improving support services,
- iv. Strengthening marketing for inputs and outputs, and
- v. Mainstreaming planning for agricultural development in other sectors.

ASDS contains three innovative features focusing on agricultural productivity and profitability by creating a favorable environment for investment in agriculture and allowing farmers to produce according to demand; promotion of private sector/public sector and processor/contract grower partnerships.

Agricultural Sector Development Programme (ASDP)

ASDP is a tool for the implementation of ASDS. ASDP has a 15 year time horizon; the first phase is a seven-year programme framework but its implementation will be rolled into a three year Medium Term Expenditure Framework (MTEF). It emphasises empowerment of local governments and communities to control their planning processes, and establishment of an environment, which encourages private sector investment in all aspects of agriculture.

ASDP is organized into three complementary sub-programmes based on the five strategic areas identified under ASDS. Of these, Sub-programme A, which is to be implemented through LGAs, is by far the largest, accounting for about 75 percent of total expenditure. Sub-programme A, that is basically the DADPs to be prepared and implemented by LGAs, forms the basis for these guidelines

District Development Plan (DDP)

DADP will be an integral part of the DDP. DDP should analyze the importance of the agricultural sector in the districts' development strategies and identify the interventions to develop the agricultural sector, considering the districts' present situations, potentials and problems.

Local Government Capital Development Grant (LGCDG) System

From fiscal year 2006/07, the DADP fund will be channelled to districts through the LGCDG system. In addition, monitoring and reporting systems also follow those of the LGCDG system.

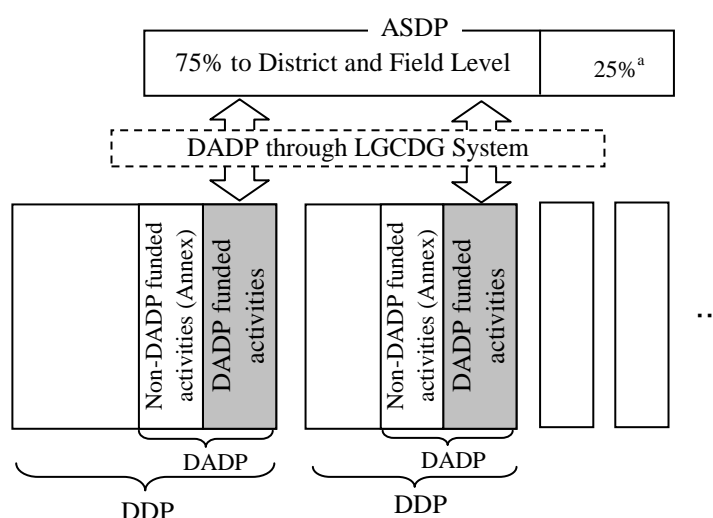


Figure 1. ASDP, DDP and LGCDG System

a) 20 % for agricultural sector support at national level and 5% for cross-cutting and cross sectoral issues

2. INSTITUTIONAL ARRANGEMENTS

2.1 Introduction

DADP planning structure and the process are shown in Figure 2.

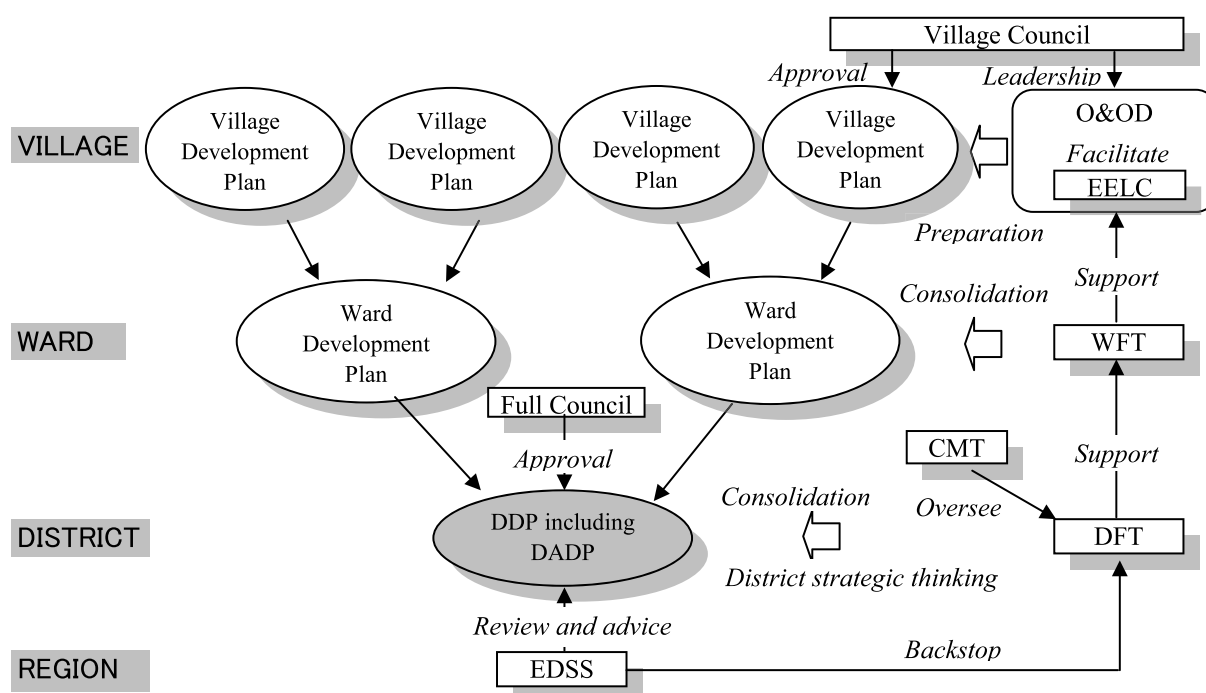


Figure 2. Overview of DADP Planning Structure and the Process

At the village level, a Village Development Plan (VDP) that includes a VADP will be prepared and implemented by Economic, Environment and Land Committee (EELC) under the leadership of Village Council (VC). Ward Facilitation Team (WFT) will be responsible for guiding EELC in analyzing the opportunities and obstacles identified during the O&OD planning process as well as identifying feasible technological options for agricultural development in the village. At the ward level, WFT will manage the village planning and prepare a Ward Development Plan (WDP) by consolidating VDPs and inter-village activities.

At the district level, District Facilitation Team (DFT) plays an important role such as providing training and support to WFTs and preparing a DADP by consolidating WDPs and inter-ward activities on the basis of district strategic thinking. Council Management Team (CMT) will oversee the planning and implementation of DADP as an integral part of the DDP.

RS's Economic Development Support Services (EDSS) section will be responsible for reviewing and advising of the DADPs before approval by Full Councils (FC). It will also backstop implementation of DADPs.

The composition and responsibilities of each institution are described below.

2.2 Composition and Responsibilities

Village Level

At the village level, the existing EELC will be facilitated by WFT to oversee the planning process as per O&OD methodology.

Roles of Economic, Environment and Land Committee (EELC)

- i. Carry out review and in-depth analysis of the opportunities and obstacles identifying their causal-effect relationship including poverty and vulnerable groups,
- ii. Undertake analysis of alternative agricultural development options based on the identified opportunities including the poorest and vulnerable groups with the community,
- iii. Prepare a VDP, including a VADP,
- iv. Maintain a bank account into which the agricultural investment grant will be deposited,
- v. In collaboration with VC, mobilise contributions of the community,
- vi. Handle procurement of goods and services as well as management of agricultural investment grant,
- vii. Seek technical support and other services from agricultural extension workers, NGOs and other development agencies operating in the village,
- viii. Prepare and submit monthly, quarterly and annual physical and financial reports to VC, and
- ix. Provide information to the community members on VDP implementation progress.

Roles of Village Extension Officers (VEOs)

- i. Train, facilitate and support farmer group formation and farmer networking,
- ii. Assist groups and farmers fora / networks to develop service contract proposals and plans,
- iii. Provide advice to EELC on agricultural issues,
- iv. Ensure that VADPs pay due considerations to the environment and sustainable use of natural resources,
- v. Conduct farm trials in collaboration with research institutes,
- vi. Support up-scaling of successful activities and ensuring the dissemination of successful stories, and
- vii. Prepare progress reports and submit them to DALDO's office.

Ward Level

Roles of Ward Facilitation Team (WFT)

- i. Assist in the formation of Ward Farmer Fora (WFF),
- ii. Facilitate the O&OD participatory planning process at the village level,
- iii. Facilitate and guide EELC at the village level to prepare a VADP,
- iv. Develop inter-village activities,
- v. Prepare a WDP by consolidating VDPs and inter-village activities and submit it to DFT,

- vi. Support farmers to determine their needs and facilitate their contacts with public/private service providers, and
- vii. Operationalise and facilitate the activities of Ward Agricultural Resource Centres.

District Level

Activities proposed based on the bottom-up approach will be integrated with those developed from national/district strategic thinking.

Roles of District Facilitation Team (DFT)

- i. Train WFT on the O&OD planning methodology, agricultural development planning, group formation and dynamics, procurement of goods and services, contracting, financial management, environmental management, participatory technology development, participatory monitoring and evaluation (M&E) and public-private partnership,
- ii. Explain the relevant contents of Planning and Budgeting Guidelines from Prime Minister's Office - Regional Administration and Local Government (PMO-RALG) to village EELCs before launching of the O&OD participatory planning process,
- iii. Form District Farmer Fora (DFF),
- iv. Assist WFT to facilitate the identification and analysis of opportunities, obstacles and technological options needed to develop agriculture in villages,
- v. Assist WFT to facilitate the identification of vulnerable groups and methods to include them in community actions including emergency crisis prevention,
- vi. Based on the VDPs, carry out needs assessment to identify the required VDP implementation support services and capacity building needs at village, ward and district levels,
- vii. Develop inter-ward activities,
- viii. Formulate a full-fledged DADP,
- ix. Identify researchable issues to be undertaken by Zonal Agricultural Research and Development Institute (ZARDI) and others,
- x. Provide backstopping to WFT and EELC during implementation and monitoring of VDP, and
- xi. Provide timely feedback to wards and villages on the amount of funds/budget approved by District Council (DC).

Roles of DALDO

Apart from being a DFT member, DALDO/Cluster Head will have the following specific roles

- i. Liaise with all stakeholders in the district,
- ii. Provide leadership to DFT,
- iii. Coordinate training of DFT and WFT,
- iv. Receive agricultural components of WDPs and make necessary preparations for the development of DADPs,
- v. Ensure that DADPs pay due considerations to the environment and natural resources management,
- vi. Ensure that DADPs are effectively integrated into the DDPs,
- vii. Facilitate timely disbursement of grant funds to communities and groups,

- viii. Ensure compliance of agricultural development activities with the district development priorities, and
- ix. Prepare quarterly and annual progress reports for submission to CMT and ASLMs.

Roles of District Executive Director

DED's specific roles are as follows:

- i. Disburse resources to the DADP activities as approved by LGCDG Technical and Steering Committees,
- ii. Mobilise contributions from CBOs, NGOs and other stakeholders,
- iii. Coordinate the formulation and implementation of DADP as part of the DDP, and
- iv. Supervise the implementation process.

Regional Level

RS's EDSS section has the following specific roles:

- i. Review and appraise DADPs before they are submitted back to CMT for the inclusion of inputs from RS and then for approval by FC,
- ii. Verify the validity and credibility of information provided by the districts,
- iii. Ensure that due considerations are paid to the environment and natural resources management,
- iv. Assist the development of a quality plan and their adherence to national policies and current directives,
- v. Undertake regular monitoring visits to review the quality of supported investments and services,
- vi. Assist councils to prepare quarterly and annual reports,
- vii. Participate in the O&OD training workshops for DFT,
- viii. Assist LGAs to address shortfalls and areas of poor performance as identified by annual assessment,
- ix. Participate in the annual assessments of LGAs' eligibility for central government grants, including those funded through the LGCDG system, and
- x. Forward consolidated LGA plans and reports to PMO-RALG with their recommendations as to the qualifications of councils for funds disbursements.

National Level

ASLM Permanent Secretaries and Directors. The MAFC, Ministry of Livestock Development and Ministry of Industry, Trade and Marketing are responsible for all aspects of the technical implementation of the national level component, while PMO-RALG and LGAs are mainly responsible for implementation of the local level support. Their tasks include:

- i. Disseminate current planning information to DCs to guide the DADP planning process.
- ii. Conduct orientation workshops for DFT at the district level and support DFT in training on agricultural development planning, procurement of goods and services, contracting, financial management, environmental management, participatory technology development, participatory M&E and public-private partnership to ensure that quality DADPs are developed.

iii. Prepare policy and regulatory frameworks.

ASFT, comprising of specialists from ASLMs is primarily responsible for agricultural services. ASFT's mandates include i) finalizing the implementation plans and guidelines, ii) assisting LGAs in preparing for the performance assessment, and iii) assisting LGAs and ZARDIs in the preparation for contracting and support and guidance to LGAs on the preparation and implementation of extension reform plans.

Director of Policy and Planning, MAFC, is responsible for the administrative aspects of ASDP Basket Fund. The department will work with other departments of ASLMs on consolidating work plans and budgets, quarterly and annual physical and financial reports, progress reports, and requests for funds on behalf of the implementing agencies.

ASDP Secretariat, composed of one coordinator and two professional staff, is responsible for both coordination and facilitation roles. Programme Coordinator will act as the secretary to the Inter-ministerial Coordinating Committee which is responsible for policy making, overseeing implementation of ASDP, and monitoring its performance.

For more details, see ASDP Support through Basket Fund Government Programme Document, 28 February 2006.

3. DADP PLANNING PROCESS

3.1 Overall Process

The process of decentralization by devolution emphasises building the capacity of the local communities to plan and implement their socio-economic interventions. O&OD has been adopted as an effective participatory planning methodology in building the capacity of communities as well as imparting the sense of ownership of the development process

Agriculture is a complex sector that requires well guided planning in order to ensure that the plans are prepared and implemented successfully by the communities themselves. This planning guide is intended to facilitate communities to plan for agricultural development.

The districts are required by law to undertake the process of participatory planning in order to ensure that democratically based actions are taken in the interest of development of rural communities. The flow of stepwise planning process is provided in Figure 3.

Each step which corresponds to the numbers shown in Figure 3 is described by village/ward/district/region.

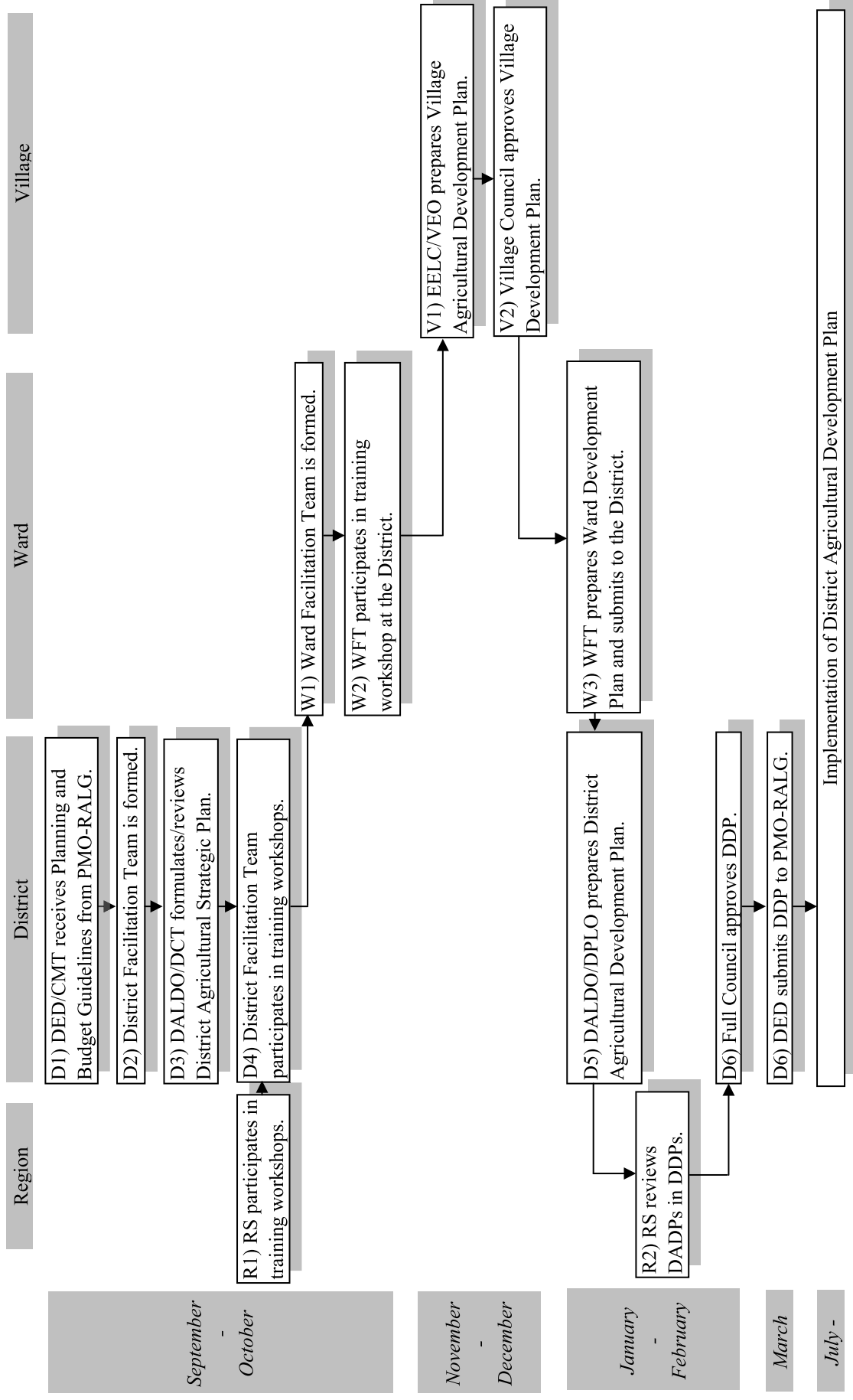


Figure 3. Planning Process of DADP

3.2 Steps Taken at Village/Ward/District/Regional Level

(1) Village Level

Step V1 (November) EELC prepares Village Agricultural Development Plan.

A VADP is prepared by EELC as a part of a VDP, using a participatory analysis such as the O&OD. The participatory analysis will be facilitated by WFT. Village Extension Officers as well as EELC are responsible for the agricultural component of the VDP.

VDP will consist of:

- ☐ Village name
- ☐ Ward name
- ☐ Village vision
- ☐ Vulnerable group identification and proposal of appropriate actions
- ☐ Identification of recurring emergency crisis causes and solutions
- ☐ Key environmental and natural resource management issues
- ☐ Opportunities and obstacles
- ☐ Objectives
- ☐ Activities to be implemented (including non-DADP fund activities in annex)
- ☐ Activity costing / budget
- ☐ Implementation plan
- ☐ Organization and management arrangement
- ☐ Monitoring indicators and means of verification
- ☐ Assumptions and risk management

Step V2 (December) Village Council approves Village Development Plan.

The village plans developed are presented to VC and Village Assembly by EELC. This is a process where alternative opinions and objectives are aired and discussed.

Ultimately, a consensus will be reached and the plan will be agreed upon. The plan will then be submitted to Ward Development Committee (WDC).

(2) Ward Level

Step W1 (October) Ward Facilitation Team is formed.

At the ward level, WFT will be formed composing of:

- ☐ Ward executive officer,
- ☐ Ward extension officer, and
- ☐ Ward community development officer.

WFT will work under the guidance of Ward Executive Officer.

Step W2 (October) WFT participates in training workshops at the district.

WFT participates in workshops organized and trained by DFT on planning, using the O&OD planning methodologies. Planning guidelines are also presented in the workshops.

(Step V1 WFT facilitates the preparation of VADPs.)

Step W3 (January) WFT prepares and submits Ward Development Plan to the district.

VDPs are assessed by WFT. WFT may also add inter-village activities if they are considered necessary but not proposed by villages. Then WFT consolidates these activities into a WDP. The WDP will list the activities by geographical area and also by fund sources.

The WDC meeting will be convened to deliberate on the WDP and submit it to the district.

(3) District Level

Step D1 (September) DED/CMT receive Planning and Budget Guidelines.

DED/CMT receive the following planning and budget guidelines annually from PMO-RALG and the Ministry of Finance.

- ❑ Guidelines for the Preparation of Medium Term Plan and Budget Framework and MTEF, Ministry of Finance.
- ❑ Guidelines for the Preparation of Local Government Authorities' Medium Term Plans and Budgets, PMO-RALG.

DED will, in turn, distribute these Guidelines to ward and village levels to guide the planning process.

Step D2 (September) District Facilitation Team is formed.

DFT is formed composing of:

- ❑ Experts in livestock, cooperative and agriculture,
- ❑ Experts in community development,
- ❑ Experts in planning, water, education, health, etc., and
- ❑ Experts in identifying particular vulnerable groups and appropriate responses.

DFT will work under the guidance of District Executive Director (DED).

Step D3 (October) DALDO/DCT formulates/reviews District Agricultural Strategic Plan.

Prior to DADP formulation, a five-year District Agricultural Strategic Plan (DASP) will be developed, integrating participatory community planning and national/district strategies/policies by DALDO and District Core Team (DCT). The DASP is incorporated in the District Development Strategy (DDS).

District strategic planning is important because a PRA-based planning process is in general unable to incorporate the components like policy, regulatory and institutional frameworks; research and training; and private sector development. The DASP should include the following components:

- ❑ An analysis of the district's agricultural potential, opportunities and obstacles to development,
- ❑ Roles/importance of the district agriculture in the national/regional economy,

- ❑ A district diagnostic assessment which would provide district level baseline information,
- ❑ Roles of LGAs in the district's agriculture development, and
- ❑ Roles and opportunities of the private sector.

Step D4 (October) District Facilitation Team participates in training workshops.

ASLMs and RS will conduct workshops for DFT members to impart adequate planning knowledge using the O&OD planning methodology. It is important to conduct a workshop for DFT before the team proceeds to support the villages in developing VDPs.

The workshop outcome would include:

- ❑ A common understanding on the O&OD planning methodology as required by the DDP planning process,
- ❑ The capacity to facilitate/develop practical strategies for creating and sustaining facilitation skills at ward and village levels,
- ❑ The capacity to identify and include the most vulnerable groups in the village development planning,
- ❑ The capacity to assess root causes of recurring emergency crisis and recommend solutions,
- ❑ The capacity to plan, implement and monitor agriculture development activities with the communities and other institutions (NGOs, CBOs etc.), and
- ❑ A work plan on how to support the ward and village planning process so that agricultural interventions are included in the DDP.

(Step W2 DFT provides training workshop for Ward Facilitation Team)

Step D5 (January) DALDO/DPLO prepare District Agricultural Development Plan.

At the district, the WDPs will be subjected to appraisal by DFT. Depending on the nature of investment, the appraisal process may involve only a few members of DFT (agricultural and livestock experts). Detailed appraisal of the plans would be accomplished by:

- ❑ Examining the objectives and identifying inconsistencies with the district vision and sectoral objectives in the plans,
- ❑ Assessing the logical coherence of the intervention logic and assumptions,
- ❑ Examining the appropriateness of technologies and cost effectiveness of the interventions,
- ❑ Examining how the plans will benefit different segments within the community [fiscal and social impacts],
- ❑ Ensure that cross-cutting and cross-sectoral issues have been addressed in the plans,
- ❑ Identify support required from the district (in terms of resources, technical support, etc.) for the village to execute the plans and ensure sustainability of the interventions, and
- ❑ Assessing and ensuring consistency with national policies and strategies.

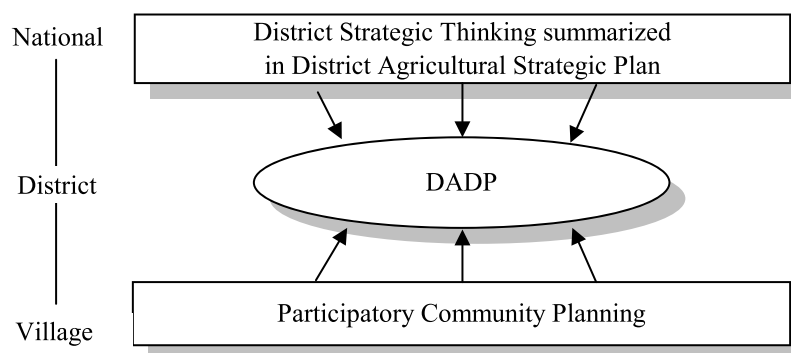


Figure 4. Formulation of DADP

Then, DALDO, in consultation with District Planning Officer (DPLO), prepares a DADP, based on district strategic thinking which is reflected in the DASP and consolidating WDPs and inter-ward activities. All the agricultural activities implemented in the district should be included in the DADP so that district administrators can have an overview of the agriculture sector in the district. Non-DADP funded activities will be listed in the annex of the DADP.

(It is suggested that DADP Table of Contents is inserted here.)

Step D6 (March) FC approves DDP, and DED submits it to PMO-RALG.

After the DADP is appraised and incorporated into the DPP, the DDP will be submitted to FC for approval and then to PMO-RALG with a copy to Regional Administrative Secretary (RAS), following the normal LGA system.

Step D7: DFT conducts annual review of the DADPs.

DADPs will mainly show the district agricultural development objectives and the service delivery targets for three years, but will also indicate a time frame and responsibility of all parties that will be involved. However, the DADPs will be reviewed annually over a period of three years according to changes in the district agricultural development priorities and technical and financial capabilities/strengths. The review process will be undertaken by DFT (coordinated by district agricultural experts).

(4) Regional Level

Step R1 (October) RS participates in the O&OD training for DFT.

RS participates in the O&OD training for DFT.

Step R2 (February) Regional Secretariat reviews DADPs.

RS will review DADPs as well as LGAs' quarterly and annual reports and advise LGAs on required improvements.

4. DADP COMPONENTS

The DADP activities can be broadly divided into investments, service provision, and capacity building, which are explained below.

4.1 Investments

Investments will include infrastructure investments, capacity building of farmers and technology development. All activities will be funded on a cost sharing basis, with beneficiaries contributing additional labour and materials in varying proportions. Broad categories of eligible investment and cost-sharing are shown in Table 2.

Table 2. Examples of Activities/Investments Eligible for DADP Funding and Cost-Sharing Rates

Eligible Investment	DADG/Beneficiary Cost Sharing	Comments / Conditions
Gully and erosion control	100% - 0%	Community-based management of natural resources agreed.
Reforestation of degraded area	100% - 0%	Community-based management of natural resources agreed.
Gravity irrigation scheme (for groups): intake structure, main and secondary canal	80% - 20%	Tertiary canals and on-farm development are 100% farmer contribution
Pump irrigation scheme (for group): pump, and main and secondary canals	80% - 20%	Pump operation costs, tertiary canals and on-farm development are 100% farmer contribution
Water harvesting earth dam	80% - 20%	On farm development farmer pays 100%.
Shallow well (for livestock and /or vegetable watering)	80% - 20%	On farm development is 100% farmer contribution.
Cattle dip	80% - 20%	Management and use at a fee agreed upon.
Village market infrastructure	80% - 20%	Taxes and fees levied conform to legal regulations.
Village access road and river crossing point	80% - 20%	Critical sport improvements only
Simple product storage facility	80% - 20%	Management & use of a fee agreed upon.
Heifer/goat scheme	50% - 50%	Targets the poor; HIT, GIT, TWIT schemes, etc.
Conservation farming equipment	50% - 50%	Group agreement; testing, e.g. shift from conventional tillage to zero tillage.
Specific training and support	50% - 50%	Group contract with agricultural services provider.
Training of Village specialist	50% - 50%	E.g. livestock health specialist.
Nursery	50% - 50%	For long term (tea, coffee) or with environmental benefits (forestry, agro forestry)
Risk bearing group equipment, e.g. tractor, power tiller, oil press, coffee huller, grain mill, milk chilling, fruit/vegetable processor, slaughter facility, sprayer.	25% - 75%	Only for large groups, upon condition of sound business plan and management arrangements, benefits the whole community, no negative environmental impact.
Seed, fertilizer, pesticide	0% - 100%	Subsidies distort the market
Individual equipment, e.g. pump, tractor, power tiller	0% - 100%	Only group investment in equipment can be supported
On farm irrigation development	0% - 100%	Individual responsibility
Beneficiary allowance / salary	0% - 100%	Improper use of public funds
Food and beverage	0% - 100%	Individual / group responsibility

LGAs are also allowed to use a part of the grant for purchase of capital goods such as vehicles and other means of transport if it is the recommendations of a participatory planning process and endorsed by the full LGA council.

4.2 Service Provision

Extension services will be provided through farmer groups. The groups could be extension groups or learning groups such as farmer field schools. The groups will form networks or fora where they can discuss common problems and issues related to farmer empowerment.

District Level

At the district level a core team of experts will be established headed by DALDO. The team will comprise of DALDO, District Extension Officers (DEO), Private Sector Promotion Officer and Planning/Monitoring and Evaluation Officer. In addition one or two subject matter specialists will be retained at District Office. The rest of the staff will be positioned at the ward or village level depending on the LGA circumstances.

Besides conducting extension and other services, the district will, through DEO, link with the Zonal Information and Extension Liaison Officer for technology dissemination from research scientists. The core team will work within the LGA procedures, but will technically receive support from RS and ASLMs.

Ward and Village Level

The roles of Ward and Village Extension Officers will be re-defined to change from one viewed as technology transfer agents to facilitators. They will facilitate farmer groups and their net works to access to new technologies. They will facilitate the Ward Agricultural Resource Centres with relevant and current extension materials. They will also link up with research in conducting on farm trials. They will generally be the linking bond between other Agricultural Service Providers (ASPs) and farmer groups and their networks

Contracting of Extension Services

It is anticipated that over the next 15 years, 50% of extension services will be provided by the public and 50% by the private ASPs. It is estimated that in the next 7 years at least 1 million farmers will be covered by the private sector, i.e. about 10,000 farmers per LGA.

Contracting will be through short and long term thematic contracts. These contracts will be managed by District Office. The other contracts will be managed by farmer groups and their fora, and these will be through coupons. The coupons will be issued by District Office, but managed by farmer groups and their fora/networks.

The areas in which DADP funds may be used include, but are not limited to, the following:

- ❑ To make technology more accessible to farmers through demonstration and awareness creation,
- ❑ Through a technology development contract, increase farmers' capacity to manage and use a technology to develop their enterprises,
- ❑ Through on-farm adaptive research, adapt technologies to better suit local production conditions (soil, labour, level of current knowledge, market) and generate relevant management information,
- ❑ Farmer representatives' travel expenses to visit to places of technology interest in order to identify market and production opportunities,
- ❑ Enterprise development,

- ❑ DFF/WFF's expenditures to develop current enterprises or to introduce new enterprises to the ward/village, and
- ❑ Establishment of Ward Agricultural Resource Centres.

4.3 Capacity Building

Capacity building is critical in the decentralization process. To support capacity building, a part of the DADP fund is earmarked for this purpose. Its use may include, but not limited to, the following areas:

- i. On data management,
- ii. Internal audit,
- iii. Computer (for planning / accounts Staff),
- iv. On budgeting,
- v. Training on agriculture-specific courses,
 - PRA approaches,
 - Extension programme planning,
 - Farmer field school concept,
 - Gender,
 - Agro forestry,
 - Environment and natural resource management,
 - Introduction to Agric business,
 - HIV/AIDS,
- vi. Train the elected members of the DC on agricultural development planning,
- vii. Train village leaders and the private sector on tendering process/procedures,
- viii. With more money giving down to the village level, more training on simple bookkeeping and financial management is needed at the village and ward levels,
- ix. Build district internal auditing capacity of the village accounts,
- x. Capacity to develop business plans,
- xi. Build the capacity of extension officers to be able to facilitate villagers to identify potentials in agricultural investment development, and
- xii. Group formation and dynamics, leadership skills.

5. IMPLEMENTATION ARRANGEMENTS

5.1 Financing of DADPs

DADP as a component of the DDP will be financed from various sources including the followings. Of these, 1) to 4), and 6) are the discretionary funds of LGAs.

- 1) Local Government Capital Development Grant (LGCDG)
- 2) District Agricultural Development Grant (DADG)
- 3) Extension Block Grant (EBG)
- 4) Agricultural Capacity Building Grant (A-CBG)
- 5) District Irrigation Development Fund (DIDF)
- 6) LGA's own funds
- 7) Contributions by CBOs, NGOs, etc.
- 8) Contribution from farmer groups, processors etc

1) is the Capital Development Grant (CDG) funded through the LGA system. It is important to note that even with the addition of DADP fund, CDG may also be used for agricultural activities. 2) to 5) are the funds through the ASDP Common Basket Fund.

2) to 4), i.e. DADG, EBG and A-CBG, consist of the standard (basic) and enhanced (top-ups) portions, respectively. The type and function of each grant are summarized in Table 3:

Table 3: Types and Functions of DADG, EBG and A-CBG

Name of Grants	District Agricultural Development Grant (DADG)	Extension Block Grant (EBG)	Agricultural Capacity Building Grant (A-CBG)
Standard (Basic)	Discretionary fund to finance investment in infrastructure and productive assets. (Tshs 38 million per year per LGA)	Finance salaries and operating costs of public extension staff at LGA level.	Discretionary fund to finance training and capacity building of LGA.
Enhanced (Top-up)	Same as above. (Around Tshs 120 to 210 million per year per LGA, depending on PAs)	Discretionary fund to finance the cost of contracting private agricultural service providers.	Earmarked fund to finance farmer empowerment and capacity building for potential private sector service providers (only active for the first 2-3 years of implementation).

Irrigation projects are first financed by LGCDG and DADG. However, if the fund is not sufficient, it is possible to apply for District Irrigation Development Fund (DIDF). DIDF is a fund established at the national level to finance district level irrigation schemes on a competitive basis. To apply for DIDF, districts must meet DADG access conditions. Requests for DIDF financing will be submitted annually and will be scored according to the criteria indicated in Table 4:

Table 4. District Irrigation Development Fund (DIDF) Selection Criteria

Criteria	Maximum score
Economic rate of return	40
Amount of alternative sources of funding (LGCDG and DADG) that the district allocates to the proposed investments	20
Amount of farmers' contribution to the capital investment costs	20
Amount of A-CBG and EBG funding that the requesting district has specifically allocated to irrigation	10
Amount of funds allocated to software activities such as capacity strengthening of WUAs and District Facilitation Teams, etc.	10

For more details, see ASDP Support through Basket Fund Government Programme Document, 28 February 2006.

5.2 Conditions for Disbursement

Access to CDG will be subject to fulfilment of LGCDG conditions. As for the standard portion of DADG, EBG and A-CBG, there is no minimum condition, and all the districts are automatically qualified as long as they are qualified for CDG. On the other hand, the enhanced portion of DADG, EBG and A-CBG are provided only to those districts that qualify the minimum conditions. Qualification conditions for DADG, EBG and A-CBG are summarized in Table 5.

Table 5. Conditions for Receiving DADG, EBG, and A-CBG

Standard (or Basic) Grant	No conditions (Automatically qualify)		
Enhanced (or Top-up) Grant	Must satisfy the following four minimum conditions.		
	(Minimum Conditions)	(Information Source)	(Level)
	1. District qualifies for Capital Development Grant	PMO-RALG annual assessment report	Primary
	2. Position of DALDO filled	Establishment	Secondary
	3. Council has a DADP	DADP	Primary
	4. Evidence of a commitment to reform of agricultural extension services.	Obtain council minutes of resolution on reform	Secondary

Primary: Must be in place at the time of annual assessment

Secondary: Districts given additional time to satisfy these agreed actions (e.g. within two months of assessments.)

In addition, the amount of enhanced (top-up) grant allocated to each LGA is determined by the performance of each LGA. A table that summarizes these performance measures is shown in Appendix 1.

For more details, see ASDP Support through Basket Fund Government Programme Document, 28 February 2006.

5.3 Financial Reporting and Auditing

Financial flows, reporting and account management of DADP funds will be aligned with that of the LGCDG system. Financial and quarterly progress reports are submitted by LGAs to PMO-RALG through RS. Where available, the reports should be submitted through the PlanRep systems. LGAs failing to report for penultimate quarters in the required format and within the specified deadlines will not receive funding for the following quarter.

Auditing also follows the process prescribed in the LGCDG system. LGAs are responsible for ensuring that the year's annual accounts are prepared within a prescribed period. Council Treasurer will prepare a standard annual report required as per financial regulations. The report should include accounts, records including a sample of those at farmer group, forum, village and ward levels. The report has to be audited by the National Audit Office or a reputable independent auditing firm.

For more details, see LGCDG System – Implementation and Operations Guide (July 2005), PMO-RALG, Chapter 4. Reporting and Chapter 5. Audit.

5.4 Procurement of Goods and Services

The procurement of goods and services should be in accordance with the Local Authority Procurement Regulations, Local Government Procurement Manual and any other approved processes. The following institutions/officers are usually involved in the procurement process:

- ❑ Ministerial Tender Board,
- ❑ Council Tender Board,
- ❑ Accounting Officer (Council Director)
- ❑ Head of Department (DALDO)
- ❑ Council procurement officers.

For more details, see Guidelines for District Agricultural Development Planning (Final) Main Text (November 2005), 7.0 Procurement of Goods and Services.

5.5 Participatory Monitoring and Evaluation

Participatory Monitoring and Evaluation (PME) is a continuous collection, analysis and use of information for management control and decision making by full involvement of the stakeholders at all levels. For that matter, it is people centred, designed to facilitate critical self assessment during implementation of interventions and forms the basis for improvement of future development plans by the stakeholders.

Monitoring of DADPs will be conducted in the context of existing Local Government M&E Systems e.g., PlanRep. PME may use the Logical Framework.

PME designing will follow the following steps:

- i. Establish the purpose and scope of monitoring,
- ii. Identify questions and indicators based on information needs,
- iii. Plan how to gather such information,
- iv. Plan how the information gathered will be used,
- v. Plan how to report, and
- vi. Plan for the necessary capacities to conduct the above.

PME implementation is described in Figure 5.

District level evaluation (measuring outcome and impact) will be conducted after the end of each implementation period of the plan. LGAs will need to evaluate themselves by either capturing relevant information themselves or commissioning suitable studies. The valuation work would meet their own priorities and be aimed at measuring whether the group, village or district's immediate objective has been achieved. The focus will also be made on measuring service performance, value-for-money and cost-effectiveness.

For more details, see Guidelines for District Agricultural Development Planning (Final) Main Text (November 2005), 9.0 Monitoring and Evaluation.

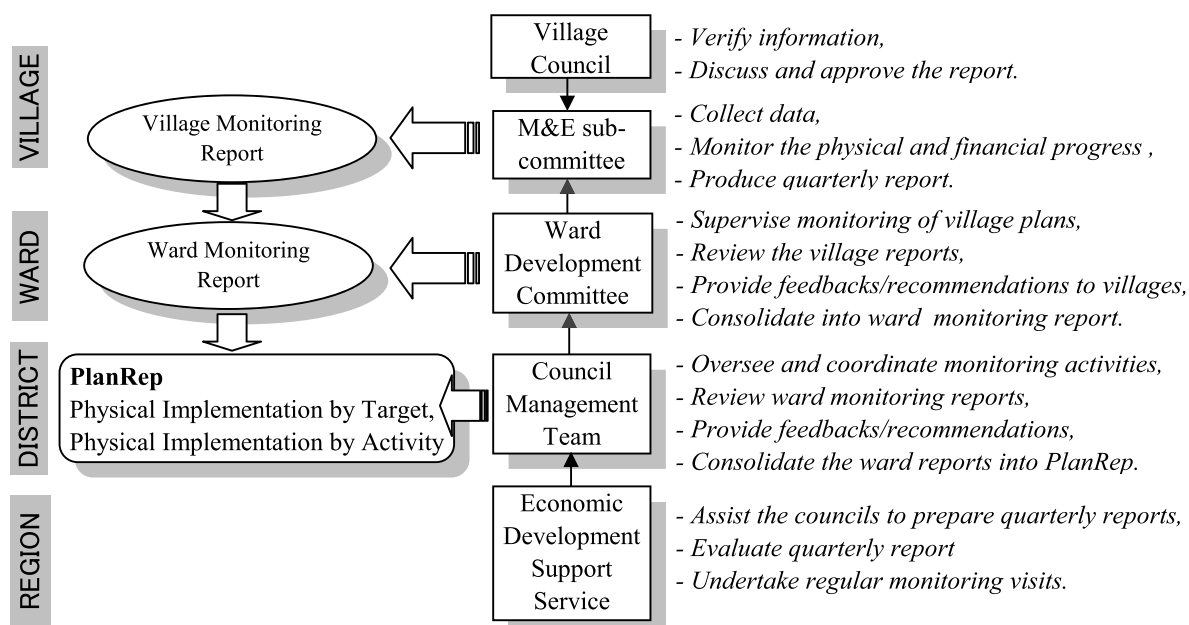


Figure 5. Implementation of PME

5.6 Completing a DADP Investment Activity and Transfer of Ownership

For sustainability purposes, LGAs should as much as possible transfer ownership and management of public-investments such as cattle-dips, slaughter houses, market structures, wells, small irrigation schemes, etc. to the community and private sectors. Such facilities can be run in a business way and generate income to pay for the maintenance costs.

It is important to make proper arrangements right from the planning stage to prepare for communities/private ownership including selection of user groups and capacity building for those who will manage and own these facilities.

For an example of Investment Handing Over Contracts to Communities, see Guidelines for District Agricultural Development Planning (Final) Main Text (November 2005), Annex 7.

Appendix 1

Criteria for the Enhanced DADG, DAEG and A-CBG

Functional area	Indicators of Performance Measures	Information Source, Assessment Procedures and Scoring Procedure
1. DADP prepared and implemented according to guidelines and as part of DDP. <i>Maximum score=35</i>	1. The DADP contains as an analysis of the district's agricultural potential, opportunities and obstacles to development. A Diagnostic Assessment and Agricultural Strategy are available, with private sector roles and opportunities identified.	Review DADP to ensure that the District Strategic Plan includes the following. - An analysis of the district's agricultural potential, opportunities and obstacles to development: 10 - A diagnostic assessment: 5 - Private sector roles and opportunities identified: 2
	2. DADP assessed for level of implementation as per activities and budget.	Assess together with DPO, DALDO and relevant District Management Team members the status of implementation of the DADP: $0 < 25\% < 6 < 50\% < 12 < 90\% < 25$
2. District Agricultural Services Reform and contracting <i>Maximum score=20</i>	1. Proof that agricultural services are progressively embracing empowerment approaches and engaging the private sector (ward and district farmer fora formed; extension services contracted to private sector).	Review strategy documents, DADP and annual reports. Interview with DALDO team and private sector service providers in the district. 1) Number of wards which have established farmer fora: $0 = 0\% < 3 < 50\% < 7 < 100\% = 10$. 2) Percentage of LGA budget for extension used for contracting services through private providers: $0 = 0\% < 3 < 5\% < 7 < 10\% < 10$.
	2. Evidence of linkages with Zonal Agricultural Research and Development Institutes (ZARDI)	Evidence of ongoing research activities in LGA - District have accessed information on 4 priority technologies from the ZARDI with explicit consideration of input and output prices and costs of the technology: 0 - Districts have accessed published materials on at least 3 success stories per year from the ZARDI: 0
3. Agricultural investments follow standards of compliance and technical audit conducted. <i>Maximum score=30</i>	Proof that investment meet technical, financial and economic, social, gender, and environmental standards.	Make spot check of 5 randomly selected investments and examine investment documentation for DADP activities to determine the extent to which they meet relevant standards and guidelines. $0: 0, 1: 10, 2: 15, 3: 20, 4: 25, 5: 30$.
4. Policy and regulatory <i>Maximum score=15</i>	Agricultural cess limit of 5% of farm gate price with no cess on products passing through the districts or where it is sold in markets.	Review a sample of five product markets: For each product - above 5%: 0 - below 5%: 3 (3 x 5 = 15)

Source: Agricultural Sector Development Programme (ASDP) Support Through Basket Fund Government Programme Document, United Republic of Tanzania, 28 February 2006.

Appendix 2

Reference Documents

The following are some of the key documents that are useful in the DADP planning and implementation. Policy makers, planners and implementers requiring details will find them in these reference documents.

ASDS and ASDP

1. Agricultural Sector Development Strategy (ASDS), United Republic of Tanzania, October 2001.
2. Agricultural Sector Development Programme (ASDP) Process and Framework Document Final Draft, United Republic of Tanzania, March 2003.
3. Agricultural Sector Development Programme (ASDP) Support Through Basket Fund Government Programme Document, United Republic of Tanzania, 28 February 2006.

Budget Guidelines and Fiscal Report

1. Guidelines for the Preparation of Medium Term Plan and Budget Framework for 2004/05 – 2006/07, The President's Office-Planning and Privatization and Ministry of Finance, January 2004.
2. Guidelines for the Preparation of Local Government Authorities' Medium Term Plans and Budgets for 2005/06 – 2007/08, PO-RALG, January 2005.
3. Key Documents on Fiscal Decentralization in Mainland Tanzania, PO-RALG, April 2004.

DADP Guidelines

1. Guidelines for District Agricultural Development Planning (Final) Main Text, Agricultural Sector Development Programme (ASDP), November 2005. (Current Guidelines)
2. Guidelines for Preparation and Implementation of District Agricultural Development Plans (DADPs) Revised, United Republic of Tanzania, December 2004. (Former Guidelines)

Agricultural Services

1. Agricultural Services Support Programme (ASSP) District Implementation Guidelines Vol. 4: District Level Interventions, Agricultural Sector Development Programme (ASDP), September 2005.
2. ASSP PIP and Implementation Guidelines, MAFS, July 2005.

Local Government Capital Development Grant

1. Local Government Capital Development Grant System - Implementation and Operation Guide, Release 1, PO-RALG, July 2005.
2. Manual for the Assessment of Councils against Minimum Access Conditions and Performance Measurement Criteria, PO-RALG, November 2004..

Participatory Planning

1. National Framework for Participatory Planning and Budgeting in Local Government Authorities, PO-RALG, September 2002.
2. Local Government Capital Development Grant System Planning Guidelines for Villages and Mitaa, PO-RALG, October 2005.
3. Opportunities and Obstacles to Development, Community Participatory Planning Handbook, 2004.

Others

1. Tanzania Development Vision 2025.
2. Special Actions for Food Security within DADP/ASDP (FAO comments).