



ASDP Newsletter

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From the Editor:

In this edition, authors have highlighted on the development of ASDP basket fund, Road Map towards Sector Wide Approach in developing the Agricultural Sector in Tanzania, District Agricultural Sector Investment Project (DASIP) and the overview of District Agricultural Development Plans (DADPs).

The development of the basket fund has entailed for building elements of an inevitable Sector Wide Approach (SWAp), despite of its challenges highlighted in this newsletter. Through them, several ministries particularly the Agriculture Sector Leads Ministries (ASLMs) and Development Partners will pool and coordinate resources to boost the development of the agriculture sector.

The District Agricultural Services Investment Programme (DASIP) due to operate in 25 districts in Kagera, Kigoma, Mara, Mwanza and Shinyanga regions will be launched in mid January 2006 with the intention of laying foundation for the preparation and implementation of more effective Village Agricultural Development Plans by creating and strengthening the capacity of farmer groups and networks as well as strengthening the Local Government Authorities capacity in the facilitation and preparation of the village/District Plans.

The ASDP Secretariat wishes you Prosperous New Year 2006

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Other ASDP Events

- Joint GoT-Development Partners Appraisal of ASDP—Support through Basket Fund, January, 2006
- Launching of Kick-Start Activities for ASDP—Support through Basket Fund, January, 2006
- DASIP Launching 16 January 2006

The ASDP Basket Fund: A Transition Towards the Proposed Framework of the General Budget Support Instrument

The advocacy for Tanzania's General Budget Support (GBS) has been informed by the need for fungible and predictable funds, whose allocation is at the discretion of Government both at local and national level. The instrument is expected to contribute to the final objective of poverty reduction (August 2005 Discussion Note, Ministry of Finance on Proposed Framework of the GBS Instrument under the National Strategy for Growth and Reduction of Poverty).

The recent Joint Assistance Strategy (JAS) states that GBS is a preferred modality but allows for other types of financing instruments as transitions to GBS. The formulation exercise for the Agricultural Sector Development Programme (ASDP) basket fund has involved building elements of the Sector-Wide Approach (SWAp), all of which will be needed irrespective of the funding modality—basket or sector-GBS. The ASDP basket and sector budget support are thus complementary and drivers to the same end.

The transitional role of the ASDP Basket fund towards General Budget Support is due to the fact that:

- A unique feature of the ASDP is how it has an institutional perspective on poverty reduction, which is important in terms of building the capacity of the Local Government Authorities (LGAs) through developing and implementing their District Agricultural Development Plans (DADPs), increasing rates of access to the block grants, and more generally, improving the delivery of services and investments that are attuned and responsive to ASDP community needs;
- The process of developing the ASDP has involved wide participation and agreements between development partners and government as well as between different levels of government at all levels;
- The proposed ASDP Basket will be developed as a way of financing implementation of the Agricultural Sector Development Strategy (ASDS) and is considered an important element of the overall SWAp adopted by the ASDP stakeholders with consideration for need to better connect the modalities of the programme with the Local Government and Public Service Reform Programmes; and

Overall, the approach taken by the ASDP seeks to strengthen government systems and further reduce transaction costs to enable the district and national plans to better deliver improved services to their respective client groups.

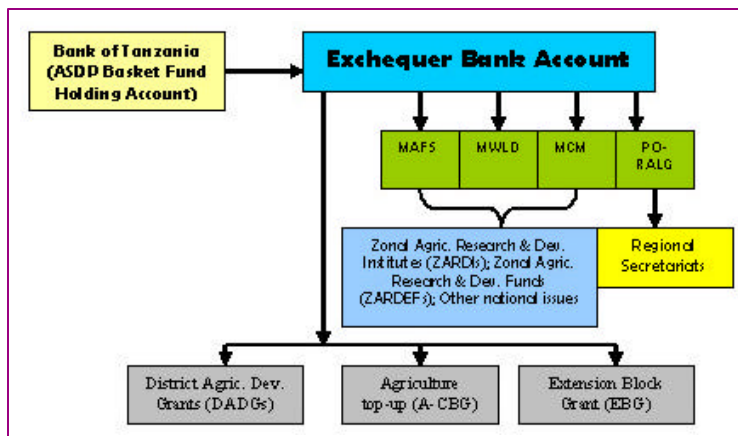


Fig: Proposed Fund Flow Arrangements

Roadmap Towards a Sector-Wide Approach (SWAp) for Agricultural Development in Tanzania

Introduction

The Agricultural Sector Development Strategy (ASDS) identifies five strategic areas as a means to achieving growth and poverty reduction, thus defining the sector's contribution to aggregate economic growth and poverty reduction. The ASDP is an operating arm of ASDS that attempts to define how the ASDS can be delivered through using a Sector-Wide Approach (SWAp). This has posed challenges regarding a consistent understanding of the SWAp among ASDP stakeholders, as well as the appropriate models of working in a SWAp, what has resulted in some difficulties in operationalising the ASDS into practical and coherent sector programme.

A roadmap on how to accelerate delivery of the ASDP by providing more clarity on the intended direction and milestones for change was proposed, which will facilitate a consistent understanding among ASDP stakeholders as to what constitutes a SWAp and how to assess its progress.

What is a SWAp?

In the Tanzanian context, SWAp is:

"An approach of working together between the government, development partners and the private sector while broadening government ownership over public sector policy and resource allocation decisions within the sector, to increase the coherence between policy, spending and results and to reduce transaction costs. It involves progressive development of a comprehensive and coherent sector policy and strategy, of a unified expenditure framework for local and external resources and of a common management, planning and reporting framework."

Advantages/Reasons for the SWAp

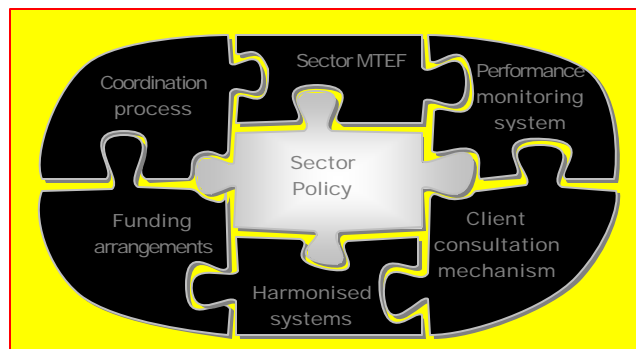
- Though easier to adopt a SWAp with a single ministry, in Tanzania, where there are multiple ministries responsible for the development of the sector, adoption of SWAp could allow ASLMs to address issues of common concern together;
- It focuses on integrating institutional perspectives of poverty reduction and in Tanzanian context, interventions will contribute to the different MKUKUTA clusters.
- It allows the government to implement its own policies since donor support will not be limited to implementing specific projects;
- SWAp allows Development Partners (DPs) to pool their resources, ideas and influence and to work with government to address sector-wide issues and problems;
- SWAp minimizes a tendency of having stand-alone projects outside the government system and other parallel structures; and
- It provides a framework for closer involvement of the private sector in the development of agriculture.

SWAp encourages sector ministries to give attention to interventions that holistically addresses common sector concerns, cross-cutting and cross-sectoral issues.

Elements of a SWAp

There are seven elements (see figure below) associated with a SWAp. The sector policy and strategy is the foundation of the sector approach, and so is the disciplined expenditure framework, but all the elements are important, and all will develop iteratively as the programme evolves.

Once agreement to adopt a SWAp is reached, a sector programme which is a specific, time-bound, and costed set of actions and activities in support of a sector strategy can be developed. It is therefore based on an approved sector strategy and include a costed expenditure framework with medium term horizon, and a government-led



system and process for coordination among donors supporting the sector. The current process of formulating the ASDP support through the ASDP Basket Fund is a progress towards having a sector programme.



Stakeholders (ASLMs Directors, Private sectors and Development Partners) at a sector-wide planning session

Challenges/Threats of Adopting SWAp

- Many DPs are guided by their home countries' policies, mandates and procedures and are often reluctant to subjugate these to partner country policies and priorities;
- Agricultural sector is primarily a private sector activity, and there is often disagreement on how public funds should be used to support it;
- In Tanzania, there are three ministries dealing with the development of the sector, each of which is tempted to give more importance to interventions which are within their mandate rather than cross-cutting issues;
- Adoption of SWAp demands that the government staffs are well versed in the sector's development problems and are clear on sector goals and targets, as well as the various procedures for planning, budgeting, monitoring;
- The LGRP has changed the roles and responsibilities of staffs in the ASLMs, in terms of how they facilitate sector development ;
- Moving to a SWAp assumes that DPs understand and accept the level of accountability in the public financial management system.

District Agriculture Sector Investment Project (DASIP)

Introduction

The DASIP falls under ASDP sub-Programme (A): Agricultural Sector Support and Implementation at District and Field Levels of the ASDP, has a development objective of increasing productivity and incomes of rural households leading to improved food security and livelihoods to about 3.4 million targeted farmers in the project area.

The Project intends to lay foundation for the preparation and implementation of more effective Village Agriculture Development Plans (VADPs) through creating and strengthening the capacity of large numbers of participatory farmer groups and networks, and strengthening the LGAs capacity in facilitation, preparation and execution of VADPs and DADPs.

Project Description

The Project has three major field and one project management components, and anticipate the following outputs:

Farmer Capacity Building

- 25 districts will have the capacity to train Participatory Farmer Groups (PFGs) through participatory adult education methods;
- 250,000 farmers in 10,000 Participatory Farmer Groups trained in technical, organizational and managerial subject matters.



Community Planning and Investment in Agriculture

- 25 districts will have the capacity to plan, manage and monitor DADPs;
- 25 DADPs prepared and implemented;

Stakeholder involvement is core to the DASIP

- 750 VADPs prepared and implemented including agro-related micro-projects, small infrastructures and agricultural technology investments;
- Improved market access through the improvement of 500 Km of feeder roads; and
- Improved water control for agriculture through the construction of 25 water-harvesting structures.

Support to Rural Micro-Finance and Marketing

- 200 operationally sustainable Savings and Credit Cooperatives (made up of 8,000 Saving Groups) each having on average 1,000 members and TShs. 40 million in savings after six years of operation; and
- Marketing for agriculture through network established and functioning in 25 districts.

Project Coordination and Management

- A Project Coordination Unit (PCU) established to coordinate activities of implementing districts/agencies.

Project Area and Beneficiaries

The project will cover 25 districts of Biharamulo, Bukoba, Karagwe, Muleba and Ngara (Kagera Region); Kasulu, Kibondo and Kigoma Rural (Kigoma Region); Bunda, Musoma Rural, Tarime and Serengeti (Mara Region); Geita, Kwimba, Magu, Misungwi, Sengerema and Ukerewe (Mwanza Region); and Bariadi, Bukombe, Kahama, Kishapu, Maswa, Meatu and Shinyanga Rural (Shinyanga Region).

Project Implementation

The project will be implemented over a six-year period, within the existing institutional framework of the ASDP. Most activities are community-based and will be derived from development plans developed out of the participatory appraisal process. The District Management Team will be responsible for the overall coordination of project activities as well as technical reviewing and approval of proposals from communities, including monitoring of the implementation. Approval for funding will be through LGA system from village council up to the district full councils.



Revamping agriculture needs investments in modern machinery and equipment

Current Status

While the Project will officially be launched in mid-January 2006, the Project that is headquartered in Mwanza City has established a PCU, recruited project staff, establish the Project Technical Committee and has opened a Project Account. The farmer capacity building activities that mainly involve training of extensionists, farmers themselves, and gender mainstreaming form the backbone of the project and will start early in 2006 simultaneously in all project districts.

Concluding Remarks

The Project is participatory in design and decentralized in its implementation with significant beneficiary input intended to ensure sustainability. It attempts to scale-up the successful implementation gains in productivity obtained under the African Development Bank supported Special Programme for Food Security (SPFS) in Tanzania.



District Agricultural Development Plans (DADPs): An Overview

Concepts of DADPs

The Government of Tanzania has formulated an Agricultural Sector Development Strategy (ASDS), which sets the framework for achieving the sector's objectives and targets. ASDP, jointly developed by four ASLMs who provide the overall framework and processes for implementing the ASDS. Development activities at district level are to be implemented by LGAs, based on the DADPs process.

Currently, district agricultural extension services and investments are not planned and delivered in an integrated manner to ensure synergy and local accountability. In line with ASDP, there has been an expressed need for DPs to work together with Government in formulating and delivering a consolidated programme of support to the DADPs through a single ASDP basket fund in joint cooperation among government and development partners.

Evolution of DADP

Under the guidance of the ASDP Secretariat, a mission was initiated in November 2004, which after consultations with stakeholders recommended that a joint Government-Donor funded mechanism for support to district agricultural investments and services be designed as fully compliant with the general GoT policy on fiscal decentralization.



VADPs must become roots for DADPs

Particular emphasis was put on overall DADP planning approach, related private sector development and how to integrate the financing of DADPs into the emerging inter-governmental fiscal relationships. The DADP design took into account its harmonization with the Agricultural Services Support Programme (ASSP).

Goals/Objectives

The Programme aims at enabling LGAs to undertake their roles in order to achieve the ASDP objective of greater and sustained agricultural productivity, profitability and farm income. It intends to enable farmers have better access to and use of agricultural knowledge, technologies, productive assets and infrastructure; and planning, supporting and coordinating agricultural services and investments by LGAs.

Implementation

The institutional context includes both the private and public sectors whereby roles and responsibilities of implementing DADPs rests with: Public Sector – ASLMs, other ministries, Regional Secretariats, LGAs, wards, village councils, commodity boards; and Private Sector – producers, processors and agri-business groups, financial institutions, NGOs/CBOs, non-public institutions.

Actions for Improvement

Guidelines for planning, implementation and monitoring of DADPs have been prepared to guide the three-year rolling plans of district level priorities and activities related to agricultural sector as an integral part of the District Development Plans (DDPs). The guidelines elaborate the planning process using both bottom-up participatory planning and a more strategic planning at district level. These are due for review at the outset of implementation.

The guidelines reinforce a systematic guidance to all districts to help them develop fully-fledged DADPs, and ensure effectiveness, transparency and accountability. Training on use of the guidelines will be made to stakeholders at all levels early in 2006.

ASDP Task Force II Re-launched

Following the recommendation of the ASDP process review undertaken in 2004/2005, the Government of Tanzania adopted the use of two Task Forces in the ASDP formulation process instead of the previous four. This is aimed at ensuring effective backstopping and technical/policy advisory assistance to the ASLMs Directorates of Policy and Planning (DPPs) in the process to achieve the ASDP intended goals.

The ASDP Task Force II broad task is to pursue the national

level objectives in fostering agricultural sector policies at the local government level, and the private sector as well as development initiatives on cross-cutting and cross-sectoral issues. It was re-launched at a stakeholders' workshop on 20th December 2005. The Task Force formulated its Terms of Reference, and confirmed its composition of sixteen members derived from government, private sector and DPs representatives.

ASDP Secretariat, Ministry of Agriculture and Food Security
P. O. Box 9192 Dar es Salaam, TANZANIA
Tel: 255-22-286 1344; Fax: 255-22-286 1344
E-Mail: asdp@cats-net.com; URL: <http://www.asdp.go.tz>

The ASDP Secretariat Wishes You Prosperous New Year 2006