

# A

**Document of the  
International Fund for Agricultural Development**



**United Republic of Tanzania  
Country Programme Evaluation  
Evaluation Report**

**February 2003  
Report No. 1350-TZ**

Photo on cover page  
Mara Region Farmer's Initiative Project  
Group of villagers gather to meet the Country Programme Evaluation Mission  
Source: CPE Mission 2002

*Docsopen #: 307486*

**United Republic of Tanzania  
Country Programme Evaluation**

**Table of Contents**

<b>Acronyms and Abbreviations</b>	<b>iii</b>
<b>Map</b>	<b>v</b>
<b>Agreement at Completion Point (English)</b>	<b>vii</b>
<b>Agreement at Completion Point (Swahili)</b>	<b>xiii</b>
<b>Executive Summary</b>	<b>xxi</b>
<b>I COUNTRY CONTEXT</b>	<b>1</b>
A. Country Features	2
B. The Economy	2
C. Poverty Profile	2
D. The Agricultural Sector	3
E. Poverty Reduction and Sector Strategies	4
<b>II THE COUNTRY PROGRAMME EVALUATION</b>	<b>8</b>
A. Rationale and Objectives	8
B. Process and Methodology	8
<b>III COUNTRY PROGRAMME DEVELOPMENT AND MANAGEMENT</b>	<b>12</b>
A. Overview of the Country Programme	12
B. Development of Country Programme Strategies	14
C. Project Design, Management and Related Issues	20
<b>IV POVERTY-REDUCTION APPROACHES AND TARGETING MECHANISMS</b>	<b>25</b>
A. Poverty-Reduction Approaches of the Country Programmes	25
B. Mechanisms for Targeting the Poor at Project Level	29
C. Targeting Women	30
<b>V PERFORMANCE AND IMPACT</b>	<b>32</b>
A. Introduction	32
B. Implementation Performance and Progress	32
C. Project Outputs and Impact: Progress and Issues	34
<b>VI PARTICIPATION AND SUSTAINABILITY</b>	<b>40</b>
A. Introduction	40
B. Participation and Sustainability at the Level of Beneficiaries	40
C. User Participation in the Design and Implementation of Investments	43
D. Sustainability at the Level of Service Providers/Government	44
<b>VII INSIGHTS AND RECOMMENDATIONS</b>	<b>46</b>
<b>List of Tables</b>	
Table 1: IFAD-supported projects in the United Republic of Tanzania	13
Table 2: Regional poverty ranking and IFAD's regional support	26
Table 3: Quantitative indicators of implementation performance	32
Table 4: Assessment of implementation progress and impact indicators	33

**\*Annexes**

1. IFAD's Loan Approval and Disbursements
2. Geographical Coverage of the Country Programme
3. Selected References

**\*Appendices – Project Reviews**

1. Mara Region Farmers' Initiative Project (Mara-FIP)
2. Kagera Agricultural and Environmental Management Project (KAEMP)
3. Water Supply and Health Project in Marginal Areas (WSHPMA)
4. Participatory Irrigation Development Programme (PIDP)
5. Rural Financial Services Programme (RFSP)

\*All Annexes and Appendices are available from IFAD's Office of Evaluation ([evaluation@ifad.org](mailto:evaluation@ifad.org))

## ACRONYMS AND ABBREVIATIONS

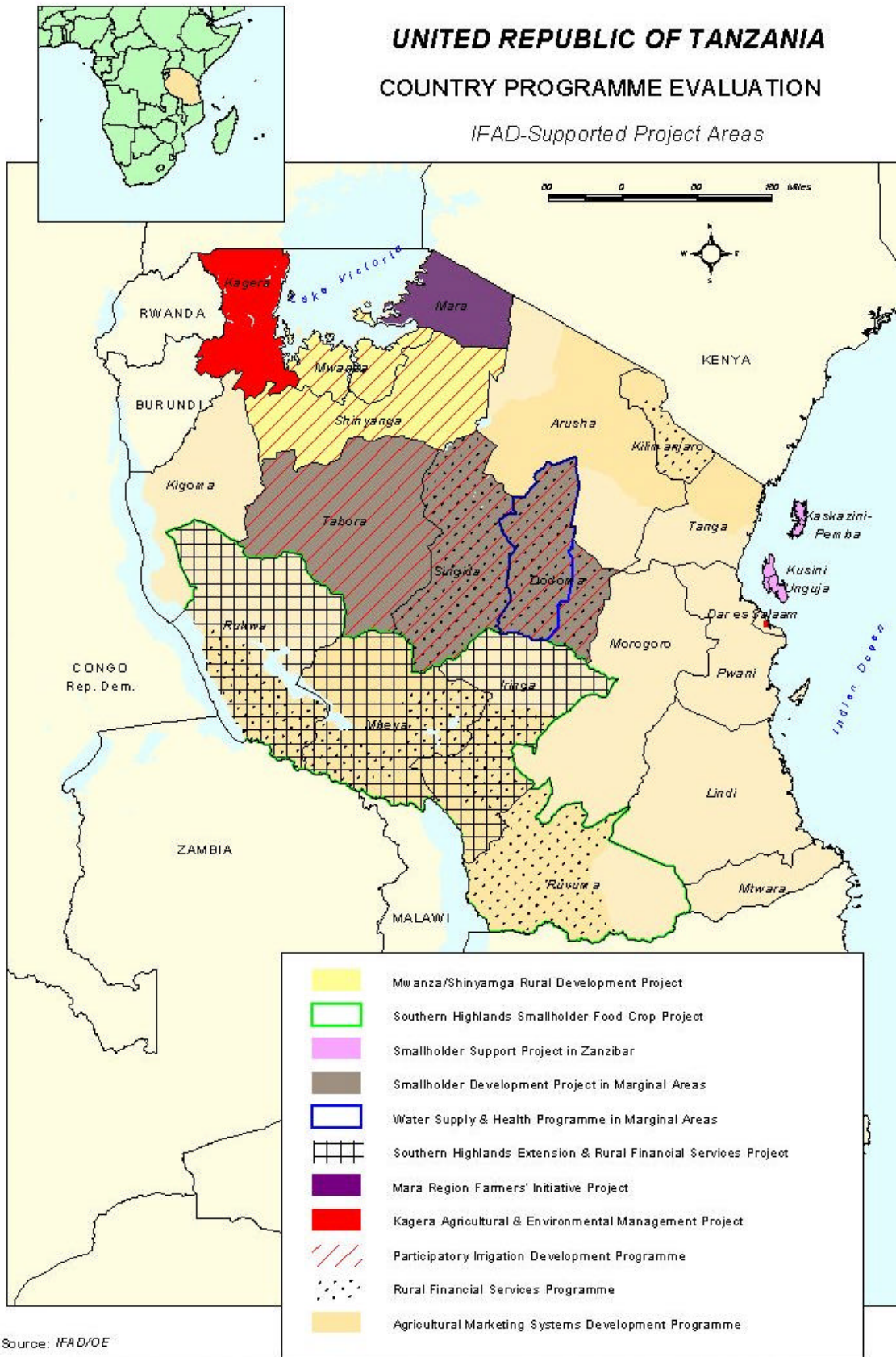
AMSDP	Agricultural Marketing Systems Development Programme
ASDS	Agricultural-Sector Development Strategy
AWP/B	Annual Workplan and Budget
CLP	Core Learning Partnership
COSOP	Country Strategic Opportunities Paper
CPE	Country Programme Evaluation
CPM	Country Portfolio Manager
CPR	Country Portfolio Review
CSO	Civil-society Organization
CSR	Country Strategy Report
DANIDA	Danish Agency for Development Assistance
FAO	Food and Agriculture Organization of the United Nations
FASWOG	Food and Agricultural Sector Working Group
FLM	Flexible Lending Mechanism
IFPRI	International Food Policy Research Institute
IPM	Integrated Pest Management
IPN	Integrated Plant Nutrition
KAEMP	Kagera Agricultural and Environmental Management Project
M&E	Monitoring and Evaluation
MAFS	Ministry of Agriculture and Food Security
Mara-FIP	Mara Region Farmers' Initiative Project
MCM	Ministry of Cooperatives and Marketing
MFI	Microfinance Institutions
MoF	Ministry of Finance
NGO	Non-Governmental Organization
PRA	Participatory Rural Appraisal
OE	Office of Evaluation (IFAD)
OED	Operations Evaluation Department (World Bank)
O&M	Operation and Maintenance
PF	Eastern and Southern Africa Division (IFAD)
PIDP	Participatory Irrigation Development Programme
PMO	Prime Minister's Office
PMU	Project Management Unit
PO-RALG	President's Office/Regional Administration and Local Government
PRSP	Poverty Reduction Strategy Paper
RDS	Rural Development Strategy
RFSP	Rural Financial Services Programme
SACA	Savings and Credit Association
SACCO	Savings and Credit Cooperative Organization
SOF	Special Operations Facility
SDC	Swiss Agency for Development and Cooperation
SDPMA	Smallholder Development Project in Marginal Areas
SHERFSP	Southern Highlands Extension and Rural Financial Services Project
SHSFCP	Southern Highlands Smallholder Food Crop Project
SIDA	Swedish International Development Agency
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNOPS	United Nations Office for Project Services
WSHPMA	Water Supply and Health Project in Marginal Areas
WUA	Water Users' Association

### **Exchange Rates**

1 USD = 900 Tanzanian shillings (TZS)

# UNITED REPUBLIC OF TANZANIA COUNTRY PROGRAMME EVALUATION

IFAD-Supported Project Areas



Source: IFAD/OE

The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.





**UNITED REPUBLIC OF TANZANIA**  
**COUNTRY PROGRAMME EVALUATION**  
**AGREEMENT AT COMPLETION POINT**

1. This Agreement at Completion Point (ACP) is an understanding among key partners<sup>1</sup> on the main insights and recommendations from the Tanzania Country Programme Evaluation (CPE)<sup>2</sup>. The ACP will constitute a key building block in the formulation of the new Tanzania Country Strategy Opportunities Paper (COSOP)<sup>3</sup> of IFAD, which will articulate the medium-term (3-5 years) strategic framework and investment options of the Fund in Tanzania.

2. The ACP builds on the discussions and recommendations that were formulated during the CPE National Roundtable Workshop held in Dar es Salaam on 18-19 November 2002 and draws upon the lessons contained in the CPE report, which highlighted the performance of IFAD-supported programmes that helped target groups in increasing production and access to social services. The ACP is also based on various elements included in the five issues papers that were prepared as background documentation for the above-mentioned workshop and on the closing statement of the Chairman of the CPE workshop. The ACP is organised according to the principal themes discussed during the CPE workshop.

**A. Approaches to Rural Poverty Alleviation & Targeting**

3. In the last decade, IFAD has pursued two different strategies in Tanzania, which are captured in the 1993 Country Strategy Report (CSR) and the 1998 COSOP. The former strategy targeted the poorest in marginal areas, supporting agricultural interventions that would enhance production and also respond to the social needs of the rural poor, for example in terms of providing drinking water and health services. On the other hand, the COSOP promotes a broad-based growth-oriented approach to rural poverty alleviation, with emphasis on those rural poor who are able to contribute to growth in the agriculture sector. Using the IFAD Strategic Framework 2002-2006 as an overall starting point, the alternative approaches to rural poverty alleviation and targeting in Tanzania were discussed during the workshop and the following recommendations were generated:

4. **Issue 1: Consistency with GOT Policy Framework.** In the past few years, the Government of Tanzania (GOT) has developed key strategies for economic and social development, including the Poverty Reduction Strategy Paper (PRSP), the Rural Development Strategy, the Agricultural Sector Development Strategy and the Agricultural Sector Development Programme (ASDP). These strategies, *inter-alia*, articulate GOT's vision, approaches and priority areas for rural poverty alleviation and rural and agriculture development.

5. **Recommendations.** Though IFAD's existing activities support the priorities of the GOT, there is need to further support the policy framework for rural poverty reduction in Tanzania. All future IFAD assistance should be provided within the existing pro-poor policy context of relevance to rural poverty reduction, in particular within the framework of the PRSP, Rural Development Programme

---

<sup>1</sup>The key partners include the Government of Tanzania (represented by the Ministry of Agriculture and Food Security, Prime Minister's Office, Ministry of Finance, the Ministry of Water and Livestock Development and the Vice President's Office), Regional and District Authorities (Dodoma, Kagera, Mara, Mbeya), IFAD-assisted projects (AMSDP, KAEMP, MARA-FIP, PIDP, RFSP and WSHPM), the Co-operating Institution UNOPS, members of the civil society including NGO Pride, bi-lateral and multi-lateral development institutions including FAO, UNDP, WFP and World Bank, the Belgian Survival Fund and IFAD (represented by the Eastern & Southern Africa Division and the Office of Evaluation).

<sup>2</sup>Undertaken by IFAD's Office of Evaluation in 2001/2002.

<sup>3</sup>The preparation of the COSOP is the responsibility of IFAD's Eastern and Southern Africa Division.

(RDP) and ASDP. This will ensure greater synergies and co-ordination with other development interventions and contribute to better developmental results and help lower the transaction costs of aid.

6. **Issue 2: Approaches to Rural Poverty Alleviation.** There was a consensus that efforts should be made to include the poorest as beneficiaries of IFAD-assisted projects and programmes and that targeting mechanisms should be accordingly formulated.

7. **Recommendations:** IFAD interventions should have a clear strategy for including the rural poor and explicitly analyze the challenges and develop specific strategies of extending reach to the poorest. Project and programme design must entail added information on how to reach the poor and the extent to which the poorest are also among the intended beneficiaries. However, it was noted that extending reach to the poorest segments is challenging. Consequently, targeting should be examined from the perspective of its feasibility so that overall sustainability of the programme is not jeopardised. This will require a more detailed definition of targeting mechanisms during the programme development phases. During implementation, periodical reviews should be undertaken to determine how effective IFAD and other stakeholders are in reaching the poor. Finally, a close monitoring and review of the outcomes of the approach to rural poverty alleviation promoted by the 1998 COSOP would be useful, in that it could provide additional inputs for developing specific strategies and support interventions targeting different social groups and geographical areas in the country.

8. **Issue 3: Target Group Definition.** Overtime, the definitions of the poor and of the poorest during the project and programme design has been improved. However, there is still scope to ameliorate targeting definitions and mechanisms, in order to ensure that majority of the benefits reach the poorest.

9. **Recommendations:** Design documents need to distinguish between the ‘poor’ and ‘poorest’ and specify in detail the mechanisms to reach each group. This is best done at the design stage in a participatory manner with the rural poor and their communities. The practice of monitoring periodically the inclusion of identifiable groups of the poor in project activities during implementation should be intensified. Apart from using cost-effective participatory approaches such as wealth-ranking, the methodology could include sample surveys at the beginning, mid-point and conclusion of a project for assessing target group involvement and the corresponding poverty impacts.

10. **Issue 4: Thematic/Sub-Sectoral and Geographic Concentration.** Clearly, the recent steps towards more thematic/sub-sectoral focus in the IFAD-supported portfolio (partly at the expense of area-based programmes) can improve programme coherence and deepen IFAD’s competencies within these selected themes/sub-sectors. It will also enhance IFAD’s opportunities to engage more actively in policy dialogue and advocacy in related sectoral and sub-sectoral platforms. Nevertheless, geographical concentration in areas with high incidence of poverty could complement thematic concentration and potentially produce more pro-poor outcomes. Moreover, geographical targeting does not involve substantial transaction cost and its administrative requirements are low.

11. **Recommendations:** The current trend towards thematic and sub-sectoral concentration needs to be strengthened in future programmes within the pro-poor policy framework of GOT. Opportunities for combining thematic approaches with a geographical concentration should be further explored in order to ensure the IFAD assistance is not diluted in terms of area and sectoral coverage. Existing practices of harmonising social activities (e.g., health services, water supply and sanitation) and economic (e.g., productive) components should be continued with added emphasis. A clear exit strategy needs to be formulated with all concerned stakeholders at least one year before the closing date of any project/programme to determine the financial and institutional roles and responsibilities to ensure the sustainability of investments.

12. **Issue 5: Policy Dialogue.** Tanzania receives considerable attention from both multilateral and bilateral aid agencies. Since the mid-1990s, many development co-operation institutions have decentralised their operations to the country level where major decisions related to development and

resource allocations are now taken. Within the framework of the PRSP, the Government and donors are engaging in a continuous country-level dialogue to define sector and sub-sector strategies and decide on investment programmes and resource envelopes. IFAD has focused on supporting advocacy groups (e.g., NGOs, CBOs and private sector organisations) representing the interests of the poor, contributing towards their empowerment and participation in the policy dialogue activities in Tanzania.

13. **Recommendations:** Given IFAD's large portfolio in Tanzania and while recognising the its global approach to policy dialogue emphasises capacity development of the poorest representatives, IFAD should simultaneously enter into a comprehensive policy dialogue and further strengthen advocacy work at the national and local levels with GOT and other external development partners. This will require greater IFAD representation at the country level and pro-active participation in relevant platforms and discussion groups. In particular, the Fund should contribute to the work of various strategy and policy working groups and processes, such as the PRSP, UNDAF, Food and Agriculture Sector Working Group (FASWOG) and the ASDS. In addition, greater presence and participation would allow IFAD to engage other development institutions working in agriculture and rural development in Tanzania in priority-setting and resource allocation.

14. **Issue 6: The New Tanzania COSOP.** In the past, the Fund regarded the COSOP as an internal institutional process and management document. However, COSOPs have since become increasingly important instruments for IFAD, its partners at the country level and its governing bodies.

15. **Recommendations:** The COSOP formulation should be undertaken as a joint exercise between IFAD and GOT. In addition, IFAD and its partners should use the development of the new Tanzania COSOP as an opportunity to promote a participatory and inclusive process of policy dialogue with the concerned stakeholders. The COSOP would articulate the common IFAD-GOT strategy for rural poverty alleviation in the medium-term and consider various options to support Tanzania's national/sectoral strategies and development programmes. The new Tanzania COSOP should be discussed within the framework of the FASWOG and finalised by June 2003.

## **B. Participation and Sustainability**

16. **Issues 1: Subsidies and Cost-Sharing Arrangements.** Under exceptional circumstances, subsidies<sup>4</sup> may be necessary in pursuance of critical short-term objectives, or occasioned by specific local circumstances. However, when a subsidy comes to an end, there are high chances that the activity being supported (for example, there have been instances when farmers who received free inputs from project authorities to produce seeds no longer undertook the task once the inputs were not made available). Subsidies may also not reach the most needy or deserving households. Instead, the relative benefits of cost-sharing schemes are clear enough. They tend to reduce the risk of the dependency syndrome, improve the prospects that services and amenities may be sustained after project closure, and contribute to a sense of ownership by beneficiaries. They also reduce the direct financial burden on government departments operating on a limited budget.

17. **Recommendations:** IFAD has promoted cost-sharing arrangements in Tanzania to ensure sustainability of activities. However, cost-sharing should be promoted in line with the Government policy (public & social sectors). Operationalization of cost-sharing should be determined by participatory approaches, particularly for establishing the level of beneficiary contribution and whether the cost-sharing should be in kind or financial contribution. Cost-sharing arrangements should be associated with high levels of social mobilisation and appropriate training, as promoted under the

---

<sup>4</sup> "A payment by the government to producers or distributors in an industry to prevent the decline of that industry (e.g., as a result of continuous unprofitable operation)" – Todaro in Economic Development. In addition, "Subsidies may induce excessive or uneconomic use of inputs and benefits of subsidies are most frequently garnered by the larger and more prosperous producers. Subsidies can be a heavy burden on the public budget" – Baum and Tolbert in Investing in Development

IFAD-BSF joint programme, so that the rural poor and their groups are aware of their roles and responsibilities particularly in terms of O&M of activities. Finally, there is need to develop a consistent approach to cost-sharing across IFAD-supported operations in Tanzania and to undertake advocacy with other donors to follow a similar approach. IFAD could take the lead in promoting a dialogue with various donors and GOT to develop a common framework for rationalising cost-sharing arrangements for rural poverty alleviation purposes in Tanzania.

18. **Issue 2: Participation.** Up until about 1996, IFAD projects paid insufficient attention to beneficiary participation in project design and implementation. In fact, the 1998 COSOP states: “In earlier IFAD-designed projects the question of beneficiary ownership and the need for a participatory approach have not been considered as an instrument for project formulation, appraisal and implementation”. Since 1998, however, IFAD has introduced mechanisms for enhanced participation in planning and implementation to ensure beneficiaries and other local stakeholders become accountable and responsible for operations. More recently, IFAD-supported operations have made efforts to involve beneficiaries, for instance, in planning and using the logical framework tool. However, a number of recommendations on the ways and means to enhance participation were discussed and agreed to during the CPE workshop.

19. **Recommendations:** (a) it is important to develop a common understanding at the outset among key stakeholders on the concept of participation, so that stakeholders have shared expectations and are cognisant of their specific roles and responsibilities; (b) it is essential that participation is not used as an instrument to achieve physical and financial project targets, but promoted as a process of empowerment to allow rural people to become decision-makers and owners of development activities. That is, participation should contribute to a transformation of the rural poor from being mere participants in development work to active agents of change; (c) participation should be used as an opportunity for developing an equal and transparent partnership among different actors; (d) projects/programmes should work through established institutions, including traditional structures, whenever appropriate, and the creation of new, parallel structures for building participation should be limited. Where institutions are not sufficiently oriented to promoting participatory approaches, staff training should be encouraged, specifically in interpersonal skills such as empathy, communication, group dynamics and facilitation, and motivational leadership; and (e) it is recommended to develop specific indicators to monitor qualitative aspects of participation, empowerment and capacity-building, for example in areas such as skills enhancement, training and the overall functioning and management of groups. This will allow implementation staff to monitor the involvement of the rural poor in crucial participatory processes related to decision-making and resource allocation.

20. **Issue 3: Project/Programme Design.** IFAD-supported projects and programmes have broad development goals and include a variety of project objectives (‘purpose’ level in the logical framework matrix). For example, a particular project’s development goal in Tanzania is to rehabilitate and improve food security in one region, whereas its purpose is to: (a) improve household food production and incomes of smallholders; (b) contribute to improving natural resources through tree planting; (c) enhance access to drinking water, health services and sanitation, roads infrastructure; and (d) strengthen the capacity of relevant institutions. A variety of components and sub-components were included to accomplish the project’s objectives, for which a range of institutions (for example, line departments, NGOs, CBOs and private sector) were involved to deliver the required expertise in different sub-sectors (e.g., water, infrastructure, irrigation, health, agriculture, etc.). Projects with such arrangements have posed a challenge in ensuring co-ordination among different partners and the timely implementation of activities. In addition, the multiplicity of activities undertaken in the context of one project poses greater demand in ensuring synergies and involves higher risks of overlaps with other development interventions that may be ongoing in the same region.

21. **Recommendations:** Rationalise project/programme objectives to ensure enhanced efficiency in delivery and developmental results, while at the same time ensuring greater complementarity with other relevant projects and programmes supported by GOT and other development partners.

22. **Issue 4: Project Management and Implementation.** The GOT, IFAD and the main development partners in Tanzania are working towards increasing accountability and transparency of external development assistance, accentuated by the adoption of the PRSP and, more specifically, the Tanzania Assistance Strategy. It is the intention to streamline donor support behind a single approach to management - where appropriate - to enhance consistency, reduce transaction costs and assist in developing national institutional capacity. Although specific Project facilitation/co-ordination units have been established in individual projects/programmes, GOT has increasingly made use of district administrative capacities for implementation purposes.

23. **Recommendations:** Project management and implementation arrangements could be further improved to ensure efficiency and effectiveness of the programme through the following procedures that were agreed upon during the CPE workshop: (a) operate within GOT policies and with involvement of a cross-section of institutions (public sector, private sector, civil society organisations and NGOs) according to their comparative advantage; (b) upon the completion of the review of the Regional Secretariat, there should be a GOT Facilitation Team in the office of the Regional Administrative Secretary, thereby eliminating the need for specialised IFAD-specific regional project co-ordination/facilitation units; (c) learn from the experience of MARA-FIP in promoting decentralised project management and ensure capacity building of local authorities and grassroots institutions to take up the tasks of project co-ordination/facilitation; (d) where existing, phase-out project co-ordination/facilitation units before the end of the concerned project; and (e) at the District Executive Office there is a facilitation unit responsible for overall co-ordination of project activities in the district that should be used in facilitating IFAD-supported interventions as well.

### C. Agriculture Technology

24. **Issue:** Among the major causes of poverty and low income in rural Tanzania are low farm productivity arising from: low input crop and livestock production and husbandry practices; use of low potential varieties and breeds; and limited use of improved and appropriate technology. These problems are compounded by a weak organisational and institutional structure of agricultural extension and research systems at the grassroots level, which could hinder realising the targets set under the PRSP and Agriculture Sector Development Strategy to reduce rural poverty and to ensure food security at the household levels.

25. **Recommendations:** (a) Knowledge generation - There is need to institutionalise client-oriented research and improve research-extension and farmer linkages, including taking stock of effective/appropriate technologies and involving poorest farmers in assessing current and new technologies. Farmers, civil society organisations and private sector should also be engaged in developing new technologies; (b) Knowledge dissemination - Promote dissemination of sustainable and environmentally friendly technologies, for example, by building information/communication systems (strengthen media such as radio, television and email/internet) and upscaling IPM/farmer field school approaches. Document and share good practices of low-cost technologies manageable by the rural poor (e.g., Mara bunds for small-scale irrigation); (c) Capacity building – empower participatory groups and co-operatives from the community level, ward, district, zonal research, regional and at national levels. Train farmer groups in PRA and logical framework planning and use. Reintroduce agricultural training in primary/secondary schools; (d) Local/indigenous knowledge systems – identify, document and promote traditional knowledge practices and farmer innovations; (e) Establish a sustainable funding mechanism for technology generation and dissemination (e.g., a Zonal Research Fund and Endowment Fund), which would benefit from contributions of the rural poor, local governments and international development partners.

### D. Monitoring and Evaluation

26. **Issue:** All IFAD-supported projects and programmes in Tanzania have included a Monitoring and Evaluation (M&E) system. However, as reflected in the 1998 Country Strategy and Opportunities Paper (COSOP) for Tanzania, the functioning of M&E systems has traditionally been inadequate for

multiple reasons that are fairly well known. Since 1998, various efforts have been made to improve the functioning of M&E systems with the participation of beneficiaries and the use of the logical framework to facilitate impact analysis. The CPE Workshop participants acknowledged the importance of M&E as a management tool and agreed on the below recommendations.

27. **Recommendations:** (a) There is need to promote a change in mind-sets of stakeholders from a supply-driven to demand-led M&E. In this regard, special efforts should be made to train communities to be involved in M&E activities and make them owners of M&E processes; (b) Implementing authorities need to enhance transparency in M&E data collection, analysis and reporting, in particular by keeping the rural poor and their institutions involved and informed. With regard to the latter point, specific feedback should be provided to the rural poor on a periodic basis; (c) Mainstream participation in projects to facilitate participatory M&E work; (d) The need to undertake external evaluation from time to time is essential for learning and building confidence among stakeholders. Beneficiary self-assessments should be undertaken as input for external evaluation exercises; (e) M&E Officers grade and motivation needs to be enhanced to enable an effective discharge of their duties; (f) Intense efforts need to be made to track, follow-up on and implement M&E recommendations; (g) The logical framework tool should be simplified and tailored to make it suitable for use with beneficiaries at the grassroots level; (h) Project objectives & activities should be simplified to facilitate M&E activities; (i) Future programmes should be designed within the ASDP to enhance M&E linkages to ADS, RDS, PRSP; and (j) Urgent exposure & training should be promoted in Tanzania in the approaches and principles contained in the new IFAD M&E Guide.

#### **E. Gender Issues**

28. **Issue:** The notion and importance of getting the poor involved at the heart of the development process, not as mere participants, but as strategic partners lies also at the core of the recent and current IFAD approach and thinking. Following this framework, the more recent projects have been designed after the undertaking of gender assessments to understand the role of women in development, their interactions with other social groups and so on. However, there is room to define mechanisms to fruitfully enhance the involvement of women in general, and women headed households in particular, in the development process.

29. **Recommendations:** (a) Gender analysis and gender-focused targeting should be included in all programme design and M&E work; (b) Reporting to various stakeholders should include specific references to gender impact. In this regard, relevant gender monitoring indicators contained in the PRSP should be included in M&E work to measure the overall implication for women; (c) Adopt a GOT policy to introduce reservation for women in key decision-making and policy formulation positions in public institutions, as well as one which includes minimum criteria for participation of women in development activities; (d) In promoting women's development, the changing social and gender relations need to be assessed and necessary offset measures introduced (e.g., training for men); (e) Hold women-specific PRAs and LFA training; and (f) based on the experience of recent programmes in Tanzania, there is need to build a harmonised approach to gender mainstreaming and training among IFAD-supported projects in Tanzania.

**JAMHURI YA MWUNGANO WA TANZANIA**  
**MAKUBALIANO WAKATI WA KUKAMILIKA KWA MRADI**

1. Makubaliano haya wakati wa kukamilika kwa Mradi (ACP) ni maelewano kati ya Wadau wakuu<sup>5</sup> kuhusu hali halisi na mapendekezo kutoka Mpango wa Tathmini wa Tanzania (CPE)<sup>6</sup>. Makubaliano haya yatakuwa msingi wa kuandaa mpango mpya kamambe kwa ajili ya Tanzania (Tanzania Country and Opportunities Paper (COSOP)<sup>7</sup> wa IFAD ambao utaeleza mikakati ya muda wa kati (miaka 3 – 5) pamoja nafasi za uwekezaji nchini Tanzania kutoka mfuko wa IFAD.

2. Makubaliano ya kukamilika kwa Mradi (ACP) yanazingatia mazungumzo na mapendekezo ambayo yametokana na Warsha ya Taifa (CPE National Roundtable Workshop) iliyofanyika Dar es Salaam tarehe 18 – 19 Novemba 2002, kutumia mambo muhimu yaliyopo katika ripoti ya CPE. Makubaliano ya kukamilika kwa Mradi (ACP) pia yametokana na vipengere mbalimbali vilivyomo katika mada tano ambazo ziliwasilishwa katika Warsha iliyotajwa hapo juu na pia kutokana na matamshi ya Mwenyekiti wa Warsha ya CPE. Makubaliano ya kukamilika kwa Mradi (ACP) yamepangwa kulingana na mada kuu zilizojadiliwa wakati wa Warsha ya CPE.

**A. Mbinu na Mikakati ya kupunguza Umaskini Vijijini**

3. Katika muongo uliopita, IFAD ilitumia mikakati miwili tofauti nchini Tanzania, ambayo inajitokeza katika Ripoti ya Mikakati kwa Tanzania ya mwaka 1993 (CSR) na COSOP ya mwaka 1998. CSR ililenga nchi zilizokuwa maskini kabisa kwa kusaidia miradi ya kilimo ambayo inaboresha uzalishaji na pia inazingatia mahitaji ya watu maskini wa vijijini kwa mfano, kwa kuwapatia maji na huduma za afya. COSOP kwa upande wake huzingatia mikakati iliyo na malengo mapana zaidi ambayo hulenga kuutokomeza umaskini vijijini, mkazo mkubwa ukiwa kwa maskini vijijini ambao wanaweza kuongeza uzalishaji katika sekta ya kilimo, wakati wale walio maskini kabisa wakijiiondoa kutoka kwenye shughuli za kilimo na kujaribu bahati zao katika sekta nyinginezo au wakitafuta kazi za ajira katika sekta ya kilimo. Kwa kutumia miundombinu ya IFAD ya mwaka 2002 – 2006 kama msingi, mikakati mbalimbali ya kuutokomeza umaskini pamoja na na malengo ya Taifa ilijadiliwa wakati wa Warsha ya Taifa (CPE) na mapendekezo yafuatayo yalitolewa.

4. **Suala la 1: Muafaka na Mfumo wa sera za Serikali ya Tanzania** Katika kipindi cha miaka mitano iliyopita, Serikali ya Tanzania imeandaa mikakati ya maendeleo ya kiuchumi na jamii, ikiwemo Sera ya Taifa ya kuondoa Umaskini (Poverty Reduction Strategy Paper (PRSP), Sera ya Maendeleo Vijijini (the Rural Development Strategy), na Mpango wa Maendeleo ya Sekta ya Kilimo (the Agricultural Sector Development Programme – ASDP. Mikakati hii, pamoja na mambo mengine, inazingatia dira ya Serikali ya Tanzania, miundo mbinu na vipaumbele vya kutokomeza umaskini vijijini na maendeleo ya kilimo vijijini.

5. **Mapendekezo:** Kuna haja ya Mfuko wa msaada (wa IFAD) kuendeleza muafaka na uendelezaji wa sera kuondoa umaskini vijijini nchini Tanzania. Misaada yote ya IFAD kwa siku za baadaye ni lazima iwe katika misingi ya sera za kutokomeza umaskini vijijini, hususani katika Mpango wa Maendeleo ya Sekta ya Kilimo (ASDP). Njia hii itahakikisha mawasiliano mazuri baina ya miradi mbalimbali ili kuboresha matokeo ya mikakati ya maendeleo na kupunguza gharama za kutoa misaada.

---

<sup>5</sup>Wadau wakuu ni pamoja na Serikali ya Tanzania, (ikiwakilishwa na Wizara ya Kilimo na Chakula, Ofisi ya Waziri Mkuu, Wizara ya Fedha, Wizara ya Maji na Maendeleo ya Mifugo na Ofisi ya Makamu wa Rais), Mamlaka za Mikoa na Wilaya, (Dodoma, Kagera, Mara, Mbeya) Miradi inayofadhiliwa na IFAD (AMSDP, KAEMP, MARA-FIP, PIDP, na WSHPM) , Taasisi Shiriki UNOPS, mashirika yasiyo ya Kiserikali ikiwemo Pride, na taasisi mbalimbali zinazojihusisha na miradi ya maendeleo zikiwemo FAO, UNDP, WFP, na Benki ya Dunia, Mfuko wa Kibeliji inayoshughulikia Uhai, pamoja na IFAD (ikiwakilishwa na Kitengo cha Nchini za Mashariki na Kusini mwa Afrika pamoja na Ofisi ya Tathmini)

<sup>6</sup>Ulioshughulikiwa na ofisi ya IFAD ya Tathmini katika mwaka wa 2001/2002

<sup>7</sup>Maandalizi ya COSOP ni jukumu la Kitengo cha IFAD kwa nchi za Mashariki na Kusini mwa Afrika.

6. **Suala la 2: Mbinu za kuutokomeza umaskini vijijini** Kulikuwa na muwafaka kwamba jitihada zielekezwe zaidi katika kuwahusisha maskini waliokithiri kama wanufaika wa miradi na programu zinazofadhiliwa na IFAD na kwamba mbinu za kuwapata walengwa hao lazima ziandaliwe.

7. **Mapendekezo:** Mchango wa IFAD katika kuleta maendeleo lazima uwe na mkakati ulio bayana wa kuwahusisha watu maskini vijijini na kuchambua kwa uwazi na kuandaa mikakati ya kuwafikia watu maskini. Uandaaji wa Miradi na mipango lazima uonyeshe ni mbinu gani zitatumika kuwafikia maskini walengwa na kwamba maskini walengwa kweli ndio waliokusudiwa kunufaika kutokana na miradi na programu inayobuniwa. Hata hivyo ilidhihirika kwamba kuwafikia maskini walengwa ni tatizo zito, na kwa hiyo basi, ni vyema iwapo uandaaji na utekelezaji wa miradi na programu ukazingatia matatizo na matarajio ya mradi/programu. Hii itahitaji maelezo ya kina kuhusu malengo wakati wa hatua mbalimbali za maendeleo ya mradi. Wakati wa utekelezaji, tathmini za mara kwa mara hazina budi kufanyika kuona ni jinsi gani IFAD na wadau wengineo wanawafikia maskini waliokusudiwa. Na mwisho, uchambuzi na tathmini za matokeo ya mbinu za kuutokomeza umaskini vijijini zilizopendekezwa na COSOP ya mwaka 1988 zitakuwa za manufaa kwa vile zinaweza kutoa mbinu za ziada za kuendeleza mikakati mahsusi na kusaidia kutoa mikakati inayolenga vikundi mbalimbali katika jamii na pia katika sehemu mbalimbali za nchi.

8. **Suala la 3: Maana ya Vikundi vya Walengwa** Miswada mbalimbali wakati wa kuandaa mradi/programu hutumia maneno maskini na maskini waliokithiri bila kuwatofautisha na jinsi ya kuwafikia.

9. **Mapendekezo** Tafsiri sahihi ya nani ni maskini na nani ni maskini aliyekithiri lazima zielezwe wakati wa uandaaji wa mradi kwa kuwashirikisha watu maskini vijijini pamoja jamii nzima. Aidha, wakati wa utekelezaji, mbinu za uhakika za kutathmini kuona kwamba vikundi husika vimo kwenye mradi lazima ziandaliwe na kujulikana. Licha ya kutumia mbinu za kuwashirikisha wahusika kwa gharama nafuu, kama vile kupima utajiri wa wahusika, mbinu zinazoweza kutumika ni pamoja na tathmini ya kundi mwanzoni mwa utekelezaji wa mradi, katikati ya utekelezaji wa mradi na mwishoni mwa utekelezaji wa mradi ili kupima ushirikishwaji wa kundi husika na kupima kiwango cha kuuondoa umaskini.

10. **Suala la 4: Nyanja/Sekta ndogo na Mkazo Kijiografia** Ni wazi kwamba hatua za hivi karibuni za IFAD zenye msisitizo wa nyanja/sekta katika miradi inayofadhiliwa na IFAD (kwa kuacha baadhi ya mipango katika sehemu husika) inaweza ikaboresha mpangilio wa programu na kuimarisha uwezo wa IFAD katika nyanja zilizoteuliwa. Hatua hii pia itaiwezesha IFAD kujihusisha kwa karibu zaidi katika kujadili na kutetea nyanja husika. Pamoja na hayo, kwa kuwa na miradi mingi katika eneo moja lenye maskini wengi zaidi kijiografia kunaweza kukaongezea kwenye wingi wa nyanja mbalimbali na kuwa na matokeo mazuri zaidi ya kuutokomeza umaskini. Aidha, ikumbukwe kuwa na programu nyingi katika eneo moja kijiografia hakuongezi gharama na uendeshaji wake huwa ni nafuu.

11. **Mapendekezo:** Mwelekeo wa hivi sasa wa kukazania nyanja na sekta ndogondogo hauna budi kuimarishwa katika programu zinazozingatia zaidi hali ya umaskini kama ilivyo katika sera za serikali ya Tanzania. Uwezekano wa kuunganisha nyanja katika eneo moja la kijiografia hauna budi kupewa kipaumbele ili kuhakikisha kwamba misaada ya IFAD haipungui kimaeneo na kinyanja. Mkakati ulio bayana hauna budi kuandaliwa na wadau wote kwa pamoja mwaka moja kabla ya mradi/programu kufikia mwisho ili kuhakikisha kwamba, kifedha na kiuendeshaji, miradi/programu zinakuwa endelevu.

12. **Suala la 5: Sera** Tanzania ina bahati ya kuwa na mahusiano ya karibu na mashirika mbalimbali yanayotoa misaada. Kuanzia katikati ya miaka ya 1990 mashirika mengi ya kimaendeleo yamewekeza shughuli zao za kiuendeshaji nchini ambapo maamuzi kuhusu matumizi mbalimbali hufanyika. Katika mfumo wa Taifa wa kuutokomeza umaskini (PSRP) serikali na wafadhili wanashirikiana kila mara ili kuchambua mikakati ya nyanja mbalimbali zinazostahili kupewa kipaumbele ili zifadhiliwe. IFAD imekuwa ikizingatia kuzisaidia taasisi tetezi (k.m. mashirika yasiyo ya kiserikali na sekta ya watu



binafsi) ambazo hujihusisha zaidi na kuboresha maslahi ya watu maskini, kuwapa uwezo zaidi wa kujiamulia mambo yao na ushiriki mkubwa katika kuandaa sera zao nchini Tanzania.

13. **Mapendekezo** Wakati tunatambua kuwa mwelekeo wa sera za IFAD kwa ujumla unasisitiza kuwapa uwezo zaidi wawakilishi wa watu maskini, IFAD haina budi kujihusisha vile vile na sera za nchi katika ngazi ya Taifa na vijiji kwa kushauriana na Serikali ya Tanzania pamoja na wadau wengine wa nje katika harakati za kuleta maendeleo. Hatua hii itahitaji kuwa na wawakilishi zaidi wa IFAD katika ngazi ya Taifa na ushiriki kamilifu katika vikundi mbalimbali. Hususani, IFAD haina budi kushiriki na kuchangia katika vikundi mbalimbali vinavyoandaa sera kama vile PRS, UNDAF, FASWOG na ASDP. Pamoja na hayo, ushiriki katika vikundi hivyo kutaiwezesha IFAD kushirikiana na taasisi zingine zinazojihusisha na maendeleo ya kilimo vijijini katika kupanga vipaumbele na uwekezaji wa rasilimali.

14. **Suala la 6: Mtazamo mpya wa COSOP nchini Tanzania** Siku za nyuma, IFAD ilichukulia COSOP kama waraka wa nchi unaohusika na utekelezaji na undesheshaji. Hata hivyo, COSOP imekuwa chombo muhimu cha IFAD kwa kuwa mshirika wake katika ngazi ya Taifa.

15. **Mapendekezo:** Uundwaji wa COSOP hauna budi kufanyika kwa ushirikiano baina ya IFAD na Serikali ya Tanzania. Aidha, IFAD pamoja na wadau wengine hawana budi kutumia mtazamo huu mpya wa Tanzania kuhusu COSOP kama kipengere muhimu cha kuendeleza sera za ushiriki zinazojumuisha wadau wote. COSOP haina budi kueleza kinagaubaga mkakati wa IFAD na Serikali ya Tanzania unaolenga kuutokomeza umaskini katika kipindi kifupi na kuona uwezekano wa kuisaidia Tanzania katika malengo na mipango yake ya maendeleo kitaifa. Mtazamo mpya wa COSOP nchini Tanzania hauna budi kujadiliwa katika mfumo wa FASWOG na kukamilika ifikapo Juni 2003.

## **B. Ushiriki na Uendelevu**

16. **Suala la 1: Utaratibu wa Misaada ya Serikali na Kuchangia Gharama** Katika mazingira maalum, serikali inaweza kutoa misaada<sup>8</sup> kwa viwanda au wazalishaji katika kukabiliana na malengo muhimu ya muda mfupi au mazingira yaliyosababishwa na mazingira maalum. Hata hivyo mara msaada huo unapokoma huwa kuna hatari ya shughuli zilizokuwa zinaendeshwa kusimama vilevile (kwa mfano, pale ambapo wakulima walikuwa wakipewa pembejeo bure kwa ajili ya kuzalisha mbegu kutoka mamlaka inayosimamia mradi, mara baada ya mamlaka hiyo kuacha kutoa msaada basi na shughuli za wakulima kuzalisha mbegu husimama). Vilevile Misaada hiyo ya serikali imekuwa haiwafikii wale walengwa ambao ndio wahitaji zaidi kusaidiwa. Kwa hali hiyo basi, manufaa ya kuchangia gharama yanaonekana wazi zaidi. Kuchangia gharama hupunguza sana hatari ya utegemezi, huongeza uwezekano wa shughuli za mradi kuwa endelevu mara misaada inapokoma na kuchangia kuufanya mradi uonekane kuwa ni mali ya walengwa. Hali hii vilevile hupunguza mzigo wa gharama za uendeshaji kutoka serikalini ambayo huwa na bajeti finyu siku zote.

17. **Mapendekezo** Uchangiaji gharama za uendeshaji uhimizwe kulingana na sera za Serikali (katika sekta za umma na maendeleo ya jamii). Maandalizi na uendeshaji wa uchangiaji gharama lazima yawahusishe walengwa hasa wakati wa kuamua ni kiasi gani walengwa wanapaswa kuchangia na iwapo uchangiaji huo uwe wa kifedha au wa nguvukazi. Mikakati ya uchangiaji gharama lazima wahamasishwe walengwa kwa kiasi kikubwa na mafunzo sahihi yatolewe, ili watu walio maskini vijijini na vikundi vyao watambue nafasi na majukumu yao hasa katika uendeshaji na usimamizi wa shughuli mbalimbali za miradi/programu (O&M). Na mwisho, inapendekezwa kuwa na sera ya aina moja ya uchangiaji gharama itakayotumiwa na IFAD katika miradi inayoifadhili kwa Tanzania nzima na vile vile kuwahimiza wafadhili wengine waifuate sera hiyo. IFAD ina nafasi nzuri ya kutetea sera

---

<sup>8</sup>“Malipo yanayofanywa na serikali kwa wazalishaji au wasambazaji kiwandani ili kuzuia kudidimia kwa kiwanda (k.m. kutokana na uzalishaji usioleta faida)” – Todaro katika *Economic Development*. “Misaada inaweza kusababisha uzalishaji mkubwa au matumizi yasiyo ya faida ya pembejeo na kwa kawaida mashirika makubwa na yenye kujiendesha kifaida huziba pengo katika viwanda vinavyojiendesha kwa hasara. Misaada hii ya serikali inaweza kuwa mzigo mkubwa kwa walipa kodi”. Bawn na Tolbert katika *Investing in Development*.

hiyo ili zitumiwe na wafadhili wengine pamoja na Serkali ya Tanzania katika kuandaa mikakati ya uchangiaji gharama katika harakati za kupambana na umaskini vijijini nchini Tanzania.

18. **Suala la 2: Ushirikishwaji** Kufikia mwaka 1996, miradi ya IFAD haikuwa imetilia mkazo wa kutosha kwenye ushirikishwaji wa mnufaishwa kwenye ubunifu na utekelezaji mradi. Hakika, taarifa ya COSOP ya mwaka 1998 yasema, “kwenye miradi iliyobuniwa awali hoja ya umiliki wa mnufaishwa na haja ya mtizamo shirikishi havikufikiriwa kuwa ni nyenzo kwenye ubunifu, tathimini na utekelezaji wa mradi”. Hivi karibuni shughuli zinazofadhiliwa na IFAD zimefanya jitihada za kuwahusisha wanufaishwa, kama vile kwenye upangaji na utumiaji wa zana ya mfumo wa kimantiki (logical framework tool). Hata hivyo mapendekezo kadhaa ya naman na jinsi ya kuzidisha ushirikishwaji yalijadiliwa na kukubaliwa wakati wa warsha ya CPE.

#### 19. **Mapendekezo**

- a) Ni muhimu, tangu mwanzo, kukuza uelewa wa pamoja baina ya wadau muhimu juu ya dhana ya ushirikishwaji, ili kwamba wadau wawe na matarajio yanayooana na utambuzi wa majukumu yao na wajibu wao makhususi.
- b) Ni muhimu kwamba ushirikishwaji hautumiki kama chombo cha kufanikisha malengo ya mradi kifedha na kiasasi, bali kukuzwa kwa njia ya uwezesha, kuruhusu watu wa vijijini kuwa wafanya maamuzi na wamiliki wa shughuli za maendeleo. Yaani, ushirikishwaji uweze kuchangia kuwabadilisha maskini vijijini kutoka kuwa washiriki tu kwenye kazi za maendeleo na kuwa mawakala watendaji wa mabadiliko.
- c) Ushirikishwaji utumike kama fursa ya kuendeleza ubia wa usawa na uwazi baina ya wahusika mbalimbali.
- d) Miradi/programu zifanye kazi kupitia asasi zilizoimalika, ikiwemo miundo ya kifestari, pale inapofaa na uanzishaji wa miundo sambamba mipya kwa ujenzi wa ushirikishwaji, vyapashwa viwekewe mipaka. Pale ambapo asasi hazina mwelekeo wa kutosha kukuza mitazamo shirikishi, mafunzo kwa watumishi yahimizwe, hususan kwenye stadi za mahusiano, kama vile uwezo wa kuhisi maono ya mwingine, mawasiliano, elimu miendo ya vikundi na uwezesaji pamoja na uongozi wa kihamasishaji.
- e) Inapendekezwa haja ya kukuza viashirio mahususi kwenye kusimamia ushirikishwaji, uwezesaji na ujenzi wa uwezo kwenye maeneo kama vile ukuzaji stadi, mafunzo, utendaji na usimamizi wa vikundi. Hii itaruhusu watumishi watekelezaji kusimamia uhusishwaji wa maskini vijijini kwenye hatua muhimu za ushirikishwaji zihusianazo na ufanyaji maamuzi na ugavi wa rasilimali.

20. **Suala la 3: Ubunifu wa mradi/programu** Miradi na programu zinazofadhiliwa na IFAD zina malengo mapana ya kimaendeleo. Kwa mfano, lengo makhususi la kimaendeleo la mradi hapa Tanzania ni kufufua na kuboresha usalama wa chakula eneo mojawapo ambapo nia yake ni:

- a) kuboresha uzalishaji chakula ngazi ya familia na kuinua vipato vya wakulima wadogowadogo;
- b) kuchangia uboreshaji maliasili kwa kupanda miti;
- c) kuboresha maji safi, afya, miundo mbinu ya barabara; na
- d) kuimarisha uwezo wa asasi zinazohusika. Vijenzi na sehemu-vijenzi mbalimbali vimejumuishwa kukamilisha malengo ya mradi, ambapo safu ya asasi (mfano idara zalishaji, mashirika yasiyo ya kiserikali-NGOs, CBOs na sekta binafsi) zilihusishwa kutoa utaalumu unaohitajika kwenye vijisekta mbalimbali (mfano, maji, miundombinu, umwagiliaji, afya, kilimo, n.k). Miradi yenye mipangilio ya jinsi hiyo imetoa changamoto kwenye kuhakikisha kuwapo kwa uratibu baina ya wabia mbalimbali na utekelezaji wa shughuli kwa wakati. Aidha, ugawajikaji wa shughuli nyingi zinazoendeshwa katika mazingira ya mradi mmoja yanahitaji kuwa na usimamizi wa hali ya juu kuepusha hatari za migongano na miingiliano wakati wa

utekelezaji iwapo kuna miradi mingine ya kimaendeleo inayoendeshwa katika eneo hilo.

21. **Mapendekezo** -Razini malengo ya mradi/programu ili kuhakikisha ukuzaji ufanisi kwenye utoaji na kuwa na matokeo endelevu, wakati huohuo kuhakikisha ushamirishaji wa hali ya juu kwenye miradi na programu zingine husika zinazofadhiliwa na Serikali ya Tanzania (GOT) na wabia wengine katika maendeleo.

22. **Suala la 4: Uendeshaji na Utekelezaji wa miradi** Serikali ya Tanzania pamoja na wabia wake wakuu wamekuwa wakijitahidi kuongeza uwajibikaji na uwazi kuhusu misaada ya wafadhali wa nje kwa kuzingatia kukubali kwa sera za PRSP na hasa Mkakati wa Taifa kuhusu misaada (Tanzania Assistance Strategy – TAS). Lengo ni kuweka misaada ya wafadhili chini ya msimamizi moja kila inapowezekana ili kuwa na muafaka, kupunguza gharama na kuimarisha asasi za taifa.

23. **Mapendekezo:** IFAD yabidi ijenge na itekeleze kupitia mifumo imara na asasi zilizopo za kitaifa kufuatana na umuhimu wao. Kwenye ngazi ya kieneo, baada ya kukamilika mapitio ya Secretarieti ya eneo, yabidi kuwe na timu ya uwezeshaji ya Tanzania kwenye ofisi ya RAS, na hivyo kuondoa haja ya kuwa na kitengo maalum cha IFAD cha eneo la mradi (PFCUs). Katika ngazi ya wilaya, ni muhimu kuhakikisha ujenzi wa uwezo kwa watumishi wenyeji kushika jukumu la uwezeshaji/uratibu, na pale zilipo, PFCUs, yabidi ziondolewe kabla ya mwisho wa mradi. Kwenye ofisi ya Mkurugenzi Mtendaji wa Wilaya kuna Kitengo cha uwezeshaji chenye jukumu la kuratibu shughuli za mradi katika wilaya ambacho chapaswa kitumike katika kuwezesha shughuli zinazohusiana na IFAD. Chaguo la ushirikiano kiasasi, wabia wanapaswa, kutoishia kwenye mamlaka za Serikali bali hata kuhusisha mashirika ya kijamii na yale ya sekta binafsi, pale ambapo uwezo huo upo na waweza kuchangia ongezeko la thamani.

### C. Teknolojia ya Kilimo

24. **Suala:** Miongoni mwa sababu kuu za umaskini na pato duni miongoni mwa wataanzaina vijijini ni uzalishaji mdogo katika kilimo utokanao na: pembejeo na desturi duni za uzalishaji mazao ya kilimo na ufugaji; matumizi ya mazao duni ya mifugo; utumiaji mdogo wa teknolojia bora na ya kufaa. Matatizo haya yanachagizwa na miundo dhaifu kiasasi na kiushirika ya ushauri na tafiti za kilimo kwenye ngazi ya kaya na umma, yanayokwamisha ufikiwaji wa malengo yaliyowekwa chini ya Sera ya Taifa ya Kuondoa Umasikini (PRSP) na mpango wa maendeleo wa Sekta ya Kilimo katika kuondoa umasikini vijijini na kuhakikisha usalama wa chakula katika ngazi ya familia.

25. **Mapendekezo:**

- a) Utoaji elimu- kuna haja ya kuwasilisha tafiti zinazomlenga mteja, ikiwemo kuchukua takwimu za teknolojia sanifu na bora na kuwahusisha wakulima maskini kabisa kwenye kutathmini teknolojia zilizopo na mpya. Wakulima, mashirika ya jamii ya kiraia na sekta binafsi zapaswa kujihusisha katika kuendeleza teknolojia mpya.
- b) Usambazaji elimu- kukuza usambazaji wa teknolojia endelevu na inayojali mazingira, mfano ujenzi wa mifumo ya habari/mawasiliano (kuimarisha vyombo vya habari, kama vile redio, runinga, na simu pepe/mtandao). Kuhifadhi na kubadilishana desturi nzuri za teknolojia rahisi iwezayo kusimamiwa na masikini wa vijijini (kwa mfano utengenezaji wa kingo za mifereji ya umwagiliaji mkoani Mara).
- c) Kujenga uwezo- kuwezesha vikundi shirikishi na wanaushirika kuanzia ngazi ya jami, kaya, wilaya , tafiti za kanda na ngazi za kimkoa na kitaifa kutoa mafunzo kwa vikundi vya PRA, ikiwemo upangaji na utumiaji wa mifumo ya kimantiki.
- d) Mifumo ya kienyeji ya kielimu- kutambua na kuhifadhi desturi za elimu asilia na ubunifu wa wakulima.
- e) Kuanzisha namna endelevu za kufadhili utoaji na usambazaji wa teknolojia (Mfano, mfuko wa tafiti wa kanda, na mfuko wa mali ya wakfu) zitakazonufaika na

mnhango wa maskini wa vijijini, serikali za mitaa na wabia wa maendeleo wa kimataifa.

#### **D. Usimamiaji na Tathimini**

26. **Suala:** Miradi na programu zote zinazofadhiliwa na IFAD nchini Tanzania imejumuisha mfumo wa usimamiaji na tathmini (M&E). Hata hivyo, kama inavyoonyesha kwenye nyaraka za mwaka 1998 za fursa na mikakati ya Tanzania, utekelezaji wa mfumo wa usimamiaji na tathmini (M&Es) umekuwa hautoshelezi kwa sababu nyingi ambazo zinafahamika wazi. Katika miaka ya hivi karibuni, juhudi za makusudi zimefanywa kuboresha utendaji wa mfumo wa usimamizi na tathimini (M&E) kwa kuwashirikisha wanufaika. Washiriki wa warsha ya taifa ya CPE wameafiki umuhimu wa usimamizi na tathimini kama nyenzo ya utawala, na wameafikiana juu ya mapendekezo yafuatayo.

#### **27. Mapendekezo**

- a) kutoka kwenye msukumo wa ugavi (supply-driven) kwenda kwenye mvuto wa uhitaji (demand-led) juhudi za makusudi zapaswa ziwe kwenye kufunza jamii kuhusishwa kwenye shughuli za usimamizi na tathmini (M&E) na kuwafanya wamiliki wa njia za usimamizi na tathimini (M&E).
- b) Mamlaka za utekelezaji zinabidi kukuza uwazi kwenye ukusanyaji takwimu za usimamizi na tathmini (M&E), uchanganuzi na utoaji taarifa hususan kwa kuwafanya masikini vijijini na asasi kuhusishwa na kuarifiwa. Kuhusiana na hoja ya mwisho, mlishowanyuma maalum wapashwa utolewe kwa masikini vijijini kwa utaratibu wa kipindi hadi kipindi.
- c) Ushiriki mama kwenye miradi ili kuwezesha kuwa na shughuli ya usimamizi na tathimini shirikishi.
- d) Haja ya kufanya tathmini ya nje mara kwa mara ni muhimu katika kujifunza na kujenga imani miongoni mwa wadau. Tathimini binafsi ya wanufaika yapashwa ifanywe kama pembejo ya mazoezi ya tathmini ya nje.
- e) Madaraja ya maafisa wa usimamizi na tathmini yapashwa yaendelezwe ili kuleta ufanisi kwenye utimizaji majukumu.
- f) Juhudi za kina zinahitajika kufuatilia na kutekeleza mapendekezo ya usimamizi na tathmini (M&E)
- g) Nyenzo za mfumo wa kimantiki zapashwa zirahisishwe ili kuwa na matumizi ya kimanufaa katika ngazi ya umma.
- h) Malengo na shughuli za mradi zapashwa zirahisishwe kuwezesha kutekelezeka kwa shughuli za usimamizi na tathmini (M&E)
- i) Programu za usoni zapashwa zisanifiwe katika mazingira ya ASDP ili kukuza ushirikiano baina ya usimamizi na tathmini M&E na ADS, RDS, na PRSP.
- j) Uwazi na mafunzo vyapashwa vikuzwe Tanzania kwa mitizamo na kanuni zilizopo kwenye kiongozi kipya cha IFAD na M&E

#### **E. Masuala ya Kijinsia**

28. **Suala:** Dhana na umuhimu wa kuwahusisha maskini kwenye kitovu cha hatua za maendeleo, sio kama washiriki tu bali kama wabia makini, vipo kwenye msingi wa mitazamo na fikra za mradi uliopo na mpya wa IFAD. Suala hili pia linagusa masuala mbalimbali yahasuyo jinsia kwa ujumla, hususan juu ya haja ya kutafuta njia na namna ya kukuza uhusishwaji wa kimafanikio wa wanawake kwa ujumla na hasa familia zinazoendeswa na wanawake kwenye hatua za kimaendeleo.

#### **29. Mapendekezo**

- a) Uchanganuzi wa jinsia wapashwa ujumuishwe kwenye ubunifu programu na shughuli za usimamizi na tathmini(M&E).

- b) Utoaji taarifa kwa wadau mbalimbali wapashwa ujumuishe rejea mahususi za athari za jinsia. Kuhusiana na hili, viashirio husika vya usimamiaji jinsia vilivyopo kwenye PRSP vyapashwa vijumuishwe kwenye shughuli za usimamizi na tathmini M& E kupimia uhusika wa wanawake kijumla.
- c) Kufuata sera ya Serikali ya Tanzania za upendeleo za kuwaweka wanawake kwenye nafasi muhimu za utoaji maamuzi na uundaji wa sera kwenye asasi za umma, na pia ile itakayohusisha kigezo cha chini cha ushirikishwaji wa wanawake kwenye shughuli za kimaendeleo.
- d) Ili kukuza maendeleo ya wanawake, mabadiliko ya mahusiano ya kijamii na kijinsia yapashwa kutathminiwa na hatua zinazohitajika zapashwa kuchukuliwa(mf. mafunzo kwa akina baba)
- e) Kuwapa akina mama/wanawake mafunzo maalum ya PRA na LFA.
- f) Kufuatana na uzoefu, kuna haja ya kujenga mitazamo inyoana juu ya mkondo wa jinsia na mafunzo miongoni mwa miradi inayofadhiliwa na IFAD hapa Tanzania.



**UNITED REPUBLIC OF TANZANIA**  
**COUNTRY PROGRAMME EVALUATION**

**EXECUTIVE SUMMARY**

**I. COUNTRY CONTEXT**

1. **Country features.** The United Republic of Tanzania's outstanding characteristics include its large size (945 000 square kilometres (km)), low population density and vast agroecological diversity. Although income levels are low, the population of around 33 million people live in peace and enjoy an environment rich in natural resources.

2. **The macroeconomic framework.** With a per capita gross domestic product (GDP) of around USD 250, the United Republic of Tanzania ranks among the ten poorest countries in the world, and below the average for sub-Saharan Africa. Since the mid-1990s, the Government has implemented a number of reforms that have: (i) institutionalized more free markets for all products; (ii) provided incentives for the private sector, including direct foreign investments; (iii) improved fiscal discipline and granted relative autonomy to the central bank, the Bank of Tanzania; (iv) initiated a process of decentralization; and (v) established a free political system based on multi-party participation.

3. On the macroeconomic front, some results are impressive. The most recent figures indicate an annual inflation rate of 5%. Public finances have been balanced, and external debt service has been brought down from earlier levels of 70-80% to around 35% of exports. However, domestic revenue generation is low at 11-12% of GDP; gross domestic savings are only 6% of GDP; and investments remain at a modest 15%. Recent current account deficits have been in the range of 6-10% of GDP.

4. **The agricultural sector and policies.** Some 82% of the labour force work in agriculture (1997-98), which contributes around 50% of the gross national product. Crop production is the most prominent subsector, contributing 74% of the agricultural GDP. Food crops are most important – maize contributes some 23% of agricultural GDP and paddy 8%. Livestock accounts for 13%.

5. In October 2001, the Government issued its Poverty Reduction Strategy Paper (PRSP), which was prepared in the context of the enhanced Debt Initiative for Highly Indebted Poor Countries. The PRSP subsumed the two strategies most relevant to IFAD's lending: the Agricultural Sector Development Strategy (ASDS) and the Rural Development Strategy (RDS). The main priority areas in the ASDS are: (i) strengthening the institutional framework; (ii) creating an enabling environment for private-sector development; (iii) assigning public and private roles in improving support services; (iv) strengthening marketing efficiency for inputs and outputs; and (v) mainstreaming the planning for agricultural development in other sectors. The RDS emphasizes: (i) promoting widely shared growth (agriculture and livestock development, rural small and medium enterprise development, training and skills development, improved natural resource use, tourism, forestry, wildlife and fisheries development); (ii) increasing opportunities and access to services (education, health, rural water supply and sanitation, rural infrastructure, information, communications, technology and energy); (iii) reducing risks and vulnerability; and (iv) promoting good governance (decentralization and empowerment, participatory district planning, security and justice).

6. **Rural poverty.** According to the 1991/92 household budget survey (HBS), rural poverty is estimated at 57%, while food poverty (inability to meet nutritional requirements) is about 32%. In rural areas, farmers are poorer than non-farmers; farmers with no cash crops are poorer and less food-secure than farmers growing cash crops; households with many members are poorer than households with fewer members; and households close to roads and markets are better off than other farmers. Disparities among households and also among regions are significant. The Gini coefficient is estimated at 0.46, and the wealthiest 20% of the population have a level of expenditure nearly ten

times that of the poorest 20%. Annual per capita income is above USD 600 in Dar-es-Salaam, while in several regions (e.g. Dodoma, Kagera and Kigoma) it is below USD 200.

7. Life expectancy at birth increased from 45 years in 1970 to 52 years in 1990. Recent estimates indicate a decline to 48 years largely because of HIV/AIDS. The disease is the leading killer in the 15-59 age group, where it accounts for 35% of deaths in the male population, and 44% of female deaths. The number of orphans is currently estimated at 680 000. Yet the population continues to grow at a high annual rate of about 2.8%.

8. **Gender aspects of rural poverty.** Women represent 51% of the population and head 14% of the households. Though a number of studies indicate that women are poorer than men, the 1991/92 HBS found a poverty incidence of 45% for woman-headed households and 49% for those headed by a man.

9. **Other donor experience.** A number of donor agencies that have supported the United Republic of Tanzania's agriculture have had disappointing experiences due to (i) poor project design; (ii) a legal, institutional and policy environment not conducive to the achievement of results and impact; and (iii) failure to provide technically and commercially sound solutions. The country programme evaluation (CPE) team reviewed the experiences of the World Bank, the Danish Agency for Development Assistance (DANIDA), the Swedish International Development Agency (SIDA) and some other donors. A 1998 World Bank country assistance evaluation of its support to agricultural sector projects in the United Republic of Tanzania concluded that the first priority should be to identify constraints to growth in agricultural exports and investments in agriculture. It also recommended that approaches to the provision of agricultural extension services should emphasize cost sharing and the participation of farmers, non-governmental organizations (NGOs) and donors. A 1994 DANIDA evaluation of its agricultural sector support found that impact had been limited by the great distance between producing areas and the main market; curative rather than preventive livestock research and education; and an emphasis only on low-input food-security farming systems (relevant in some areas) and neglect of the potential in other areas for more intensive surplus production systems. A recent SIDA/Overseas Development Institute evaluation asserts that Sweden's "failure to look strategically at the number-one task facing poverty-reduction efforts in the United Republic of Tanzania, that of restoring growth in smallholder agriculture, is quite serious".<sup>9</sup> On the other hand, Sweden has been at the forefront in adjusting its development cooperation mechanisms, increasingly basing its assistance on sector-wide approaches within the framework of the technical assistance strategy and (more recently) the PRSP. The main objectives of this change of aid-delivery modalities include lowering transaction costs, enhancing national ownership, and improving aid accountability through integration with national budgets.

## II. THE COUNTRY PROGRAMME EVALUATION PROCESS

10. **Rationale and objectives.** IFAD's Eastern and Southern Africa Division (PF) plans to prepare a new country strategic opportunities paper (COSOP) for the United Republic of Tanzania in 2003. In this regard, the Office of Evaluation and Studies (OE) undertook a CPE to assess overall cooperation between the United Republic of Tanzania and IFAD. The purpose of the CPE was to provide building blocks for updating the COSOP and, in particular, to: (i) analyse the impact and sustainability of IFAD's evolving strategy and operations in the United Republic of Tanzania; (ii) assess national strategies for inclusive development and the strategic role of IFAD in influencing policies and development strategies for sustainably improving the welfare of the rural poor in the United Republic of Tanzania; and (iii) based on the above, generate insights and recommendations for the design and implementation of new interventions, and identify areas that might be explored in further strategy and partnership development.

---

<sup>9</sup>Overseas Development Institute, *Fighting Poverty Strategically? Lessons from Swedish Tanzanian Development Cooperation, 1997-2000* (London: ODI, October 2000): p. xiv.



11. **The CPE process and methodology.** The CPE was undertaken in the last quarter of 2001. It followed IFAD's overall evaluation process, which includes the preparation of an approach paper at the outset of the activity. OE then undertook a reconnaissance mission to the United Republic of Tanzania in August 2001 to discuss the approach paper with a wide range of partners. In addition to in-depth discussions with key governmental and institutional partners, the mission had discussions with representatives of several multilateral and bilateral development organizations in the United Republic of Tanzania. It also met with project coordinators of the IFAD-supported Participatory Irrigation Development Programme (PIDP), Kagera Agricultural and Environmental Management Project (KAEMP), and Water Supply and Health Project in Marginal Areas (WSHPMA). Furthermore, it discussed the approach paper with the Economic and Social Research Foundation, the University of Dar-es-Salaam, and PRIDE Tanzania, an NGO.

12. In accordance with IFAD's evaluation procedures, the approach paper was prepared in a participatory manner involving multiple stakeholders, while analysis and report writing was undertaken by the CPE team in a manner to ensure appropriate independence and impartiality. OE reviewed the report of the CPE team and solicited PF's comments on the initial draft. Any factual inaccuracies have been corrected, and as deemed appropriate by the lead evaluator, other comments provided by PF have also been incorporated in a new draft that was shared with the Government and other partners for their review.

13. The CPE team comprised six consultants: three recruited through the Danish Trust Fund<sup>10</sup> and three locally-based Tanzanian nationals<sup>11</sup> (two of whom are women). One Tanzanian consultant was closely involved in the formulation of the Tanzania PRSP, ASDS and RDS. In addition, upon the request of the Government, OE agreed to the full-time participation of a representative of the Ministry of Agriculture and Food Security (MAFS)<sup>12</sup> in the CPE exercise. The government representative accompanied the CPE team throughout its fieldwork and in meetings with different partners at the local level and in Dar-es-Salaam. He was appreciative of the work of the CPE team and seconded the mission's overall assessments. The mission also benefited from the presence of the IFAD Executive Board director from Switzerland<sup>13</sup>, who participated in the CPE mission as a resource person.

14. As a key input towards the CPE exercise, the four ongoing IFAD-supported projects<sup>14</sup> in the United Republic of Tanzania prepared self-assessment reports before the arrival of the CPE mission. These reports were useful and were discussed with the projects separately during CPE fieldwork in each project area. In addition, a specific desk study was commissioned in the context of the CPE to review the design and performance of project monitoring and evaluation (M&E) systems<sup>15</sup>.

15. The CPE team examined more than 200 reports and studies prepared not only by IFAD but also by cooperating institutions, various projects and other partners. It consulted a wide range of Government documents, *inter alia*, the PRSP, ASDS, RDS and the United Nations Development Assistance Framework (UNDAF). In addition, the team made considerable efforts to take stock of the experiences of other donors (see paragraph 9).

16. The CPE is also based on numerous field observations, research, intense interaction with stakeholders and the Government, and discussions with a cross-section representative of international organizations in the United Republic of Tanzania. Apart from discussions with beneficiaries, both

---

<sup>10</sup>Mr Jakob Grosen (team leader), Mr Jens Raunso (agriculture and natural resources management specialist) and Mr Peter Christensen (rural development specialist).

<sup>11</sup> Professor Haidari Amani (development economics and poverty-alleviation specialist), Ms Joyce Nyoni (sociologist) and Ms Cecilia Rughimbana (gender issues specialist).

<sup>12</sup> Mr Emmanuel Achayo, senior economist in the MAFS.

<sup>13</sup> Mr Lothar Caviezel.

<sup>14</sup> Projects that were ongoing at the time of evaluation were KAEMP, the Mara Region Farmers' Initiative Project (Mara-FIP), PIDP and WSHPMA.

<sup>15</sup> This study was conducted by Dr H. Bohela Lunogelo from Agrisystems (East Africa) Ltd - Nairobi, a Kenyan consulting firm.

individually and in groups, the CPE team held a number of informal workshops at the project level to provide feedback to partners on their fieldwork and initial analyses. In fact, the CPE team covered extensive ground by visiting five regions with IFAD operations, including Dodoma, Iringa, Kagera, Mara and Mwanza. Six out of the 11 IFAD-supported projects were visited, including four ongoing and two closed projects<sup>16</sup>. The CPE team spent about 25 days in the field.

17. During a wrap-up meeting, held in Dar-es-Salaam on 10 October 2001 and attended by 35 stakeholders, the CPE team presented a comprehensive debriefing note of about 20 pages, which included the main mission main findings and recommendations. The key analysis, conclusions and recommendations of the CPE report are built on the core elements that appear in the debriefing note. The conclusions of the CPE were broadly endorsed by the chairman<sup>17</sup> and participants at the wrap-up meeting. However, OE invited the participants to provide any additional comments in writing for the CPE team's consideration. Comments subsequently received from PIDP and the Mara Region Farmers' Initiative Project (Mara-FIP) were accordingly taken into consideration in the CPE analysis and report.

18. The lead CPE evaluator then travelled to the United Republic of Tanzania in May 2002 in order to: (i) hold discussions with stakeholders on the CPE; (ii) determine the next steps needed to finalize the process; and (iii) participate in the Tanzania portfolio assessment working group organized during the workshop on PF's regional strategy, held in Dar-es-Salaam. The working group held deliberations for nearly one full day. It is noteworthy that participants of the working group<sup>18</sup> expressed broad consensus with the various insights and recommendations emerging from the CPE. The lead evaluator also travelled to Tanzania in August and October 2002 to hold further discussions with GOT and other stakeholders on key CPE issues and recommendations.

19. The CPE summary report was discussed during the thirty-first session of IFAD's Evaluation Committee (EC) of the Executive Board on 2 September 2002. The EC provided its broad endorsement on the CPE's overall analysis and recommendations. A representative of the Government of Tanzania participated in the EC's deliberations.

20. **CPE Workshop.** A fundamental step in the CPE was to engage members of the core learning partnership (CLP) in a process of reflection and discussion on the insights and recommendations contained in the CPE report, leading up to the formulation of CPE agreement at completion point (ACP). For this purpose, OE in co-operation with members of the CLP prepared an issues paper on three themes that emerged from the CPE exercise, namely (a) approaches to rural poverty alleviation and targeting; (b) participation and sustainability; and (c) agriculture technology issues. Issues papers were also written on two cross-cutting themes (monitoring and evaluation and gender). The issues papers were discussed at an in-country roundtable workshop of national stakeholders that was held on 18-19 November 2002 in Dar es Salaam. The ACP will serve as a critical input for the formulation of the new COSOP.

### III. COUNTRY PROGRAMME DEVELOPMENT AND MANAGEMENT

21. **IFAD strategy.** The three principal documents articulating IFAD's strategy in the United Republic of Tanzania and providing the strategic considerations shaping the Fund's current portfolio in the country are the 1993 country strategy report (CSR), the 1997 country portfolio review (CPR) and the 1998 COSOP.

---

<sup>16</sup>KAEMP, Mara-FIP, PIDP and WSHPMMA – ongoing; and the Smallholder Development Project for Marginal Areas (SDPMA) and Southern Highlands Extension and Rural Financial Services Project (SHERFSP) – closed.

<sup>17</sup>Senior Permanent Secretary of the Ministry of Finance, Mr G.S. Mgonja.

<sup>18</sup>Included around 20 participants, such as the permanent secretaries from the PMO, Ministry of Finance, MAFS and Ministry of Home Affairs, representatives of the United Nations Office for Project Services (UNOPS), the World Food Programme, the Vice-President's Office for Poverty Reduction, the IFAD country portfolio manager and lead CPE evaluation officer, selected IFAD project directors and others.

22. The CSR took a three-pronged approach. The first was support for smallholders in the southern highlands and included (i) the provision of credit to ensure availability of inputs; (ii) support for marketing; and (iii) improvement of the research-extension system to make it client-oriented and demand-driven. The second was to increase the productivity and incomes of smallholders in marginal areas, emphasizing food crops, low-cost irrigation to produce rice, and livestock. The third included (i) strengthening the offices of the Ministry of Community Development, Women and Children; (ii) developing rural financial services based on stockists/traders and informal groups applying group liability; (iii) creating rural feeder roads; and (iv) designing measures to address the needs and time constraints of women, for example, wood lots and efficient cooking stoves, improved water supply and ploughing with oxen.

23. The CPR, produced four years later, recommended in particular that IFAD's support to the United Republic of Tanzania be oriented in the long term towards: (i) rural financial services; (ii) water-resource management in marginal areas; (iii) village water supply; (iv) primary health care; and (v) mixed farming in Zanzibar. Further, the CPR discussed two approaches that could be pursued for delivering support in these areas: a thematic approach for selected regions; and a sector/subsector approach, for example, in rural financial services and primary health.

24. The 1998 COSOP recommended that IFAD's medium-term lending priorities be in three areas, which it identified as being the main constraints to agricultural production: participatory irrigation, rural financial services and the development of agricultural markets and marketing systems. More specifically, the COSOP proposed a two-pronged approach: (i) addressing food insecurity at the household level (also in relatively better-off areas, such as Arusha, Kilimanjaro and the southern highlands) by increasing agricultural production and the intensity of natural resource management; and (ii) improving production incentives for farmers by integrating markets with production centres and removing impediments relating to the free play of market forces. The choice of investment options was consistent with these strategic thrusts. However, the CPE highlighted two concerns related to the COSOP that need to be factored into the future IFAD country strategy for the United Republic of Tanzania.

25. The first concern relates to the need to cater to the requirements of the subsistence sector, which mainly produces for household consumption. The technological choices and market options for these target groups and resource-poor regions are rather limited. They continue to need more 'traditional', narrowly targeted and area-based interventions, but they also need to exploit opportunities for market-propelled transformation of rainfed subsistence production systems through diversification into a higher-value crop mix. In this context, the projects developed and implemented based on the CSR have sometimes made a difference in marginal areas by improving water-supply access, basic health services, crop development and irrigation facilities. Interventions focusing on low-cost, low-tech activities based on commercially viable propositions have tended to be the most successful.

26. The second concern relates to the 'manageability' of the size and the multisectoral characteristics of the programmes included in the 1998 COSOP. The first project developed based on the 1998 COSOP only became effective in 2000, and although the other two have been approved, project implementation has yet to commence. Under these circumstances, it is not possible to comment on the impact of the COSOP on alleviating rural poverty. However, concern was expressed that it may not be appropriate and indeed even possible to balance an emphasis on growth with one on more-immediate benefits to the poorest. To some extent, this concern is part of a wider challenge that IFAD faces in aligning its operations to the PRSP strategic framework while retaining the specificity of its targeted interventions. Viewed positively, the programme approach underlying its recent operations could show a way forward to adoption of growth-oriented sector-wide approaches, once more experience is gained with the implementation of the current portfolio and the associated issues for policy dialogue are resolved.

27. In the five years between the CSR and the COSOP, a strategic shift took place. The CSR emphasized improving livelihoods and reducing vulnerability among the 'poorest of the poor'

primarily in marginal areas, not only through agricultural interventions, but also through support for primary education, health, drinking water supply, environmental conservation, water harvesting and the development of self-help groups for promoting rural financial services. The COSOP instead takes as its point of departure the perception that rural poverty reduction depends largely upon agricultural growth and that many rural poor are in fact located in areas with a high potential for agriculture. Consequently, it emphasizes a growth-oriented approach. This strategic shift appears to have led to correspondingly less emphasis in the COSOP than in the CSR on the poorest and most marginalized areas, as well as on direct targeting of the poorest rural people.

28. Finally, the COSOP was not developed in a truly broad-based consultative process, because COSOPs were regarded primarily as internal documents at that time in IFAD. However, COSOPs have become an increasingly important instrument for IFAD, its partners at the country level and its governing bodies. Therefore, IFAD and its partners may wish to use the development of the new Tanzania COSOP as an opportunity to promote a participatory and inclusive process of policy dialogue with the concerned stakeholders.

29. **IFAD operations.** Since 1978, IFAD has approved ten project loans for the United Republic of Tanzania on highly concessional terms for a total of USD 145 million. In addition, approximately USD 86 million has been raised in cofinancing. IFAD has also provided some USD 1.5 million in grants, mainly for technical assistance and project start-up. Further, the WSHPMA has benefited from a USD 8.6 million grant by the Belgium Survival Fund, which is managed by IFAD. The current portfolio includes five closed projects – the Mwanza/Shinyanga Rural Development Project, the Southern Highlands Smallholder Food Crop Project, the Smallholder Support Project in Zanzibar, Smallholder Development Project in Marginal Areas (SDPMA), and the Southern Highlands Extension and Rural Financial Services Project (SHERFSP); five ongoing projects: KAEMP, Mara-FIP, PIDP, the Rural Financial Services Programme (RFSP) and the WSHPMA; and one approved project that is still to become effective, the Agricultural Marketing Systems Development Programme (AMSDP). KAEMP, Mara-FIP and SHERFSP were developed on the basis of the 1993 CSR, and the WSHPMA also emerged from this strategy report. AMSDP, PIDP and RFSP evolved from the 1998 COSOP.

30. **Project preparation and design.** The Tanzanian task force established for the 1997 CPR noted that “all projects have been adequately designed. However, Tanzanian experts were not closely involved at the planning and supervision stages.” The CPE, while sharing these concerns, recognizes that most of these projects were designed according to the conventional approach, which divided the project cycle into discrete identification, preparation/formulation and appraisal phases. However, the design of projects approved since the 1998 COSOP are influenced by the approach emerging from IFAD’s re-engineering exercise<sup>19</sup>, which views project design as an iterative process, where the emphasis is on the process itself and on local ownership. However, the CPE notes that participation of donors, civic groups and NGOs in project design could be enhanced, leading to a broader understanding of project objectives and smoother implementation.

31. **Project management units (PMUs) and associated costs.** The PMUs in the two area-based multisectoral projects, KAEMP and Mara-FIP, and in the WSHPMA were established to assist regional and district authorities in implementing project activities. Mara-FIP, in particular, has made an effort to base implementation on the new decentralized district-government structure. In the new portfolio, some PMUs are designed to take the lead in implementation. In particular in the RFSP, the PMU and the zonal management units will be the ‘lead implementers’ for most activities. This new role may partly be explained by a strategy to outsource service provision to private and civil-society organizations (CSOs). However, the CPE questioned whether it would not have been better to help

---

<sup>19</sup> The last three projects for Tanzania (relating to irrigation, microfinance and marketing) were formulated by the Investment Centre of the Food and Agriculture Organization of the United Nations (FAO) on behalf of the Government. For all practical purposes, these formulation reports were government documents and submitted to the Government directly by FAO.

build central and local-government capacity to manage outsourcing, rather than creating such a capacity within the PMU.

32. One concern about PMU structures is their temporary nature, which may be more important when the PMU engages in activities that are not temporary, such as the management of credit/revolving funds. The SHERFSP completion report noted, for example, that the significant drop in loan repayment at the end of the project was partly due to “speculation by the beneficiaries that there would be no follow-up on loan repayment after project closure”.

33. Establishing PMU structures also appears to have been costly. Although an attempt was made in the Tanzania CPE to compare project management costs, difficulties arose because the sub-components included under project management (e.g. training, M&E, technical assistance, hardware and computer equipment) differed from project to project. The CPE observed that the estimated costs at loan approval of project management in the United Republic of Tanzania seemed in line with, and sometimes lower than, IFAD averages<sup>20</sup> for all regions. The review of disbursement figures, however, suggests that in some IFAD-supported projects in the United Republic of Tanzania there has been a fair amount of overspending<sup>21</sup> as compared with appraisal estimates for project management. Overspending in this component naturally results in a reduction of resources available for other project components. It seems that (additional) project resources to finance management-related costs in the United Republic of Tanzania have been easy to mobilize. Therefore, PF may wish to investigate this topic further to ensure that the actual costs incurred for project management are maintained as close as possible to costs intended for management purposes at the outset of implementation.

34. In light of the above, the CPE makes three suggestions regarding project management in the context of the IFAD programme in the United Republic of Tanzania: (i) a wider use should be made of government structures for project implementation purposes; (ii) the Government and IFAD should explore the feasibility of merging different project PMUs when parallel structures are needed; and (iii) inter-category transfers of loan allocations should be subjected to more stringent review by cooperating institutions and IFAD<sup>22</sup> in order to limit the possibility of overspending the budgets for project management, facilitation and monitoring.

35. **Monitoring and evaluation.** All projects have an M&E unit, with systems to monitor and report implementation performance related to physical and financial achievements. The capturing of outcomes and impact is less systematic, and generally such information is not available. Although the

---

<sup>20</sup>During the last ten years, according to current data of the Project and Portfolio Management System (PPMS), Programme Management Department, average IFAD costs for project management in Tanzania (at loan approval) have been around 10% of total project costs, whereas in IFAD’s Western and Central Africa region the average has been around 15% and in the Eastern and Southern Africa region it has been approximately 13%).

<sup>21</sup>For example, in the case of the RFSP, which became effective at the end of 2001, 24% of the total budget is allocated for programme management and M&E. In WSHPMMA, with less than one year before closure, 191% of the budget for management and coordination has already been used, whereas the water and health components have only used 52% and 80% of their respective budgets. In KAEMP, project management and facilitation costs accounted for 9% of the budget at loan approval, but as at December 2000, three years before closure, the budget line for project management and facilitation had been overspent by 46%. As a result, disbursements on project management and facilitation accounted for 31% of total disbursements. In Mara-FIP, expenditure on “salaries and allowances” had reached USD 1.3 million by July 2001, two years before closure, while the originally approved budget was only USD 488 000.

<sup>22</sup>PF explains that in some programmes overhead costs have increased for the following reasons: (i) the Government started revision of pay scales and streamlining of public services during 1998-2000. During this transition process, all donors, including IFAD, had to bear some additional costs in terms of increased salary and the number of staff under its payroll; but the services of these additional staff were gradually terminated with the completion of the work of the Service Reorganization Committee; (ii) a few projects had to be extended from one to three years, which increased management costs; and (iii) supervision and monitoring costs are generally underestimated, which accounts for a significant part of organization and management.

more recent projects have developed good logical frameworks, the older projects did not benefit from such an instrument. This has contributed to difficulties in identifying key objectives and in defining progress and impact indicators, even though project staff have subsequently made efforts to develop a logical framework matrix with the involvement of various stakeholders. The desk review of the M&E systems of IFAD-supported projects in the United Republic of Tanzania carried out for the CPE noted that in the PIDP, beneficiaries were involved in the preparation of the logical framework and the definition of indicators. The CPE team observed the use of the logical framework as a management tool in KAEMP. Generally, there appears to be a positive trend in IFAD-supported projects in the United Republic of Tanzania towards making use of the logical-framework approach and ensuring that a proper foundation for impact M&E is developed from the start of a project. However, in the older projects visited by the CPE (SDPMA, WSHPMA and SHERFSP), the definition of indicators jointly with beneficiaries and the preparation of baseline studies were not carried out in an effective and timely manner. The desk review noted the lack of adequate guidelines for establishing M&E systems, various delays in undertaking impact studies and inadequacy in terms of staff capacity to perform the M&E function appropriately. In sum, projects did not initially give sufficient emphasis to M&E, although the attitude towards the function has considerably improved in the new portfolio.

36. **Supervision activities.** Supervision reports (by the United Nations Office for Project Services – UNOPS – in Nairobi) are a satisfactory and cost-effective way to track project progress and understand implementation problems. However, the reports focus on the delivery of physical outputs, on administration and budget/disbursement issues, and on procurement. Also, the supervision reports and mid-term reviews (MTRs) often contain numerous<sup>23</sup> and conflicting recommendations. The CPE identified a need to streamline the MTR and supervision processes to ensure that adoption of the emerging recommendations is facilitated, and that follow-up action is taken. Although acknowledging IFAD’s budgetary constraints, the CPE recommended that supervision include a focus on implementation performance and project impact.

37. **Policy dialogue and in-country presence** are broader issues on which reflection is required within the Fund. The absence of a field presence in particular has been noted to limit IFAD’s catalytic role. Partners with whom the CPE team met at every level in the United Republic of Tanzania raised this as a major concern in their interactions with IFAD.

38. The lack of a more permanent and constant presence at the country level has prevented IFAD from participating regularly and proactively in discussions with donors and other groups on key policy issues. It has also made building local strategic partnerships more difficult. Particularly relevant to IFAD are the joint Government-donor working groups for the formulation and implementation of the United Republic of Tanzania’s PRSP, ASDS, RDS and UNDAF processes. These initiatives serve the Government’s objectives of streamlining development cooperation and reducing the transaction costs of aid. They also ensure that donor-funded activities are in line with government policies and strategies and that the allocation of resources among sectors, regions and districts reflect government priorities. Because of its structural constraints, IFAD cannot participate on a permanent basis in such fora, thereby limiting its advocacy function and its ability to influence policy dialogue and resource allocation.

39. The absence of a field presence also hampers IFAD’s efforts to provide implementation support and to take any follow-up action needed to ensure impact achievement and assessment. A more permanent field presence would, in sum, contribute to advancing IFAD’s catalytic role, and it would allow the Fund to provide more implementation support and follow-up, strengthen M&E, undertake policy dialogue, build partnerships and cooperate more effectively in donor mechanisms in the United Republic of Tanzania.

---

<sup>23</sup>For example, the 1999 Mara-FIP MTR and UNOPS supervision report contained 91 and 50 recommendations respectively.

## IV. PERFORMANCE AND IMPACT

40. **Quantitative indicators of implementation performance.** An assessment of the performance of the Tanzania programme using conventional indicators of efficiency shows that it has performed better than the regional and IFAD-wide averages (see following table).

### Quantitative Indicators of Implementation Performance

(Tanzanian portfolio of ongoing projects)

Indicator	Tanzania, United Republic of	PF Region	IFAD
Time between Executive Board approval and loan effectiveness (months)	7.1	12.9	13.1
Percentage of loan disbursed (mid-2001)	48%	35%	37%
Days of loan suspension due to arrears	0	74.0	11.4
Average financing <sup>1/</sup> (USD million)	15.4	11.4	12.8

Source: IFAD PPMS 2001.

<sup>1/</sup>That is, IFAD loan amount.

41. **Disbursements.** Total loan disbursements between 1978/79 and 2000/01 amounted to about USD 70 million, implying average annual loan disbursements of some USD 3.2 million of effective loans – an overall average annual disbursement rate of 54%. Annual loan disbursements increased during the 1990s, reaching levels of USD 4-5 million.

42. **Reducing procurement delays.** Enhanced operational capacity, simplification of procedures and substantive technical support at both formal and informal levels are necessary to improve performance in procurement. For instance, special operations facility (SOF) grants<sup>24</sup> provided to three projects/programmes allowed the Government to prepare manuals, guidelines and procurement documents – resulting in a lead-time reduction in procurement from 18 months to about 6-8 months. However, SOF funding is limited, and it would be advisable for the relevant government staff to be trained to handle procurement matters more efficiently.

43. **Counterpart funding.** The lack of counterpart funds has been a persistent problem in the Tanzania programme. Generally, the Government has been unable to meet the financial commitments agreed upon during the project design process. This was also recognized as a key concern in the 1998 COSOP. Therefore, IFAD project formulation and appraisal missions need to be realistic when proposing the Government's share in the financing plans.

44. **Targeting.** The CSR and COSOP provide broad approaches for targeting. Design documents for IFAD-supported projects include a definition and description of the target group, mostly comprising the poor, smallholders and households facing food insecurity, or a combination of some of these characteristics. Sometimes the non-poor are also included as indirect project beneficiaries. Appraisal documents also usually contain some indication of how targeting will take place. During implementation, projects in the United Republic of Tanzania have adopted specific guidelines for targeting in line with IFAD's mandate.

<sup>24</sup>SOF amounts ranged from USD 0.19 million for Mara-FIP to USD 0.09 million for KAEMP and USD 0.08 million for PIDP.

45. The 1993 CSR focused on a strategy uniquely relevant for smallholders. Several projects explicitly concentrated on marginal areas, most notably the WSHPMA, SDPMA and to some extent also Mara-FIP (especially the lakeshore area). They have made a difference in these areas by improving access to water supply, basic health services and irrigation facilities. Projects based on the 1998 COSOP, for example the RFSP and AMSDP, reflect the priority that the paper gives to “pro-poor growth strategies”. In contrast to most of the earlier projects, these projects include fewer absolutely poor areas (e.g. Arusha, Kilimanjaro and the southern highlands) and offer potentially greater possibilities for rural people other than ‘the poorest of the poor’ to access their benefits. They aim at creating an environment conducive to further investments and growth rather than providing immediate benefits to the poorest. Cash and export crop farmers may benefit from these interventions, and indeed studies have shown that export crops have the most substantial multiplier effect for the wider economy.

46. Women are specifically targeted, and the COSOP states that all interventions should undertake detailed gender assessments and develop necessary targeting criteria to give preference to woman-headed households. In some cases, however, the CPE noted that benefits have gone to the less poor. For instance, in some projects eligibility has been limited to farmers with one hectare (ha) or less of land, causing farmers occasionally to make fictitious ‘sales’ to siblings and other relatives and friends in order to be included in project activities. Therefore, plot size may not be the best indicator of poverty, also because many farmers have other sources of income besides agriculture. Other targeting mechanisms that include a mandatory and often high beneficiary contribution *a priori*, either in terms of cash or labour, have sometimes excluded the poorest since they cannot provide the required contribution. Some of these activities have not been sustainable, raising the probability that some farmers may even become poorer. The effects of IFAD’s promoting labour-intensive technologies aimed at raising productivity are even subtler. This approach may unintentionally have adverse consequences for labour-scarce households, in particular woman-headed households.

47. The CPE notes that poverty indicators for targeting need to be carefully developed to ensure that the poorest are consistently the main beneficiaries. Since actual targeting mechanisms have mainly been developed at implementation, they vary from project to project. The CPE recognizes that enforcing individual eligibility criteria is often managerially difficult and socially contentious and that to some extent the post-COSOP growth-oriented projects imply indirect rather than direct targeting of the poorest. Consequently, benefits have sometimes gone to the less poor. The CPE concludes that the emphasis should be on selecting the poorest areas and communities and introducing technologies and methodologies that are particularly relevant and attractive to the poorest members in the community. In future cooperation, IFAD and the Government may need to reflect on the balance between growth and more immediate benefits to the poorest. The CPE recognizes that pursuing both these objectives within the context of one COSOP may be difficult and that it may be more appropriate to develop strategies and interventions targeting specific social groups and geographical areas.

48. **Participation.** Up until about 1996, IFAD projects paid insufficient attention to beneficiary participation in project design and implementation. In fact, the 1998 COSOP states: “In earlier IFAD-designed projects the question of beneficiary ownership and the need for a participatory approach have not been considered as an instrument for project formulation, appraisal and implementation. While preparing these projects, the conventional method was followed, with a top-down approach placing heavy reliance on the existing governmental machinery to plan and execute the entire activities of the project. As a result the beneficiaries could not identify themselves as an integral part of the development process and these projects could not adequately respond to their requests or demands. This has been a root cause of the failure of the Zanzibar and Marginal Areas projects.”

49. More recently, IFAD projects have sought to promote beneficiary participation by: (i) involving beneficiaries in the setting of priorities that respond to their perceived needs and preferences; (ii) promoting, in the current situation of budgetary stringency, cost-sharing devices (such as service charges) and assigning maintenance responsibilities for rural infrastructure; and (iii) organizing beneficiaries into institutional frameworks such as user or solidarity groups, to further effective



participation in project activities and to improve management of common property resources such as water resources or community assets.

50. Despite the progress made, the CPE raises two specific considerations related to participation. First, IFAD-supported activities in the United Republic of Tanzania need to emphasize the quality of processes that empower people at the grass-roots level (e.g. skills enhancement, training and the overall functioning and management of groups) as much as, if not more than, the achievement of pre-established physical and financial targets and outputs (e.g. number of groups established). This would contribute to building ownership and sustainability of interventions and would also increase the probability of achieving the desired developmental results. Second, a more flexible approach to implementation may prove to be more effective. For instance, the CPE notes that if authorities rigidly apply the targets outlined at appraisal, they are unlikely to internalize adequately the evolving requirements of the rural poor in their project annual workplans and budgets (AWP/Bs).

51. **Gender.** The CPE notes that projects are generally aware of gender issues and make an effort to include women in project activities, sometimes struggling against cultural norms. Several projects specifically provide for the establishment of women's groups and for women's participation in user associations. Overall, the CPE found that the role of women is sufficiently emphasized at the design stage and that women have taken up activities that are generally of a self-selected nature. However, not much information is available on gender mainstreaming. PF is making efforts to improve the gender focus of its activities in the United Republic of Tanzania (at the time of the CPE mission, KAEMP and Mara-FIP had just received a grant of USD 60 000 for gender-mainstreaming activities). Based on the CPE's observations, the following are areas that deserve further consideration in IFAD-supported programmes in the United Republic of Tanzania: (i) women in mixed-sex groups and management committees need more training and capacity-building to developing the knowledge and confidence required to speak up and influence the decision process; (ii) to be sustainable, women's groups need more training, and their informal status should be formalized; (iii) baseline surveys and M&E systems need to include gender-specific indicators; (iv) the introduction of agricultural methods and technology should always be subject to an analysis of how this will impact on women's time; and (v) gender issues related to land-use rights need to be carefully analysed.

52. **Subsidies and cost-sharing.** The CPE noted that subsidies can undermine sustainability when provided for a recurrent activity that is supposed to be commercially viable and sustainable even after the project closes and the subsidy is discontinued. This occurred in KAEMP and Mara-FIP where subsidies were given for seed multiplication purposes or for the maintenance of bunds in irrigation plots. Subsidies have also tended to favour the less poor, who can access such support more easily than poorer community members. Groups are occasionally formed for the purpose of receiving a subsidy, and individuals have been known to engage in an activity not because of its long-term financial attractiveness but for the sake of the subsidy. When the project and the subsidy come to an end so, too often, does the activity.

53. On the other hand, PF conveyed that subsidies that promote critical short-term objectives may be sometimes unavoidable. For example, subsidies were provided for seed multiplication in Mara and Kagera after cassava and banana-planting materials had been destroyed by cassava mulybug and panama diseases. The subsidies helped to counter the situation of food insecurity that had developed in the regions. Once these problems were addressed and the seed production and distribution system had been privatized, the subsidies were discontinued.

54. In the Tanzanian country programme, in addition to making use of direct subsidies, IFAD has promoted cost-sharing arrangements with the rural poor, for instance, for the development and maintenance of irrigation schemes. In such cases, the rural poor are mobilized through water users' associations and contribute in labour or cash to the development and operation and maintenance (O&M) of the schemes. In addition, in Mara-FIP and PIDP where irrigation schemes were initiated as group activities to ensure their long-term sustainability, beneficiaries are obliged to pay up to 10% of the capital and part of the maintenance costs. In both projects, beneficiaries are providing construction

materials and labour as a part of their contributions to costs. However, at times the rural poor participate in cost-sharing schemes without entirely appreciating the consequences. One such example is the cash contribution of 1.2 million Tanzanian shillings (TZS) (approximately USD 1 500) that communities in the WSHPMa had to deposit for water-borehole development. There are examples of poor farmers who have contributed to various schemes without fully recognizing the subsequent financial and labour obligations, which they are unable to meet.

55. More thought needs to be given to the choice of financing modalities. The CPE could not determine why different projects chose to deliver a good on commercial loan terms, fully subsidized, or under different government-beneficiary cost-sharing arrangements. In Mara-FIP, for example, few poor coffee farmers receive free coffee seedlings, while a farmer producing cassava cuttings is paid to weed. In KAEMP, a farmer with a banana demonstration plot received manure without clear repayment conditions, while in the WSHPMa a poor community has to cover a significant amount of the capital costs and is responsible for all O&M of a drinking water scheme. Agricultural inputs were provided in kind on loan terms and apparently at prices above market prices in the SHERFSP, whereas an integrated pest management (IPM)/integrated plant nutrition (IPN) group in KAEMP received free water tanks for initiating a commercial livestock activity.

56. **Agricultural production.** An important objective underlying a number of projects in the country programme is to reverse the decline of agricultural production, both of staple and cash crops. The projects have made progress in achieving this objective. Mara-FIP has assisted farmers in distributing 544 tonnes (t) of cassava cuttings (more than twice the planned 200 t) and 1.7 million coffee seedlings (out of a planned 2 million), and in sourcing seeds to plant 1 500 ha of farmland (as against 2 010 ha planned). Thanks to the project's sisal pilot scheme, beneficiaries have sold 2 640 t of sisal to commercial processors. Under KAEMP, 6 000 farmers organized into IPM/IPN groups have benefited from improved seeds and extension. Consequently, banana production has increased on average from 5 to 40 kg per bunch for local varieties (15 to 65 kg for exotic varieties), maize production is up from 1.0 t/ha to 3.0 t/ha and beans from 600 kg/ha to 2.0 t/ha.

57. With regard to agricultural production, the CPE expressed concern that: (i) the increase in the production of cassava and bananas has led to a collapse in local prices, depressing the incomes of farmers who depend on these crops for cash; and (ii) the use of subsidies needs to be rationalized among projects and in principle subsidies should be phased out as soon as possible in the interests of establishing proper parameters for the sustainability of benefits. The CPE recommends that IFAD engage the Government in a policy dialogue on the possibility of: (i) increasing support for marketing development and storage facilities; (ii) relaxing marketing restrictions on the export of food crops in neighbouring-country markets; (iii) promoting high-value export crops in the smallholder sector; and (iv) for this purpose, making further efforts to promote a commercial and sustainable seed production system based on smallholders.

58. **Irrigation development.** Cost-efficient small-scale irrigation rehabilitation and development is a difficult strategy to pursue, but one that is crucial to agricultural growth, and production diversification and intensification. The CPE found, for instance, that investments in water resources in Mara-FIP may benefit more households than envisaged at appraisal. The user demand for these investments is strong, as evidenced by the considerable upfront contributions and long waiting lists. Despite some problems of participation, equity, management and technology, the CPE concluded that users do obtain important benefits from the financed irrigation schemes, such as shallow wells, medium-deep wells, and earth dams for the collection of water for livestock and human consumption. These schemes have helped beneficiaries obtain two crops rather than one per year and increased yields from 1 to 4 t while reducing the average production cost per hectare from USD 1 650 to 740.

59. It is too early to assess the performance of irrigation structures to be financed under the PIDP, although reservations have been expressed about the appropriateness of water harvesting from seasonal sources using diversion-scheme technology, as it is considered to be a high-risk and technically complex intervention. The technical constraints to, and opportunities for, water harvesting

in drought- and flood-prone areas may need to be studied more carefully during implementation. The irrigation section of MAFS is preparing an irrigation design manual to guide technical staff in the design of water-harvesting irrigation schemes. The manual should take into account problems faced in schemes constructed some years ago, such as those under the SDPMA.<sup>25</sup>

60. The CPE noted that irrigation systems need to be expanded and improved in marginal areas with low rainfall. It also felt that the rural poor would be better served by irrigation systems that require limited labour and capital input. The poor could, for one, participate more easily in the development and O&M of such schemes. The CPE noted that the area coverage of irrigation work by IFAD in the Tanzania portfolio is very wide, making implementation difficult. The choice of technology (for instance, in terms of promoting diversion schemes using seasonal rivers as against primarily using dams) also requires further consideration.

61. **Rural financial services.** The various savings and credit cooperative organizations, and savings and credit cooperative associations established under the SHERFSP have succeeded in increasing savings by 40%. On the other hand, in the CPE's view, the performance of the credit revolving fund and input distribution components of KAEMP and Mara-FIP has been mixed. The RFSP is testing approaches in the provision of microfinance services to rural areas, under IFAD's flexible lending mechanism. Any assessment of its progress is still premature. One of the programme's salient features is to establish direct linkages between the rural microfinance institutions and the commercial and community banks. This ensures that the former can act as financial intermediaries for the latter, enabling them to extend their financial services and products to rural areas. With careful follow-up and monitoring, IFAD's RFSP could become a pioneer in the complex area of rural microfinance, which is needed to fuel the process of agricultural commercialization in the United Republic of Tanzania.

62. **Marketing development.** IFAD's first major intervention in marketing development, AMSDP, has a budget of USD 42.3 million and covers seven regions and 35 local governments, with a combined area of 255 000 km<sup>2</sup>. It involves: (i) development of agricultural marketing policies through studies, establishment of new policy committees at national and district levels, and institutional support for the Ministry of Cooperatives and Marketing, the prime minister's office (PMO) and district councils (35); (ii) capacity-building of trader/processor groups and associations, and support for their market access; (iii) market information systems; (iv) business advisory services; (v) financial services for traders and processors; (vi) roads, including building district capacity to construct and maintain roads; and (vii) village markets and storage facilities. CPE reservations at this early stage of the project concern its wide geographic coverage and ambitious scope. However, it must be recognized that in the context of the United Republic of Tanzania's rural poverty-reduction strategy, this type of intervention has a strong rationale as part of efforts to shift a largely subsistence agriculture to production for the market. The project also represents an excellent vehicle for IFAD, along with other donors, to engage in a dialogue with the Government. Among the constraints that, in the CPE's view, the project needs to address are: (i) poor rural infrastructure with limited coverage; (ii) the dearth of appropriate storage facilities for harvested crops in rural areas; (iii) lack of communications, preventing farmers from accessing market intelligence and compromising their ability to negotiate meaningfully in buying and selling; (iv) inadequacy of the crop boards (replacing the marketing board), which do not appear to provide identifiable benefits to either producers or businesses engaged in the marketing and processing of agricultural goods; and (v) current tax structures, which significantly reduce returns to agriculture and other activities thereby impacting negatively on economic activity in rural areas.

## V. INSIGHTS AND RECOMMENDATIONS

63. **The need for more concentration and a longer time frame.** With the recent approval of the AMSDP, the IFAD-supported programme in the United Republic of Tanzania will cover 14 regions and 56 districts, and will have an area of approximately 430 519 km<sup>2</sup> hosting a population of nearly 16.4 million. (This only includes the four most recent projects and does not consider the older projects

---

<sup>25</sup> Sixteen out of the 18 schemes constructed under SDPMA required rehabilitation under PIDP.

in the portfolio, which included a project in Zanzibar.) By 2002, IFAD will have provided support for many different subsectors and activities, including agricultural production (e.g. research and extension, livestock development and agricultural technology), rural finance, social development (health, education, housing and drinking water supply), irrigation, marketing, institutional and grass-roots capacity-building, and development of rural infrastructure. The average annual disbursement over the entire period of cooperation between IFAD and the United Republic of Tanzania is around USD 3.2 million, although in the 1990s this figure rose to about USD 5 million. Even where projects covered only one region (the case of KAEMP and Mara-FIP), project staff and implementing agencies emphasized challenges faced in implementation because of the enormous distances.

64. Although in a large country like the United Republic of Tanzania distances are bound to be vast, it is also true that IFAD has experience in supporting varying activities in different, often distant, geographic areas. Given such wide geographic and thematic coverage and the considerable annual averages of disbursement, there is a risk that the impact of the interventions under the present cooperation configuration may be diluted resulting in inadequate benefits for the rural poor. In this context, IFAD needs to pilot innovative approaches since in each region and subsector it is confronted with different agroecological conditions and different institutional and infrastructure capabilities. Coverage of different regions and subsectors also requires considerable human resources and funds for project supervision and effective M&E; and it might prevent the Fund from building a comparative advantage in a given subsector or geographic area that would enable it to engage with authority in policy dialogue processes with the Government and other partners. In sum, it appears that IFAD's resources are spread thinly over large areas and many activities, making implementation, communication and supervision difficult and expensive in view of the infrastructure-related and institutional limitations in the country.

65. What are the options? On the one hand, the Fund may continue its operations as in the past in line with its mandate and government priorities for rural poverty alleviation. The opportunities for and constraints to pursuing such an approach have been covered in the CPE. On the other hand, IFAD could consider a different approach, entailing a greater concentration of its support in the United Republic of Tanzania. It could, for instance, take a sector-wide approach (rather than a project-by-project approach) and build on the established national strategies and systems of delivery and financing of support. It could concentrate its efforts within a selected subsector or theme. This cooperation could well have nationwide coverage, or a more definite programme area could be targeted in the medium term. The selection of the programme area could be determined by the choice of subsector involvement, for instance, supporting the development and processing of a particular export crop. Another possibility would be for IFAD to assist from five to ten selected core districts in developing and implementing their district administration plan. The priorities and composition of the support would then largely be determined by the people and their elected representatives in AWP/Bs. Finally, the CPE suggests that IFAD could consider applying a longer-term (8-10 years) perspective with respect to subsector and geographical concentration, adjusting approaches and methods with evolutions in policy, legal and institutional frameworks.

66. **Let the poor decide.** The CPE recommends that targets at design may at best be considered as indicative guide-posts that need to be adjusted to local realities during implementation, according to the evolving preferences, priorities and demands of the rural poor. For example, IFAD has experimented with community development funds, which are effective instruments for capturing the actual requirements of the poor during implementation. In addition, the Fund may consider the broader use of the flexible lending mechanism in the United Republic of Tanzania, as this instrument allows for adjustments to targets and activities at various stages during implementation. Finally, it may be useful to develop specific indicators to monitor qualitative aspects of empowerment and capacity-building, for example in areas related to group formation and beneficiary participation in project activities. This will allow implementation staff to monitor the involvement of the rural poor in crucial project processes related to decision-making and resource allocation.

67. **Participation as an equitable partnership.** The CPE observed that participation was interpreted differently by different people at different levels. The challenge that lies ahead is to develop a consistent notion of participation in the United Republic of Tanzania. Participatory development should be seen as an equitable partnership among different actors, where the rural poor and their communities become active agents of change. In other words, the rural poor should be seen as strategic partners and not mere participants. Participation should be an underlying operational principle that underpins all activities. The overall goal of participation is empowering people, supporting them so that they can acquire the skills, knowledge and experience needed to take greater responsibility and ownership for their own development. Sufficient time should be made available at the beginning of the project to analyse the factors that could influence the participation process. There should be adequate information dissemination and community consultation. Projects should work through established institutions, including traditional structures, whenever appropriate, and the creation of new, parallel structures for participation should be limited. Where institutions are not sufficiently oriented to promoting participatory approaches, staff training should be encouraged, specifically in interpersonal skills such as empathy, communication, group dynamics and facilitation, and motivational leadership. Finally, participation processes need to be monitored.

68. **Approaches to rural poverty alleviation.** There are implicit differences between the approaches to poverty alleviation underlying the 1993 CSR and the 1998 COSOP. The CSR was based on a perceived preference for interventions aimed more directly at improving livelihoods and reducing the vulnerability of the poorest households. It stressed not only agricultural interventions, but also support for primary education, health, drinking water supply, environmental conservation, water harvesting, and the development of self-help groups for promoting rural financial services. The COSOP, while maintaining the same basic objective of poverty alleviation, adopted a more broad-based growth-oriented approach, based on a perception that, in the long run, poverty reduction is best achieved through dynamic processes of structural changes, where successful farmers expand their surplus and income, while marginal and unsuccessful farmers gradually leave for other sectors or for wage-employment in agriculture. Focus should be on the rural 'smallholder sector', comprising farmers with a potential for growth and production of a commercial surplus, and on the specific production constraints facing these farmers. Thus, the two strategies have resulted in different types of interventions and different geographical coverage. The implementation by IFAD of two different strategies to rural poverty alleviation in the United Republic of Tanzania merits further analysis and debate in the light of IFAD's evolving strategy. In addition, a close monitoring and review of the outcomes of the approach to rural poverty alleviation promoted by the 1998 COSOP would be useful, in that it could provide additional inputs for developing specific strategies and support interventions targeting different social groups and geographical areas in the country.

69. **Policy dialogue.** The United Republic of Tanzania receives considerable attention from both multilateral and bilateral aid agencies. Since the mid-1990s, many development cooperation institutions have decentralized their operations to the country levels where major decisions related to development and resource allocations are now taken. Within the framework of the PRSP, the Government and donors are engaging in a continuous dialogue at the country level to define sector and subsector strategies and decide on investment programmes and resource envelopes. Budget support and support for joint programmes are becoming increasingly important. Specifically relevant to IFAD are the joint Government-donor working groups for the formulation and implementation of the ASDS and RDS.

70. The CPE sustained that IFAD can and should intensify its participation in relevant policy dialogue fora in the United Republic of Tanzania. A number of donor working groups, such as the food and agricultural sector working group, offer possibilities for building strategic partnerships and mobilizing resources. Greater participation would also allow IFAD to engage other institutions working in agriculture and rural development in the United Republic of Tanzania in priority-setting and resource allocation.

71. The forthcoming development of the new Tanzania COSOP provides the Fund with a concrete opportunity to involve a wide range of partners in a process of consultation and dialogue aimed at developing a new cooperation strategy. The CPE identified a number of areas (e.g. the role of subsidies, strategic choices of future IFAD interventions, the need to lift restrictions on food crop exports to neighbouring countries) that, among others, could form the basis for policy dialogue in the short term.

72. **IFAD field presence and implementation support.** The need for a more permanent IFAD field presence in countries with a critical mass of IFAD-supported activities such as the United Republic of Tanzania is a topic that deserves serious attention by IFAD and its governing bodies. One possibility for the Fund is to include the United Republic of Tanzania, together with a few other selected countries, in a pilot programme to test alternative arrangements for enhancing the Fund's field presence. This pilot programme could then be evaluated after a number of years and, if results are positive, be given further consideration.

73. A good design is a necessary but not a sufficient condition for achieving the desired impact. Limited backstopping and technical assistance during the implementation phase has often been cited as a constraint to smooth implementation and the attainment of outcomes. The Tanzania country programme, like others, has experienced this situation, which is partly due to IFAD's limited human and financial resources for project follow-up and support. Similarly, the supervision process has effectively supported implementation, but because of resource constraints, it is limited in terms of frequency and technical areas of coverage. Above all, closer monitoring is needed of the implementation of the recommendations made by supervision missions, mid-term reviews, evaluation activities, and other technical assistance missions by concerned parties including IFAD, UNOPS and the Government.

74. **Project management units.** Based on the CPE's analysis, the following suggestions deserve reflection and attention: (i) a project management function should be incorporated within established government structures in order to promote sustainability after the project period. Thus, mainstreaming would assure continued management support after donors are no longer involved; (ii) concerted efforts should be made to transfer some of the responsibilities of PMUs to CSOs, thereby building capacity at the grass-roots level while releasing government from the need to provide services; and (iii) decentralization has considerably shifted the implementation function to the district and sub-district levels. Therefore, to ensure smooth project management and implementation, IFAD must continue to support management capacity-building efforts at the lower administrative levels in the United Republic of Tanzania, and at the same time ensure that the project-management functions are more firmly integrated in the local-level administrative and institutional structures.

75. **Subsidies and cost-sharing arrangements.** The CPE considered that, compared with temporary subsidies for recurrent activities, sharing costs of capital investments may involve less risk and be more effective in the long run. Cost-sharing arrangements are likely to improve ownership and sustainability of an intervention. IFAD could therefore consider promoting such approaches more widely in the Tanzania country programme. However, cost-sharing arrangements are useful when: (i) beneficiaries are treated as equal partners and informed of all financial implications; (ii) the investment is viable and able to generate enough returns to finance depreciation and O&M; and (iii) the beneficiary group develops sufficient capacity for managing the investment. In addition, cost-sharing arrangements should in some cases involve more parties than beneficiaries and the project authorities. For example, in the support for the rehabilitation of farm-to-market roads (KAEMP and Mara-FIP), it may be worthwhile to consider allocating the maintenance responsibility not just to direct beneficiaries but also to district governments, as it is unlikely that village road committees could maintain the roads without support from local governments.

76. In addition, it would be useful for IFAD to support the Government in developing a policy that would provide guidance on the type of financing modalities to apply for different investments/activities. Currently, alternative financing choices are used in different projects,

sometimes even for similar activities across projects. This policy should be consistent with governmental capacity and priorities for cost-sharing (subsidizing) specific project activities, and it should carefully consider the implications for sustainability of the different modalities. For example, while the Government generally shares the investment/rehabilitation costs of social service structures, such as health centres and drinking water supply schemes, it is doubtful that it should undertake to subsidize investments in rehabilitation of privately or group-owned cattle dips, which have prospects of commercial viability. More immediately, it is recommended that KAEMP study the cost-sharing arrangements in Mara-FIP and PIDP, which have gone further than KAEMP in enforcing user contributions and have a somewhat clearer approach to cost-sharing.

77. **Targeting.** On the whole, the COSOP and the CSR have provided broad approaches for targeting, without going into details about target group characteristics and targeting mechanisms. In practice, therefore, targeting has been operationalized at project level, and consequently targeting methods have differed on a case-by-case basis with varying results. Therefore, the methodology and poverty indicators for targeting need to be carefully developed to ensure that the main beneficiaries are the poorest. In addition, it would be worthwhile to develop, during implementation, a methodology for monitoring the inclusion of identifiable groups of the poor in project activities. Apart from using cost-effective participatory approaches such as wealth-ranking, the methodology could include sample surveys at the beginning, mid-point and conclusion of a project for assessing target group involvement and the corresponding poverty impacts.

78. **Monitoring and evaluation.** The IFAD-supported projects in the United Republic of Tanzania could benefit from IFAD's new *Practical Guide on Monitoring and Evaluation of Rural Development Projects*, completed and launched in 2002. In fact, to introduce and operationalize the guide at the project level, OE has already begun to customize the guide for IFAD's Asia and Pacific and Western and Central Africa regions. A similar effort will be initiated in close cooperation with PF in the Eastern and Southern Africa region starting in 2003. IFAD-supported activities in the United Republic of Tanzania will also be included in the process.

79. In the meantime, based on the review of current M&E systems, the following are some specific suggestions that could enhance M&E operations in the United Republic of Tanzania: (i) training-needs assessments, with a focus on M&E skills, should be among the early capacity-building exercises in all projects. The emphasis of training should be on both 'know-how' and 'do-how' aspects; (ii) the language used in the participatory M&E tools such as the logical framework, the programme implementation manual, the participatory impact assessment and the participatory rural appraisal should be simplified and also translated into Kiswahili to facilitate easy understanding by stakeholders below the district level; and (iii) the M&E system should define roles and responsibilities for M&E and strengthen capacity in the Ministry of Finance, other line ministries and district administrations to fulfil this role.





**UNITED REPUBLIC OF TANZANIA**  
**COUNTRY PROGRAMME EVALUATION**

**MAIN REPORT**

**I. COUNTRY CONTEXT**

**A. Country Features**

1. The outstanding characteristics of the United Republic of Tanzania include its large size (945 000 square kilometres (km)), low population density and vast agroecological diversity. The country's land area is larger than the combined area of Belgium, Germany, Italy, The Netherlands and the United Kingdom. Although the income level is low, the population of some 33 million – about half of whom are below 18 years of age – live in peace and enjoy an environment rich in natural resources. Despite its abundant mineral, agricultural and fisheries resources, however, the United Republic of Tanzania is one of the poorest countries in the world.

2. In rural districts, households are scattered over large areas, many located far from regional and district centres where the capacity and skills to support and serve people are usually concentrated. Government officers, non-governmental organizations (NGOs), project staff and private service providers need to be highly motivated to serve rural households, as this often involves travelling long distances and uncomfortable temporary living conditions. The provision of these services and skills is costly, and therefore they often do not reach the population groups that need them most. 'Villagization' (launched in 1973 and abandoned in 1985-86) was an attempt to address this challenge. It created artificially larger concentrations of households in rural areas, where it was then feasible to locate and develop the capacity and skills needed to serve them. This in turn created another problem, however – farmers had to walk long distances to get to their fields. Today the distance between rural households and service providers continues to be one of the major obstacles to the reduction of rural poverty.

3. Distance, combined with limited transport infrastructure, results in high costs for moving food and export crop produce. Low domestic purchasing power and high transportation costs limit the movement of food from food-surplus to food-deficit regions, and also cancel out much of the natural advantage the country has in export crop production.



Photo 1: Mara Region Farmer's Initiative Project  
Cattle are passed through a dip and bathed in a low-concentrate chemical to kill ticks and eliminate tick-borne diseases in the village.  
Source: IFAD photo by Robert Grossman

## **B. The Economy**

4. With a per capita gross domestic product (GDP) of around 250 United States dollars (USD), the United Republic of Tanzania ranks among the ten poorest countries in the world, and below the average for sub-Saharan Africa. Measured in domestic prices, real per capita income is only about 30% higher than at independence in 1961<sup>26</sup>. From the 1960s until the mid-1980s, the state regulated markets, and controlled, owned and operated much of production and service delivery. Per capita GDP increased in real terms from 1961 to 1977, but then the economic situation deteriorated. From 1978 to 1985, per capita GDP declined and macroeconomic imbalances worsened. To counter this trend, the Government initiated economic reforms in 1984, including market liberalization and the reorganization of the parastatal sector. The reforms contributed to growth in real per capita GDP in 1986-90, but were not sufficiently comprehensive. Per capita GDP returned to negative growth in 1991-94, and small positive figures were only achieved in the second part of the 1990s, following a new generation of reforms.

5. Since the mid-1990s, the Government has implemented a number reforms that have: (i) institutionalized more free markets for all products; (ii) provided incentives for the private sector, including direct foreign investments; (iii) improved fiscal discipline and granted relative autonomy to the central bank, the Bank of Tanzania; (iv) initiated a process of decentralization; and (v) established a free political system based on multi-party participation.

6. On the macroeconomic front, the results are impressive. The inflation rate, fluctuating at around 30% in the early 1980s, was gradually lowered to one-digit figures in the mid-1990s. The most recent data indicate an annual rate of 5%. Public finances have been balanced. External debt service has declined from 70-80% to around 35% of exports – a more manageable level, though still high.

7. However, the United Republic of Tanzania still faces a number of macroeconomic challenges that hinder it from reducing poverty and its dependence on external support. Domestic revenue generation is low, 11-12% of GDP; gross domestic savings remain at a negligible 6% of GDP; and investments are still at a modest 15%. Export capacity is limited compared with import requirements, resulting in current account deficits ranging from 6 to 10% of GDP.

## **C. Poverty Profile**

8. Though consistent and comparable data are not available to allow for an assessment of the poverty profile and trends, all surveys indicate that a significant share of households, particularly in rural areas, cannot meet their food and basic non-food requirements. The 1991/92 household budget survey (HBS) estimated rural poverty to be at 57% and food poverty (inability to meet nutritional requirements) at about 32%.

9. Women represent 51% of the population and head 14% of the households. Though various studies indicate that women are poorer than men, the 1991/92 HBS found a poverty incidence of 45% for woman-headed households compared with 49% for man-headed households.

10. In rural areas, farmers are poorer than non-farmers; farmers with no cash crops are poorer and less food-secure than farmers growing cash crops; households with many members are poorer than households with fewer members; and households close to roads and markets are better off than other farmers.

11. Poverty appears to have declined in 1983-91 and 1991-93 and risen in 1993-98. This is contrary to what one would expect from economic-growth figures: per capita GDP declined during 1991-93 and increased during 1993-98. National Bureau of Statistics/Oxford Policy Management studies indicate

---

<sup>26</sup>World Bank, Tanzania at the Turn of the Century: From Reforms to Sustained Growth and Poverty Reduction (Washington, D. C.: World Bank, April 2001).

that poverty increased during the 1990s. However, using the nutritional status of children as an indicator, the Poverty Reduction Strategy Paper (PRSP) notes that there has hardly been any change at all during the 1990s.

12. Disparities among households, and also among regions, are significant. The Gini coefficient is estimated to be 0.46, and the wealthiest 20% of the population have a level of expenditure nearly 10 times that of the poorest 20%. Per capita income in Dar-es-Salaam is above USD 600, while in the regions of Dodoma, Kagera and Kigoma, it is below USD 200. Some regions (e.g. Rukwa) have a relatively high per capita income, but are poor on social indicators such as health and education.

13. Life expectancy at birth increased from 45 years in 1970 to 52 years in 1990. Recent estimates indicate a decline to 48 years largely because of HIV/AIDS. The disease is the leading killer in the 15-59 age group, where it accounts for 35% of male deaths and 44% of female deaths. The number of orphans is currently estimated at 680 000. Yet the population continues to grow at a high annual rate of about 2.8%.



Photo 2: Water Supply and Health Project in Marginal Areas  
Health Workers in Bahi Sokoni village treat mosquito nets with Permethrine to prevent malaria from infected mosquitoes.  
Source: IFAD photo by Christine Nesbitt

#### **D. The Agricultural Sector**

14. Agriculture contributes around 50% of GNP and provides work for 82% (1997-98) of the labour force. Agricultural exports per capita have declined from USD 64 (annual average in 1966-69) to USD 9 (annual average in 1992-96) – even though the country's main comparative advantage is in agricultural exports. Crop production is the leading subsector, contributing 74% of the agricultural GDP. Food crops are most important: maize contributes some 23% of agricultural GDP, and paddy some 8%. Traditional export crops contribute only 9%; livestock accounts for 13%; and forestry, hunting and fishing contribute some 12%.

15. Price and other incentives have been shown to have a high impact on farmers' production, and since 1985 improvements in the incentive structure have been made. First, food crop marketing was liberalized, and in this sector, private traders were quick to respond. Then, in 1991-95, fertilizer subsidies were phased out, and the fertilizer market was opened to private traders, who, nevertheless, failed to respond to this opportunity as might have been expected. In the mid-1990s, export of traditional export crops was liberalized, and the commercial role of the crop authorities was reduced. However, export crop marketing, unlike food crop marketing, has relatively high know-how and capital entry requirements and may therefore take some time before becoming a purely private-sector

activity. Finally, since 1984-85, when farmers who produced for cash could find nothing to buy – not even basic necessities – the supply of ‘incentive goods’ has significantly improved.

## **E. Poverty-Reduction and Sector Strategies**

### **The Poverty-Reduction Strategy**

16. In October 2001, the Government issued the PRSP, which was prepared in the context of the enhanced Debt Initiative for Highly Indebted Poor Countries (HIPC). The PRSP provides a medium-term strategy for poverty reduction and is seen by some as an element of the Tanzania Assistance Strategy a strategy for economic and social development, developed at national initiative and encompassing the joint efforts of the Government and the international community. The PRSP may also be considered as a follow-up both to the Government’s Vision 2025 (the Government’s vision of economic and social objectives to be attained by 2025) and to the national poverty-eradication strategy, which outlines objectives for poverty-eradication efforts through 2010.

17. The PRSP defines the priority sectors; and within these, priority items viz. education/primary education; health/primary health; water; roads/rural roads; judiciary; agriculture/agricultural resources and extension; and HIV/AIDS. The PRSP contains national strategies, but also addresses donor strategies, including the distortions caused by some aspects of external assistance. Thus, it states: “First, substantial efforts towards poverty reduction by international partners are still being implemented outside the framework of central government budget. To ensure maximum progress toward poverty reduction and improved predictability of budgets, these efforts would need to be rationalized and realigned progressively, to reflect PRSP priorities. Second, a large amount of international resources is being channelled through specific donor-driven projects, sometimes entailing duplication. An effective struggle against poverty will require continued efforts to channel these resources in the context of sector-wide development strategies.” To ensure this, over the last few years the sector ministries have been engaged in developing sector strategies in cooperation with development partners. The Agricultural Sector Development Strategy (ASDS) and the Rural Development Strategy (RDS) are the strategies that are most relevant to IFAD’s lending.

### **The Agricultural Sector Development Strategy**

18. In October 2001, the Ministries of Agriculture and Food Security (MAFS), Water and Livestock Development (MWLD), and Cooperatives and Marketing (MCM) completed the ASDS. The MAFS coordinated ASDS elaboration, supported by a task force under the food and agricultural sector working group (FASWOG). Members of FASWOG include the MAFS, MWLD, MCM, Ministry of Finance (MoF), president’s office/regional administration and local government (PO-RALG), the Food and Agriculture Organization of the United Nations (FAO), and representatives of donors funding agricultural development. IFAD stays in touch with the emerging issues through periodic visits of its staff, though it is not participating or represented in FASWOG or in its working groups, which meet frequently on the ground.

19. The ASDS is the first step towards the formulation of an agricultural sector development plan that will form the basis of government budget allocations and of negotiations with international development partners on their future support. Work on the plan is now in progress. In late 2001, the MAFS commissioned a special study to explore how ongoing agricultural projects, including IFAD-funded projects, could be streamlined or realigned to be consistent with the ASDS.

20. The ASDS envisions that by 2025 the agricultural sector will be “modernized, commercial, highly productive, utilizing natural resources in an overall sustainable manner” and that it will act “as an effective basis for intersectoral linkages”. It is recognized that this will require the transformation of the currently subsistence-dominated production systems into commercial and profitable systems. Poor support in the past for the transformation of agriculture has limited the sector’s dominant contribution to growth and poverty reduction. The main constraints to commercialization relate to lack of

information on prices, poor infrastructure, underdeveloped credit facilities, and weak competition in the markets. One reason for the slow intensification of agriculture is constrained access to inputs, credit, and timely advice based on sound research. It should also be noted that the private sector has been slow in filling the gaps resulting from the withdrawal of public-sector involvement in the delivery of support services<sup>27</sup>. Moreover, structural transformation will have benefits and costs, and winners and losers. Vision 2025 and the ASDS focus on agriculture's role as an economic sector that contributes to growth and therefore helps to reduce poverty. Less emphasis is given to its role in providing a safety net for rural households living at subsistence levels in marginal areas with limited commercial potential.

### **The Rural Development Strategy**

21. An interministerial steering committee (ISC), comprising all permanent secretaries, was responsible for guiding and overseeing the preparation of the RDS. Under the ISC there is an interministerial technical committee and a Government-donor working group. Because of the Fund's lack of a more permanent 'country presence', its participation in this group is restricted. To ensure participation of stakeholders, seven zonal workshops and a workshop with parliamentarians were held. The RDS, which was finalized at the end of 2001, addresses four main challenges: promoting widely shared growth; increasing access to services; reducing risks and vulnerability; and promoting good governance.

22. In the above context, the World Bank has prepared a concept paper on "Implementing the Rural Development Strategy". Some of the issues it presents for policy dialogue are: identifying effective ways for coordinating cross-sector measures and monitoring their implementation/impact on rural development; assessment and identification of measures for raising the impact of public expenditure/investment allocation on the development of the rural economy; the enabling function for private-sector response to rural development initiatives; and the incentive framework to evoke a positive supply response of the small producers, or rather the smallholder sector, which is of particular relevance for poverty reduction.

### **Experience of Other Agencies**

23. Many donor agencies that have supported agriculture in the United Republic of Tanzania have had disappointing experiences. The reasons for this include: (i) poor project design; (ii) a legal, institutional and policy environment that was not conducive to achievement of impact; and (iii) failure to provide technically and commercially sound solutions. In the coming pages, based on secondary information and discussions with staff in their country offices, this country programme evaluation (CPE) highlights the experiences of three other international organizations with sizeable programmes in the country: the World Bank, the Danish Agency for Development Assistance (DANIDA) and the Swedish International Development Agency (SIDA). The CPE team had discussions with staff from other international organizations working in the country on agriculture and rural development. It also had the opportunity to review their documentation, including that of FAO, the United Nations Development Programme (UNDP), the Swiss Development Cooperation (SDC) and the Belgian Technical Cooperation.

24. In 1998, the Operations Evaluation Department (OED) of the World Bank undertook a review of the Bank's agricultural sector projects in the United Republic of Tanzania<sup>28</sup>. At that time, the Bank's total financing for agricultural projects (defined as disbursements for completed projects and commitments for ongoing projects) stood at USD 811.1 million at nominal value (USD 1 050.6 million in 1990 dollars). Of this portfolio, USD 375 million had been allocated to

---

<sup>27</sup>World Bank, Tanzania at the Turn of the Century: From Reforms to Sustained Growth and Poverty Reduction (Washington, D. C.: World Bank, April 2001).

<sup>28</sup>World Bank, OED, Tanzania, Agriculture, and the World Bank – An OED Review, Report No. 18111 (Washington, D. C.: World Bank, June 1998).

agricultural investments and area development; USD 287 million to agricultural-sector adjustment; and USD 149 million to development of agricultural institutions.

25. The OED review groups the projects and the findings according to three phases of the cooperation: 1968-86; 1986-93, called the reform period; and 1994-98. The review's main findings were:

- **1968-86:** Of the 22 investment projects approved in this pre-reform period, only six (27%) had satisfactory outcomes. Rate-of-return calculations at completion of 18 projects found that 66% had negative rates of return, and only 11% had returns exceeding 10%. Factors contributing to this dismal performance included: (i) unfeasible technical packages; (ii) overestimation of the land that farmers could cultivate given their resources and technology; (iii) neglect of pricing issues and the destructive impact of economic policy; (iv) poor implementation due to weak management, distorted worker incentives, political interference, and in some cases corruption; (v) little involvement of Tanzanians in project preparation and appraisal; and (vi) pressure on the Bank's task managers for quick preparation.
- **1986-93:** Lending comprised three agricultural adjustment loans, two loans for research and extension, one for forest resource management, and two investment projects – one for agricultural exports rehabilitation and one for cashew and coconut. OED finds that the Bank's best performance occurred in this period. "The Bank influenced government performance but did not cause it", largely as a result of "organizing and financing needed economic analysis, marshalling the support of other donors, and organizing effective technical assistance", and also because the Government was committed to reform. The agricultural sector adjustment loans contributed to the liberalization and privatization of export and food crop marketing and the withdrawal of parastatals.
- **1994-98:** In this period the lending (about USD 88 million) was concentrated on developing agricultural institutions within research and extension, environment (Lake Victoria) and irrigation (river basin management). OED finds that the efficacy and efficiency of these projects remain uncertain as they focus on the difficult challenge of "reducing deep-seated institutional constraints such as skill shortages, management weakness, and poor work incentives".

26. OED also reviewed the World Bank's Country Assistance Strategy of 1997 and found that the target of 5% annual agricultural growth was unrealistic unless agricultural exports achieved a high rate of growth: "To avoid saturating the domestic market, agricultural exports (which is where Tanzania's comparative advantage still lies) need to expand very rapidly."

27. Some of the main recommendations included:

- The Bank and the Government should rebuild agricultural sector analysis and use reliable and meaningful statistics. The first priority would be to identify constraints on growth in agricultural exports and investments in agriculture.
- The approach to agricultural extension (until then the training-and-visit system) should be revised and replaced with approaches that emphasize cost-sharing and the participation of farmers, NGOs and donors in providing extension services.

28. In 1994, DANIDA implemented a global evaluation of its agricultural-sector support<sup>29</sup>. At that time, two years before DANIDA and the Government chose agriculture as a priority sector, DANIDA's support for agriculture in the United Republic of Tanzania was relatively limited, comprising, *inter alia*, support for livestock subsector development between 1979 and 1993, and agricultural/environmental management in the HIMA (*Hifadhi ya Mazingira* – conservation of the environment) Programme in the Iringa region between 1989 and 1993.

29. DANIDA's evaluation found that its support for the livestock subsector had limited effects. The support to the dairy industry had failed, basically because of the great distance between producing areas and the main market; this, in addition to poor roads, had made transport costs prohibitively high. The support for livestock research and education at Sokoine University focused on curative rather than preventive measures. In addition, the influence on the extension system, and through that on poor livestock owners, was found to be minimal.

30. The support for environmental management around Iringa applied a holistic or integrated approach. This in turn necessitated smooth coordination and cooperation among a number of line departments, which was difficult to achieve at the time. It was found that the project did achieve positive environmental impact, but also that it only emphasized low-input farming systems aiming at food security (relevant in some areas) and neglected the potential in other areas for more-intensive surplus production systems.

31. Sweden (SIDA), in line with other Nordic countries, has supported the Government's development efforts for a fairly long time. The Overseas Development Institute (ODI) made a comprehensive external evaluation of the Swedish-Tanzanian development cooperation in 2000<sup>30</sup>. The evaluation focuses on the relationships of coherence and relevance between the steering instruments and the country programme and its implementation. It did not include an impact assessment.

32. Like most other external development partners, Sweden has had poverty reduction as the principal objective of its assistance. The ODI evaluation asserts that poverty reduction will require faster agricultural growth since poverty is overwhelmingly rural (and female). However, Sweden has, according to the evaluation, neglected fundamental agricultural problems, especially concerning the low productivity of smallholder agriculture, including gender-specific dimensions. As the report states: "The failure to look strategically at the number-one task facing poverty-reduction efforts in Tanzania, that of restoring growth in smallholder agriculture, is quite serious."<sup>31</sup>

33. At a more general level, Sweden is urged to make the Tanzania country strategy increasingly evidence-based and ensure that it is better able to steer the country programme proactively. Moreover, it should include clearer and better-defined benchmarks or qualitative milestones, enabling enhanced monitoring. Finally, major investments in infrastructure (most notably electricity and telephones) were not sufficiently justified in poverty-reduction terms.

34. On the other hand, Sweden has been at the forefront in adjusting its development cooperation mechanisms, increasingly basing its assistance on sector-wide approaches within the framework of the technical assistance strategy and (more recently) the PRSP. The main objectives of this change of aid delivery modalities include lowering transaction costs, enhancing national ownership, and improving aid accountability through integration with national budgets.

35. As the traditional project approach is thus gradually being adapted, proper implementation of sector- and macro-level policy dialogue will assume increased importance and become a major focus for SIDA staff.

---

<sup>29</sup>Danish International Development Assistance, Agricultural Sector Evaluation (Copenhagen: DANIDA, August 1994).

<sup>30</sup>Overseas Development Institute, *Fighting Poverty Strategically? Lessons from Swedish Tanzanian Development Cooperation, 1997-2000* (London: ODI, October 2000).

<sup>31</sup>*Ibid*, p. xiv.

## II. THE COUNTRY PROGRAMME EVALUATION

### A. Rationale and Objectives

36. In April 1998, IFAD's East and Southern Africa Division (PF) prepared a country strategic opportunities paper (COSOP) on the United Republic of Tanzania, which recommended that the Fund's medium-term lending priorities should be in the areas of participatory irrigation, rural financial services, and development of agricultural markets and marketing systems. Lack of access to irrigation, financial services and marketing services were seen as the main constraints on poor smallholders, and on agricultural and rural development. Programmes/projects for irrigation, rural financial services and marketing programmes were prepared, and relevant loans approved by IFAD's Executive Board.

37. PF is planning to prepare a new COSOP on the United Republic of Tanzania. To provide the building blocks for updating the COSOP, the Division requested IFAD's Office of Evaluation and Studies (OE) to undertake a CPE to assess overall Government-IFAD cooperation. In particular, the CPE was to: (i) analyse the impact and sustainability of IFAD's evolving strategy and operations in the United Republic of Tanzania; (ii) assess the compatibility between IFAD and its partner institutions in terms of their development strategies, particularly for poverty alleviation; (iii) assess national strategies for inclusive development and the strategic role of IFAD in influencing policies and development strategies for improving on a lasting basis the welfare of the country's rural poor and other vulnerable groups; and (iv) based on the above, generate a series of insights and recommendations for the design and implementation of new interventions and the identification of areas that might be explored in further strategy and partnership development.

### B. Process and Methodology

38. The CPE was undertaken in the last quarter of 2001. It followed IFAD's overall evaluation approach and process, which includes the preparation of an approach paper at the outset of the activity, capturing the overall objectives, methodology, framework and time schedule for the CPE. OE then undertook a reconnaissance mission to the United Republic of Tanzania in August 2001 to discuss the approach paper with a wide range of partners in order to obtain their feedback and observations. In addition to having in-depth discussions with key governmental and institutional partners, the mission held meetings with other development partners in the United Republic of Tanzania, including FAO, DANIDA, SDC, SIDA, UNDP and the World Bank. It also held exchanges with project coordinators of the IFAD-supported Participatory Irrigation Development Programme (PIDP), Kagera Agriculture and Environment Management Programme (KAEMP), and the Water Supply and Health Project in Marginal Areas (WSHPMA). In addition, it discussed the approach paper with the Economic and Social Research Foundation, the University of Dar-es-Salaam, PRIDE Tanzania (an NGO) and Agrisystems (East Africa) Ltd - Nairobi (a Kenyan consulting firm). The stakeholders contributed to identifying some of the issues on which the CPE might focus. These issues, subsequently incorporated into the revised CPE approach paper and terms of reference, are described briefly below:

- **Evolving context.** The minister for finance emphasized that the CPE should recognize that the United Republic of Tanzania has undergone broad changes in the past five years, and that any programme evaluation would need to consider the evolution in the political, administrative, macroeconomic, policy and institutional environment, while formulating operational recommendations for improving implementation and impact.
- **Field presence.** The permanent secretary of the MAFS highlighted that the Fund is one of its largest partners in the agricultural sector. However, he pointed out that the absence of a more permanent IFAD 'field presence' is a constraint for even greater impact and cooperation in agriculture and other areas related to rural poverty alleviation. It also makes it more difficult for the Fund to take an active part in country-level donor dialogue and in building strategic partnerships.



- **Monitoring and impact analysis.** Several partners stressed the need for the CPE to undertake an in-depth assessment of the work carried out in establishing effective and efficient participatory monitoring and evaluation (M&E) systems at the project level. Project partners increasingly appreciate the importance of such systems in contributing to better programme monitoring and management, learning, accountability, and impact achievement and assessment.
- **Poverty impact and sustainability.** The permanent secretary in the prime minister's office (PMO) underscored that the CPE should carefully assess the poverty impact and sustainability of IFAD-supported interventions. He also suggested that the CPE assess IFAD's targeting criteria – that is, examine whether the broadening of the target group to include the slightly less poor (such as rural teachers, nurses, community workers and others) would lead to more comprehensive and sustainable development at the grass-roots level.
- **AIDS and rural poverty alleviation:** Development partners working in the United Republic of Tanzania can no longer ignore the rapid spread of HIV/AIDS and the consequences it is having on rural populations and agricultural investment programmes.

39. Therefore, in accordance with IFAD's evaluation procedures, the approach paper was prepared in a participatory manner involving multiple stakeholders, while analysis and report writing was undertaken by the CPE team in a manner to ensure appropriate independence and impartiality.

40. The CPE team comprised six consultants: three recruited through the Danish Trust Fund<sup>32</sup> and three locally based Tanzanian nationals<sup>33</sup> (two of whom are women). One Tanzanian consultant was closely involved in the formulation of the Tanzanian PRSP, ASDS and RDS. In addition, at the request of the Government, OE agreed to the full-time participation of an MAFS representative<sup>34</sup> in the CPE exercise. The government representative accompanied the CPE team throughout its fieldwork and in meetings with different partners at the local level and in Dar-es-Salaam. He was appreciative of the work of the CPE team and seconded the mission's overall assessments. The mission also benefited from the presence of the IFAD executive board director from Switzerland<sup>35</sup>, who participated in the CPE mission as a resource person.

41. As a key input towards the CPE exercise, the four ongoing IFAD-supported projects<sup>36</sup> in the United Republic of Tanzania prepared self-evaluation reports before the arrival of the CPE mission. This allowed project stakeholders to raise issues of importance during implementation and to share their overall perceptions. The self-evaluation reports were based on formats developed by the CPE team to ensure consistency in reporting among the projects, and to facilitate comparisons and aggregations of results and learning. These reports were useful and were discussed with each project separately during the CPE fieldwork in each project area. In addition, a specific desk study was commissioned in the context of the CPE to review the design and performance of project M&E and impact analysis systems. This study, outsourced to Agrisystems (East Africa) Ltd - Nairobi<sup>37</sup>, assessed the use of the logical framework as a key instrument for project design and for the formulation of annual workplans and budgets (AWP/Bs). It also evaluated the role of the rural poor and the villagers in M&E, and sought to determine crosscutting issues related to impact monitoring and impact assessment methods promoted by IFAD in the United Republic of Tanzania.

---

<sup>32</sup>Mr Jakob Grosen (team leader), Mr Jens Raunso (agriculture and natural resources management specialist) and Mr Peter Christensen (rural development specialist).

<sup>33</sup>Professor Haidari Amani (development economics and poverty-alleviation specialist), Ms Joyce Nyoni (sociologist) and Ms Cecilia Rughimbana (gender-issues specialist).

<sup>34</sup>Mr Emmanuel Achayo, senior economist in the MAFS.

<sup>35</sup>Mr Lothar Caviezel.

<sup>36</sup>Ongoing projects/programmes at the time of evaluation were KAEMP, Mara-FIP, PIDP and WSHPM.

<sup>37</sup>Mr H. Bohela Lunogelo.

42. The CPE team examined more than 200 reports and studies prepared by a wide range of partners. These included the IFAD 1993 country strategy report (CSR), the 1998 COSOP, the PF regional strategy paper, the draft country portfolio review of 1997, project supervision reports prepared by cooperating institutions (the United Nations Office for Project Services – UNOPS – and the World Bank), mid-term reviews and project completion reports, evaluation reports prepared by OE in the past, progress reports and impact assessment studies prepared by individual projects, project design documents, and others. In addition, a wide range of government documents were considered, *inter alia*, the ASDS, RDS, PRSP and the United Nations Development Assistance Framework (UNDAF). The CPE team also endeavoured to take stock of the experiences of other donors, *inter alia*, by reviewing the World Bank’s Tanzania country assistance strategy and country assistance evaluation of 2000, ODI’s evaluation of Swedish-Tanzanian cooperation, and DANIDA’s Agricultural Sector Evaluation.

43. In addition, the CPE team’s assessment is based on numerous field observations and research, intense interaction with stakeholders and the Government, and discussions with a cross-section of bilateral and multilateral agency representatives in the country. This gave the CPE team an opportunity to understand and interpret the dynamic nature of the rural development context. Apart from various discussions with beneficiaries, both individually and in groups, the CPE team held a number of informal workshops at the project level to provide feedback to partners on their fieldwork and initial analysis. In fact, in the 25 days it spent in the field, the CPE team covered extensive ground, visiting five regions with IFAD operations, including Dodoma, Iringa, Kagera, Mara and Mwanza. It visited six out of the 11 IFAD-supported projects, including the four ongoing projects and the two closed projects<sup>38</sup>.

44. During a wrap-up meeting, held in Dar-es-Salaam on 10 October 2001 and attended by 35 stakeholders, the CPE team presented a comprehensive debriefing note of about 20 pages, which included the main mission findings and recommendations. The key analysis, conclusions and recommendations of this CPE report are built on the core elements that appear in the debriefing note. The conclusions reached by the CPE team were broadly endorsed by the chairperson<sup>39</sup> and participants at the wrap-up meeting. However, OE invited the participants to provide any additional comments in writing for the CPE team’s consideration. Comments subsequently received from the PIDP and the Mara Region Farmers’ Initiative Project (Mara-FIP) were accordingly taken into consideration in the CPE analysis.

45. OE reviewed the team’s CPE report and solicited PF’s comments on the initial draft. Any factual inaccuracies were corrected, and as deemed appropriate by the lead evaluator, other comments provided by PF were also incorporated in a new draft, which was shared with the Government and other partners for their review.

46. The lead CPE evaluator again travelled to the United Republic of Tanzania in May 2002 in order to: (i) hold discussions with stakeholders on the CPE; (ii) determine the next steps needed to finalize the process; and (iii) participate in the country portfolio assessment working group organized during the workshop on PF’s regional strategy, held in Dar-es-Salaam. The working group held deliberations for nearly one full day. It is noteworthy that its participants<sup>40</sup> expressed broad consensus with the various insights and recommendations emerging from the CPE. The lead evaluator also travelled to Tanzania in August and October 2002 to hold further discussions with GOT and other stakeholders on key CPE issues and recommendations.

---

<sup>38</sup>SDPMA and SHERFSP.

<sup>39</sup>Deputy Permanent Secretary of the Ministry of Finance, Mr G.S. Mgonja.

<sup>40</sup>About 20 participants, including the permanent secretaries from the PMO, MoF, MAFS, and the Ministry of Home Affairs; representatives of UNOPS, the World Food Programme and the vice-president’s office for poverty reduction; the IFAD CPM, the lead CPE evaluation officer and selected IFAD project directors.

47. The CPE summary report was discussed during the thirty-first session of IFAD's Evaluation Committee (EC) of the Executive Board on 2 September 2002. The EC provided its broad endorsement on the CPE's overall analysis and recommendations.

48. A fundamental step in the CPE was to engage members of the core learning partnership (CLP) in a process of reflection and discussion on the insights and recommendations contained in the CPE report, leading up to the formulation of CPE agreement at completion point (ACP). For this purpose, OE in co-operation with members of the CLP prepared an issues paper on three themes that emerged from the CPE exercise, namely (a) approaches to rural poverty alleviation and targeting; (b) participation and sustainability; and (c) agriculture technology issues. Issues papers were also written on two cross-cutting themes (monitoring and evaluation and gender). The issues paper was discussed at an in-country roundtable workshop of national stakeholders that was held on 18-19 November 2002 in Dar es Salaam. The ACP will serve as a critical input for the formulation of the new COSOP in 2003.

### III. COUNTRY PROGRAMME DEVELOPMENT AND MANAGEMENT

#### A. Overview of the Country Programme

48. Since 1978, IFAD has approved ten loans on highly concessional terms for ten projects in the United Republic of Tanzania for a total amount of USD 145 million. In addition, about USD 86 million has been raised in cofinancing. This includes a grant of USD 8.6 million to the WSHPMA, contributed by the Belgium Survival Fund (BSF), which is managed by IFAD. IFAD has also provided some USD 1.5 million in grants, mainly for technical assistance and project start-up.

49. Total loan disbursements between 1978/79 and 2000/01 amounted to about USD 70 million. This implies average annual loan disbursements over the 22-year period of USD 3.2 million of effective loans – with an overall average annual disbursement rate of 54%. Annual loan disbursement levels increased during the 1990s, reaching levels of USD 4 million-5 million. Disbursements for KAEMP and Mara-FIP, the two oldest ongoing projects, stand respectively at 73.4 and 93.5%. The pace of disbursements is, however, not as critical to implementation performance as are more generic and systemic institutional and management issues.

50. Currently the portfolio includes five closed projects; five ongoing projects/programmes (which includes the BSF-financed WSHPMA); and an additional programme, the Agricultural Marketing Systems Development Programme (AMSDP), approved in December 2001 by IFAD's Executive Board but not yet effective. Table 1 provides an overview of IFAD-supported projects. UNOPS, which supervises all active projects/programmes, has been the cooperating institution in seven projects and the World Bank in four.

51. Four projects were developed on the basis of the 1993 CSR: KAEMP, Mara-FIP, the Southern Highlands Extension and Rural Financial Services Project (SHERFSP) and WSHPMA. The WSHPMA aims to improve water supply and sanitation, and strengthen community health services in the Dodoma region. It was previously linked to the IFAD-supported Smallholder Development Project in Marginal Areas (SDPMA), primarily an irrigation project, which closed in 1997. Today integration is sought between the WSHPMA and the PIDP, as they partly work in the same areas and are seen as complementary. Three programmes evolved from the 1998 COSOP, and will be referred to as the 'new portfolio': AMSDP, PIDP and the Rural Financial Services Programme (RFSP).

52. Thus, the active portfolio comprises KAEMP, Mara-FIP and WSHPMA, all nearing completion, and the three 'new portfolio' programmes, where implementation has either started recently or is about to start. The CPE reviewed the design and implementation of KAEMP, Mara-FIP, PIDP (comparing it with its predecessor, SDPMA) and the WSHPMA; commented on the design of the AMSDP; and assessed the RFSP, with reference to past IFAD support for rural financial services<sup>41</sup>. The PFSP uses IFAD's flexible lending mechanism (FLM) approach and has an implementation period of nine years.

53. As mentioned, the Fund has mobilized cofinancing for about USD 86 million. The BSF has contributed USD 13.27 million; the World Bank, USD 9.1; the OPEC Fund, USD 6.3 million; the World Food Programme, USD 3.56 million; the SDC, USD 2.16 million; DANIDA, USD 1.38 million; and the Government of Ireland, USD 848 000. In addition, the Tanzanian Government and beneficiaries have contributed USD 28.9 million. The newest programme, AMSDP, has a number of cofinanciers, including the African Development Bank (USD 14.5 million); the Government of Ireland (USD 1.1 million); other potential cofinanciers – still to be confirmed – (USD 4.2 million); and domestic sources (USD 1.7 million). It would be necessary to monitor how far the cofinancing anticipated at approval stage actually materializes, and the possible impact on implementation, in case cofinancing does not materialize.

---

<sup>41</sup>Individual project reviews prepared by the CPE team are available from OE.

**Table 1: IFAD-Supported Projects in the United Republic of Tanzania**

Project	Board Approval	Loan Effectiveness	Current Closing Date	Project Status	Cooperating Institution	Financing Type	Lending Terms	IFAD Approved Financing USD	Amount Disbursed % 11/01 %
Mwanza/Shinyanga Rural Development Project	13 Apr 78	28 Feb 79	31 Dec 84	C	World Bank	C	HC	12 000	77
Southern Highlands Smallholder Food Crop Project	05 Sep 85	03 Aug 87	31 Dec 93	C	World Bank	F	HC	15 000	52
Smallholder Support Project in Zanzibar	13 Sep 89	07 Mar 91	31 Dec 97	C	World Bank	E	HC	10 448	62
Smallholder Development Project in Marginal Areas	06 Dec 89	05 Oct 90	31 Dec 97	C	UNOPS	E	HC	15 410	69
Southern Highlands Extension and Rural Financial Services Project	06 Apr 93	30 Jun 93	30 Sep 00	C	World Bank	E	HC	15 811	59
Water Supply and Health Project in Marginal Areas	10 Nov 94	15 Mar 95	31 Dec 02	O	UNOPS	F	HC	8 594	77
Mara Region Farmers' Initiative Project	06 Dec 95	25 Jun 96	30 Jun 03	O	UNOPS	F	HC	14 376	93
Kagera Agricultural and Environmental Management Project	04 Dec 96	10 Sep 97	31 Dec 03	O	UNOPS	F	HC	14 834	73
Participatory Irrigation Development Programme	08 Sep 99	18 Feb 00	30 Sep 06	O	UNOPS	F	HC	17 054	20
Rural Financial Services Programme	07 Dec 00	12 Oct 01	30 Jun 11	O	UNOPS	F	HC	16 342	06
Agricultural Marketing Systems Development Programme	06 Dec 01	–	31 Dec 07	NE	UNOPS	F	HC	16 345	–

Project Status: C – closed; O – ongoing; NE – Not Yet Effective.

Financing Type: C – initiated by another institution and cofinanced by IFAD; E – initiated by IFAD and exclusively financed by the Fund; F – initiated by IFAD and cofinanced.



Photo 3: Mara Region Farmer's Initiative Project  
Farmers irrigate rice paddies with water from the Buswahili Dam, in Buswahili town, 48 km NE of Musoma. The Farming group has 81 members who are responsible for the upkeep of the dam that was rehabilitated in 1999.  
Source: IFAD photo by Robert Grossman

54. The IFAD-supported programme in the United Republic of Tanzania has evolved over the years in response to the changing policy environment and IFAD's accumulated experience in the country. Notwithstanding certain areas of continuing concern, such as weak overall institutional capacity and limited sustainability of investments, the Fund's current programme places more emphasis than in the past on participatory approaches and support for the Government's plans and objectives. Some issues remain outstanding, though, such as targeting, management capabilities, and the need to persist in the search for sustainable solutions over the medium-to-long term. Intense support for capacity-building is required in order to promote development interventions that will achieve the desired results and impact. But partner countries, and to some extent also the Tanzanian Government, are reluctant to use loan funds for 'software-oriented' development activities such as staff and beneficiary training, building participatory approaches and group formation. In this situation, more emphasis needs to be placed on building partnerships and mobilizing cofinancing on a grant basis for capacity-building purposes, thus complementing IFAD lending activities.

### **B. Development of Country Programme Strategies**

55. The three principal documents articulating IFAD's strategy in the United Republic of Tanzania and providing the strategic considerations shaping the Fund's current portfolio in the country are the 1993 CSR, the 1997 country portfolio review (CPR) and the 1998 COSOP.

#### **The 1993 Country Strategy Report**

56. This CSR contained a three-pronged approach. The first part of the strategy was support for smallholders in the southern highlands in the form of the project, which was under preparation in 1993. The main elements of the project were the provision of credit to ensure availability of inputs; support for marketing; and improvement of the research-extension system to make it client-oriented and demand-driven. The project benefited from the experiences of another IFAD-supported project, the Southern Highlands Smallholder Food Crop Project (SHSFCP), which closed at the end of 1993.

57. Part of the credit strategy involved improving access to credit to households "through creative ways", for example, by mobilizing savings from beneficiaries and strengthening village-level organizations to enable them to undertake microfinance activities. Support was also provided to improve traders' access to credit, thus helping to link farmers with input-output markets. In this regard, the CSR stated that "non-traditional intermediaries such as stockists and traders should be utilized to provide the multiplicity of services required by the smallholder households". It also found that

“transport operators are the critical link between the farmer and the market. Therefore, increasing the number of such operators by making credit available to them would be an essential aspect of the strategy.”

58. Further, the CSR analysed the removal of the fertilizer subsidy and warned that “the removal of subsidy will have a dramatic effect on maize production”. In retrospect, this was not the case, as maize production did not fall when subsidies were removed, although the removal of subsidies did have a negative effect on the use of fertilizer<sup>42</sup>. At the same time, the CSR identified credit access as the main constraint to increased use of seasonal farm inputs. This conclusion was supported by the perceived positive experiences of the SHSFCP. The project was in fact thought to have contributed to ensuring that input supplies and marketing services were available to smallholder households in the food-producing areas of the southern highlands. Therefore, the SHERFSP, which started in mid-1993, was designed to contain more or less the same elements as did the SHSFCP. A thorough review of project documents, however, revealed various constraints in the SHSFCP’s input-credit component. For instance, credit and inputs only started to flow just before project closure in 1993; loan recovery rates were low; and the Cooperative and Rural Development Bank was in crisis and had limited capability for handling the credit activities. With regard to research and extension, the other main focus area of the strategy for the southern highlands, the CSR could not take a definitive view as the strategy was being reworked at the time.



Photo 4: Country Programme Evaluation Workshop, 18-19 November 2002  
The Workshop Participants  
Source: Photographer CPE Workshop

59. The second part of the CSR strategy involved increasing the productivity and incomes of smallholders in marginal areas by emphasizing food crops, low-cost irrigation to produce rice, and livestock development. KAEMP, Mara-FIP, SDPMA and WSHPMA are related to this part of the strategy, though only Mara-FIP has a livestock component.

60. The third part of the strategy addressed the United Republic of Tanzania’s weak institutional and infrastructure base, and consisted in: (i) strengthening the offices of the Ministry of Community Development, Women and Children; (ii) developing rural financial services based on stockists/traders and informal groups applying group liability; (iii) creating rural feeder roads; and (iv) designing

---

<sup>42</sup> According to the International Food Policy Research Institute, this was partly due to the low initial use of fertilizer on food crops in the national context.

measures to address the needs and time constraints of women, for example, wood lots and efficient cooking stoves, water supply and ploughing with oxen. Some of these ideas have been applied in KAEMP, Mara-FIP and SHERFSP.

61. The CSR proposed the following regional focuses: Mara region; the fishing districts of Ruvuma and Rukwa, “given that poverty is endemic among the artisanal fishermen”; and the marginal areas of Dodoma, Iringa, Shinyanga and Tabora.

### **The 1997 Country Portfolio Review**

62. Prior to the development of the 1998 COSOP, the Government and IFAD, using a team of external consultants, undertook a CPR in 1997, with the objective of guiding the direction of future IFAD-supported operations in the country. As part of the CPR, a Tanzanian task force (one for the mainland and one for Zanzibar) undertook a local review.

63. The CPR contains a number of project-specific findings and recommendations that were relevant at the time. In particular, it recommended that Government-IFAD cooperation be oriented in the long term towards the following priority areas: (i) rural financial services; (ii) water resource management in marginal areas; (iii) village water supply; (iv) primary health care; and (v) mixed farming in Zanzibar.

64. The CPR discussed two possible approaches for delivering support in these areas: a thematic approach for selected regions; and a sector/subsector approach, for example, in rural financial services and primary health. “Greater impact may be achieved through an investment at the sector/subsector level rather than relying only on a small-scale investment, funded as one activity in a comprehensive project, to which the implementing agency may attach insufficient importance. Further, involvement at the sector/subsector level (e.g. through cofinancing arrangements of national programmes, contributions to agricultural research funds) could provide IFAD with opportunities to be more fully involved in a policy dialogue with Government.”

65. The (mainland) Tanzanian CPR task force identified the following areas that require strengthening in future activities: (i) feeder roads and farm-to-market roads; (ii) environmental conservation in Dodoma and Shinyanga; (iii) land conservation in the southern highlands; (iv) integrated pest management (IPM)/ integrated plant nutrition (IPN) in the southern highlands; (v) extension of SDPMA (irrigation in marginal areas); (vi) promotion of savings and credit cooperative organizations (SACCOs); and (vii) the establishment of an international agricultural commodity exchange in the southern highlands to cater to Southern African Development Community countries and other interested African countries.

66. The CPR and the Tanzanian CPR task force concurred that support for the emerging SACCOs should have high priority, and that it was necessary to analyse past experiences carefully and develop an appropriate strategy. In addition to SACCOs, the CPR notes the potential of smaller informal solidarity credit groups, and suggests that if they are promoted, the “initial emphasis should be on building the group’s solidarity and mobilizing savings”.

### **The 1998 Country Strategic Opportunities Paper**

67. The COSOP identified three main factors that constrain agricultural production: “lack of irrigation facilities, unavailability of credit for the poorest segment of community, and the absence of an appropriate institutional framework to support the development activities”. It also underscored “the need to improve production incentives for farmers through integration of markets with production centres and removing all impediments relating to the free play of market forces”. While recognizing that crop husbandry does play a role, the COSOP concluded that “the major constraints to increased production are not agronomic but rather related to lack of irrigation, access to modern inputs, planting materials and marketing”. Only limited emphasis was placed on research and extension.



68. Although irrigation may be a feasible pro-poor proposition, more than 95% of Tanzanian crop production is based on rainfed agriculture, and crop production has developed significantly over time, regardless of irrigation. Furthermore, a significant part of Government- and donor-supported investments in irrigation have not had the desired outcomes. Problems with management and maintenance have been frequent. Equity has also been an issue since irrigated agriculture is highly capital- and labour-intensive, which tends to exclude the poorest over time. The Government's national irrigation development plan of 1994 specifically addresses irrigation-sector problems. It states that the new schemes developed by the public sector for both smallholder and parastatal operation have been "largely unsuccessful". It recommends that the future emphasis, when it concerns irrigated paddy production, should be on limited and low-cost improvement and expansion of traditional irrigation schemes.

69. In contrast, the COSOP viewed the SDPMA irrigation schemes positively, pointing out that they had low capital costs and that "important elements of the success of these schemes are also due to involvement of beneficiaries in every stage of project implementation". However, in the CPE's view, the SDPMA had some shortcomings. For instance, supervision missions reported that 16 of its 18 irrigation schemes required some rehabilitation work under the PIDP. Also, beneficiary involvement in the implementation of the SDPMA irrigation schemes was less than anticipated. To change that situation, the PIDP is placing greater emphasis on participatory approaches to irrigation.

70. Notwithstanding the above, the development and rehabilitation of small irrigation schemes, including water harvesting and moisture-retention measures, have a strategic importance in protecting against drought in the United Republic of Tanzania as elsewhere in Africa. This was an important lesson that emerged from IFAD's evaluation of the Special Programme for Africa. There is a need both to develop low-cost, low-maintenance small-scale irrigation systems and to step up efforts to involve beneficiaries in the design and operation and maintenance (O&M) of such systems. This approach would better the chances that the poorest will benefit and would also improve the prospects for equity and sustainability. These concerns are shared by the minister for finance, who in a meeting with the lead CPE evaluator on 27 August 2001 in Dar-es-Salaam, emphasized the "need to strengthen the smallholder farmers and to bring irrigation to the marginal areas". However, he cautioned that "Tanzania does not need capital-intensive irrigation technology. Instead, we want to learn from peasants and practitioners, and agriculture has to be affordable. Those irrigation systems and traditional water-harvesting methods should be promoted that can be maintained by the farmers themselves." The challenge is to make irrigation development and rehabilitation more cost-efficient and to improve the performance of participatory mechanisms for the upkeep and use of small irrigation schemes being supported by IFAD and other donors.

71. With regard to the COSOP's focus on credit, it can be argued that access of the poorest to credit is not a major constraint, since poor Tanzanians produce mainly for subsistence. It can be further argued that non-poor food crop producers who do produce for the market are in many places facing input-output price relations that make it unprofitable to use inputs, and thus to obtain credit for their purchase. For producers of export crops, the use of inputs may be profitable, but the situation can change. A few years ago, for instance, it was profitable for coffee and cashew-nut producers to use inputs, but this may not be the case today. The problem lies in a policy environment that renders a number of major food items non-tradable<sup>43</sup>.

72. On the other hand, microfinance is crucial in supporting the transition of the smallholder sector to modernization and commercialization based on cropping systems where the country has a comparative advantage. As for the small producers who do not enjoy such comparative advantage, microfinance is also important to support their engagement in diversifying into off-farm income-

---

<sup>43</sup>The United Republic of Tanzania is in a sense a semi-open economy, defined as one in which a significant part of the food sector is non-tradable.

generating activities to supplement their meagre incomes from subsistence agriculture<sup>44</sup>. In the context of IFAD programmes, the real challenge is to make credit delivery systems at the grass-roots relevant to the needs of the rural poor, particularly women, and to help promote their longer-term viability.

73. In this connection, the COSOP proposed that the focus be on the SACCOs and that the successful experiences under the SHERFSP be replicated. The CPE team observed that although some achievements of SHERFSP are good, SACCOs still require considerable capacity-building and training if they are to operate effectively and efficiently. The COSOP also pointed to the need to upgrade the SACCOs from cooperative institutions to more commercial corporate entities. In this process, “the unusually strong power conferred on the Registrar of Cooperative Societies” should be reduced and SACCOs should “shed some of their conventional cooperative features and instead embrace corporate structures to enable them to operate as effective financial institutions within the rural economy”. While the CPE appreciates that such a strategy is conducive to long-term financial sustainability, it also notes that SACCOs are already equity-based and that many shareholders, and hence beneficiaries, belong to the rural middle class. Thus, there is need to improve the outreach of SACCOs to cover the poorer clientele, which are IFAD’s target groups. However, as the IFAD Rural Finance Policy Paper<sup>45</sup> points out, the “very poor, i.e. those without income, may be more effectively reached through direct microenterprise promotion, income transfers, safety nets and improved infrastructure”. In conclusion, the CPE process would benefit from deeper reflection among CLP members on the role and usefulness of credit in lifting the rural poor out of poverty, and debate on the alternative approaches that the Fund may wish to consider in its activities in the United Republic of Tanzania.

74. In addition to the above, the CPE team highlighted two concerns related to the COSOP that need to be factored into the future IFAD country strategy. The first concern relates to the need to cater to the requirements of the subsistence sector, which produces mainly for household consumption. The technological choices and market options for these target groups and resource-poor regions are rather limited. They continue to need more ‘traditional’, narrowly targeted and area-based interventions, but they also need to exploit opportunities for market-propelled transformation of rainfed subsistence production systems through diversification into a higher-value crop mix. In this context, the projects developed and implemented based on the CSR have sometimes made a difference in marginal areas by improving water-supply access, basic health services, crop development and irrigation facilities. Interventions focusing on low-cost, low-tech activities based on commercially viable propositions have tended to be the most successful.

75. The second concern relates to the ‘manageability’ of the size and the multisectoral characteristics of the programmes included in the 1998 COSOP. The first two projects based on the 1998 COSOP (PIDP and RFSP) became effective in 2000 and 2001 respectively, and the third (AMSDP) has yet to commence. Under these circumstances, it is not possible to comment of the impact of the COSOP on alleviating rural poverty. However, concern was expressed that it may not be appropriate and indeed even possible to balance an emphasis on growth with one on more-immediate benefits to the poorest. To some extent, this concern is part of a wider challenge that IFAD faces in aligning its operations to the PRSP strategic framework while retaining the specificity of its targeted interventions. Viewed positively, the programme approach underlying its recent operations could show a way forward to adoption of growth-oriented sector-wide approaches, once more experience is gained with the implementation of the current portfolio and the associated issues for policy dialogue are resolved.

---

<sup>44</sup>A survey undertaken by the Bank of Tanzania with World Bank technical assistance indicates that only from 6 to 8% of the total credit demands in rural areas are presently being met by the existing financial institutions. Similarly, about 89% of the respondents under the poverty assessment survey indicated that lack of credit is the most crucial constraint in terms of enabling the farmers to use modern inputs needed for increasing agricultural production. Consequently, only 2% of the farmers use improved seeds and 14% use chemical fertilizers.

<sup>45</sup>EB 2000/69/R.12, para 2.

## Country Strategy Review to the Country Strategic Opportunities Paper

76. In the five years between the CSR and the COSOP, a strategic shift took place. The CSR emphasized improving livelihoods and reducing vulnerability among the ‘poorest of the poor’ primarily in marginal areas, not only through agricultural interventions, but also through support for primary education, health, drinking water supply, environmental conservation, water harvesting and the development of self-help groups for promoting rural financial services. The COSOP instead took as its point of departure the perception that rural poverty reduction depends largely upon agricultural growth and that many rural poor are in fact located in areas with a high potential for agriculture. Consequently, it emphasized a growth-oriented approach. This strategic shift appears to have led to correspondingly less emphasis in the COSOP than in the CSR on the poorest and most marginalized areas, as well as on direct targeting of the poorest rural people.

### Strategy Development Process

77. The first point about the strategy development process is the past practice of regarding the COSOP as an internal institutional process. The COSOP was not developed in a truly broad-based consultative process, because COSOPs were regarded primarily as internal documents at that time in IFAD. In fact, the COSOP, like the 1993 CSR, is a confidential document, intended to provide a strategic framework for IFAD’s lending decisions. The process of strategy formulation did involve some informal contacts with the donors, though the CPE mission observed with regard to the 1993 CSR that there was no institutional memory of such consultations among the Tanzanian administration or in the donor community. This could in part be due to staff turnover and to the lack of proper documentation for informal consultative processes. It would help ensure better-informed future collaboration with potential partners if IFAD and stakeholders regularly prepared summaries of such consultations.

78. COSOPs have become an increasingly important instrument for IFAD, its partners at the country level and its governing bodies. Therefore, IFAD and its partners may wish to use the development of the new COSOP on the United Republic of Tanzania as an opportunity to promote a participatory and inclusive process of policy dialogue with the concerned stakeholders.



79. In the above context, the 1998 COSOP attached considerable importance to the consultative process in determining the future direction of its operations. The COSOP stresses the “need for constructive dialogue with the government to have a comprehensive but strategic action plan to realign government institutions ...and resources in favour of IFAD target groups to bring them into the mainstream of development activities”. The COSOP also states that IFAD is the first donor in the country that has taken a “leadership role in establishing donor coordination committees at the district, regional and national levels within the context of its recently approved Kagera project to ensure donor complementarities and to avoid overlapping during implementation”.

80. Notwithstanding the above, the current process, coupled with a weak and impermanent IFAD field presence in the country, constrains IFAD’s ability to participate effectively in policy dialogue and in broader donor coordination activities in the United Republic of Tanzania. It is critical for donors to play a coherent and coordinated role in support of a Government-driven poverty-reduction strategy. These constraints are of an institution-wide nature

Photo 5:  
Mara Region Farmer’s Initiative Project  
A village child  
Source: IFAD CPE Mission 2002

and are not specific to IFAD's Tanzanian operations. in Tanzania. The Fund needs greater representation in the work of various country-level donor working groups concerned with important sectoral strategy elements of direct relevance to its mandate. These multi-donor groups often work within the context of UNDAF, a process with which IFAD should become more closely associated.

81. These issues need to be considered at the institutional level because they have important policy, manpower and budgetary implications on the way IFAD is structured and operates in the field. However, since these issues arose in the context of the CPE exercise, it is appropriate that this report briefly comment on them.

### **Country Strategic Opportunities Paper or a Country Cooperation Framework**

82. IFAD, like all international financial institutions, needs a strategy document that considers various options to support a country's own national and sectoral strategies. The document is used as the basis for decision-making at the institutional level to select areas of strategic operational focus that are consistent with its mandate and strategic framework. The CPE recommends that future country strategies be developed through an intensive process of consultations with government, the donor community, representatives of the targeted groups and other partners. This not only would build ownership, but, more importantly, it would ensure that the COSOP converges with the priorities, strategies and expectations for rural poverty alleviation of all stakeholders.

83. As regards the idea of transforming the COSOP into a country cooperation framework, the latter could be a second step in this process, based on the approved COSOP. The country cooperation framework, to be agreed upon at operational levels, would seek to follow up on the COSOP's strategic focus and priority intervention areas. However, given the institution-wide nature of the issue, it would not be appropriate to make any definitive recommendation in the context of a particular country.

## **C. Project Design, Management and Related Issues**

### **Project Preparation and Design**

84. The Tanzanian CPR task force noted that "all projects have been adequately designed. However, Tanzanian experts were not closely involved at the planning and supervision stages". The CPE, while sharing these concerns, recognizes that most of these projects were designed according to the conventional approach, which divided the project cycle into discrete identification, preparation/formulation and appraisal phases. However, the design of the programmes approved since the 1998 COSOP has been influenced by the approach emerging from IFAD's re-engineering exercise<sup>46</sup>, which views project/programme design as an iterative process, where the emphasis is on the process itself and on local ownership. The CPE notes that participation of donors, civic groups and NGOs in project design could be enhanced, leading to a broader understanding of project objectives and smoother implementation.

85. In the conventional approach, the Government takes the lead in the preparation of project proposals for presentation to IFAD, which then is responsible for project appraisal. One problem that has arisen is that government officials do not have enough time to prepare proposals (or at least review carefully the proposals prepared by consultants), and they also lack sufficient confidence to reject proposals that are inconsistent with government policy. The Government has historically been overdependent on, and also overburdened by, donor agencies, and its present capacity is indeed stretched. Nevertheless, it would be to the country's benefit to explore options for improvements. A new approach views developing countries not as passive recipients of external assistance but as major

---

<sup>46</sup>The last three programmes for the United Republic of Tanzania (relating to irrigation, microfinance and marketing) were formulated by the FAO Investment Centre on behalf of the Government. For all practical purposes, these formulation reports were government documents and submitted to the Government directly by FAO.

partners responsible for setting priorities and managing the implementation process. IFAD has a role in this paradigm shift in development aid coordination – sometimes referred to as moving from ‘donorship’ to ‘national ownership’; from ‘coordination’ to ‘collaboration’; and on the part of the developing countries, from ‘state control’ to an ‘inclusive leadership’. The CPE suggests that the next Tanzanian COSOP would benefit by adopting this approach more fully. In this regard, a number of considerations are outlined in the following paragraphs.

86. First, the Government may consider allocating fairly high-level staff to collaborate with IFAD for the development of the COSOP, especially since priorities and programmes are defined and outlined at this stage. IFAD should invite representatives from the MAFS, MoF, the Planning Commission and PMO, together with civil-society and other representatives, to participate in the process. Second, the Government may not, understandably, be able to release permanent staff for two to three months to prepare a detailed project proposal. Therefore, as an option, it could contract Tanzanian and international consultants for the purpose. If the latter approach is considered viable, the Government may need to establish appropriate oversight capability to guide a participatory preparation process. This oversight group could also be the reference point during appraisal. Third, IFAD should support the Government’s project-preparation capacity, and assist the Government in preparing participatory and poverty-focused projects that are in line with its agricultural sector, rural development and PRSP strategies and that help advance sector-wide objectives. Fourth, as in the past, the Fund should use special operations facility (SOF) grants to enable the Government to contract consultants for this purpose.

87. Fifth, the CPE team noted that, given the country’s large geographic size, and its limited institutional capacity and service-delivery potential, project/programme design needs to be streamlined. The RFSP covers a geographic area of 228 000 km<sup>2</sup> with a population of 6.7 million, and the AMSDP is designed to cover 255 000 km<sup>2</sup> with a population of 9 million. (For comparison, the size of Italy is 301 277 km<sup>2</sup>.) In this context, projects with fewer objectives will be more easily implemented than will more-complex projects and are more likely to achieve the required results.

88. Sixth, it is suggested that project designs should avoid setting out detailed/fixed quantitative targets to be achieved over, say, six to seven years. Targets should be regarded at best as indicative guideposts to be adjusted to local realities during project implementation, based on annual reviews and evaluations. This is particularly important where the intention is to make the demands of the rural poor the driving force of implementation. Use of the FLM and a longer (9-10 years) implementation period, as IFAD introduced in the United Republic of Tanzania for the first time in the design of RFSP, is highly appropriate to the country context. Nonetheless, it is recognized that some indicative target-setting is necessary to calculate project costs, and to determine financial and economic rates of return. The quantification of targets for tangible project deliverables also provides a certain degree of focus to the implementation process. At the same time, the logical framework should continue to be used to tighten the interface between project objectives, inputs, outputs and outcomes.

## **Project Implementation**

89. Arrangements for managing project implementation are more or less identical for all projects and comprise the following steps: (i) a loan agreement that includes a number of conditions or provisions is finalized; (ii) a central ministry is appointed as the Government’s lead agency, and an IFAD liaison office is established in the same ministry with financial support from project resources. In some cases, financing is also provided for an IFAD liaison office in the MoF. (The PMO is the designated lead agency for the AMSDP, KAEMP and RFSP, whereas the MAFS is the lead agency for the PIDP, and the PO-RALG is the lead agency for the WHPMA); (iii) a parallel and temporary project management unit (PMU) with local sub-units is established to implement/facilitate implementation; (iv) an M&E system is normally established within or annexed to the PMU; (v) a cooperating institution is contracted (UNOPS in the last seven projects); (vi) a mid-term review is undertaken for each project. (In the case of the RFSP, which is based on the FLM with three distinct

phases, a review is implemented at the end of the first two phases); and (vii) annual audits are undertaken.

### **Loan Agreements**

90. The 1997 CPR assessed compliance with loan agreements and found that out of 170 conditions and provisions contained in the agreements of the five ongoing IFAD-supported projects, the Government had complied with 63. The CPR noted its impression that “Government signs the agreements knowing that if, for whatever reason, they are unable to comply with the conditions, IFAD will take no action”. The CPE suggests that IFAD limit the number of loan conditions per project to those few that are absolutely critical and then that it ensure that they are complied with. It also places responsibility on the Government to make sure that it does not enter into agreements containing conditions that it cannot meet. For example, in the past, levels of government (counterpart) contributions have been agreed to in loan agreements, but then have not been fulfilled.

91. It is IFAD policy and a standard provision of loan agreements (Article XI) that no loan proceeds will be used for payment of taxes and duties. In the Tanzanian context, this generally implies a government contribution in terms of tax exemptions in the order of 10-11% of the total project budget. This can lead to market distortions, in particular when working with and supporting the private sector. For example, the PIDP is purchasing treadle mills from a private local manufacturer in Dodoma and distributing the mills to beneficiaries’ groups at a price exclusive of the value-added tax. Thus, this fortunate manufacturer gets a competitive advantage in relation to his competitors. IFAD may wish to reconsider this provision in the light of the priority given to the involvement of the private sector.

92. There is a standard provision in loan agreements that government will insure all goods and buildings used in the project. It is frequently noted during supervision missions that this condition has not been complied with.

### **Project Management Units and Associated Costs**

93. The PMUs in the two area-based multisectoral projects, KAEMP and Mara-FIP, and in the WSHPMA were established to assist regional and district authorities in implementing project activities. Mara-FIP, in particular, has made an effort to base implementation on the new decentralized district-government structure. In the new portfolio, some PMUs are designed to take the lead in implementation. In particular in the RFSP, the PMU and the zonal management units will be the ‘lead implementers’ for most activities. This new role may partly be explained by a strategy to outsource service provision to private and civil-society organizations (CSOs). However, the CPE questions whether it would not have been better to help build central and local-government capacity to manage outsourcing, rather than creating such a capacity within the PMU.

94. One concern about PMU structures is their temporary nature, which may be more important when the PMU engages in activities that are not temporary, such as the management of credit/revolving funds. The SHERFSP completion report noted, for example, that the significant drop in loan repayment at the end of the project was partly due to “speculation by the beneficiaries that there would be no follow-up on loan repayment after project closure”.

95. Establishing PMU structures also appears to have been costly. Although an attempt was made in the Tanzanian CPE to compare project management costs, difficulties arose because the sub-components included under project management (e.g. training, M&E, technical assistance, hardware and computer equipment) differed from project to project. The CPE observed that the estimated costs at loan approval of project management in the United Republic of Tanzania seemed in line with, and sometimes lower than, IFAD averages<sup>47</sup> for all regions. The review of disbursement

---

<sup>47</sup>During the last ten years, according to current data of the project and portfolio management system (PPMS), Programme Management Department, average IFAD costs for project management in the United Republic of Tanzania (at loan approval) have been around 10% of total project costs, whereas in IFAD’s West and Central

figures, however, suggests that in some IFAD-supported Tanzanian projects there has been a fair amount of overspending<sup>48</sup> as compared with appraisal estimates for project management. Overspending in this component naturally results in a reduction of resources available for other project components. It seems that (additional) project resources to finance management-related costs in the country have been easy to mobilize. Therefore, PF may wish to investigate this topic further to ensure that the actual costs incurred for project management are maintained as close as possible to costs intended for management purposes at the outset of implementation.

96. In light of the above, the CPE makes three suggestions regarding project management in the context of the IFAD programme in the United Republic of Tanzania: (i) a wider use should be made of government structures for project implementation purposes; (ii) the Government and IFAD should explore the feasibility of merging different project PMUs when parallel structures are needed; and (iii) inter-category transfers of loan allocations should be subjected to more stringent review by cooperating institutions and IFAD<sup>49</sup> in order to limit the possibility of overspending the budgets for project management, facilitation and monitoring.

### **Monitoring and Evaluation**

97. All projects have an M&E unit, with systems to monitor and report implementation performance related to physical and financial achievements. The capturing of outcomes and impact is less systematic, and generally such information is not available. Although the more recent projects have developed good logical frameworks, the older projects did not benefit from such an instrument. This has contributed to difficulties in identifying key objectives and in defining progress and impact indicators, even though project staff have subsequently made efforts to develop a logical framework matrix with the involvement of various stakeholders. The desk review of the M&E systems of IFAD-supported projects in the United Republic of Tanzania carried out for the CPE noted that in the PIDP, beneficiaries were involved in the preparation of the logical framework and the definition of indicators. The CPE mission observed the use of the logical framework as a management tool in KAEMP. Generally, there appears to be a positive trend in IFAD-supported Tanzanian projects towards making use of the logical-framework approach and ensuring that a proper foundation for impact M&E is developed from the start of a project. However, in the older projects visited by the CPE team (SDPMA, SHERFSP and WSHPMA), the definition of indicators jointly with beneficiaries and the preparation of baseline studies were not carried out in an effective and timely manner. The desk review noted the lack of adequate guidelines for establishing M&E systems, various delays in undertaking impact studies and inadequacy in terms of staff capacity to perform the M&E function

---

Africa region the average has been around 15%, and in the Eastern and Southern Africa region it has been approximately 13%).

<sup>48</sup>For example, in the case of the RFSP, which became effective at the end of 2001, 24% of the total budget is allocated for programme management and M&E. In WSHPMA, with less than one year before its scheduled closure (30/06/2002, later extended to 31/12/2002), 191% of the budget for management and coordination had already been used, whereas the water and health components had only used 52% and 80% of their respective budgets. In KAEMP, project management and facilitation costs accounted for 9% of the budget at loan approval, but as at December 2000, three years before closure, the budget line for project management and facilitation had been overspent by 46%. As a result, disbursements on project management and facilitation accounted for 31% of total disbursements. In Mara-FIP, expenditure on "salaries and allowances" had reached USD 1.3 million by July 2001, two years before closure, while the originally approved budget was only USD 488 000.

<sup>49</sup>PF explains that in some programmes overhead costs have increased for the following reasons: (i) the Government started revision of pay scales and streamlining of public services during 1998-2000. During this transition process, all donors, including IFAD, had to bear some additional costs in terms of increased salary and the number of staff under its payroll; but the services of these additional staff were gradually terminated with the completion of the work of the service reorganization committee; (ii) a few projects had to be extended from one to three years, which increased management costs; and (iii) supervision and monitoring costs are generally underestimated, which accounts for a significant part of overspending under the 'Organization and Management' heading.

appropriately. In sum, projects did not initially give sufficient emphasis to M&E, although the attitude towards the function has considerably improved in the new portfolio.

### **Supervision and Reviews**

98. The CPE's general impression is that UNOPS in Nairobi is providing satisfactory supervision services at a relatively low cost. Supervision reports provide a good basis for following progress and understanding the implementation problems. However, the reports focus on physical output delivery, administration and budget/disbursement issues, and procurement. Less attention is given (and can be given with the limited time and resources allocated) to important issues related to impact, sustainability and national policy/strategy.

99. A general problem for IFAD, the Government and other stakeholders is that supervision reports and mid-term reviews often contain too many recommendations. For example, the 1999 mid-term review of Mara-FIP contained 91 main recommendations, while the UNOPS supervision report of March 1999 contained 50. Mid-term review and supervision processes also need to be simplified to ensure that the emerging recommendations converge, thus facilitating their adoption, and that follow-up action is taken.

100. For the supervision process to be strengthened, both the frequency and the intensity of supervision should be revisited. However, the Fund's emphasis on putting a cap on its operating budget has impacted on the level and quality of supervision, and IFAD's participation in follow-up activities. Supervision should focus particularly on strategic issues relating to implementation performance, and on project effects and impact. Effectiveness of the supervision process can best be determined by its problem-solving ability. The M&E system should be the main supplier of information on progress and problems based on certain key indicators.

### **Policy Dialogue and In-Country Presence**

101. Policy dialogue and in-country presence. are broader issues beyond the scope of a particular CPE. The absence of a field presence has been singled out as a factor limiting IFAD's catalytic role. Partners with whom the CPE team met at every level in the United Republic of Tanzania raised this as a major concern in their interactions with IFAD.

102. The lack of a more permanent and constant presence at the country level has prevented IFAD from participating regularly and proactively in discussions with donors and other groups on key policy issues. It has also made building local strategic partnerships more difficult. Particularly relevant to IFAD are the joint Government-donor working groups for the formulation and implementation of the Tanzanian PRSP, ASDS, RDS and UNDAF processes. These initiatives serve the Government's objectives of streamlining development cooperation and reducing the transaction costs of aid. They also ensure that donor-funded activities are in line with government policies and strategies, and that the allocation of resources among sectors, regions and districts reflect government priorities. Because of its structural constraints, IFAD cannot participate on a permanent basis in such fora, thereby limiting its advocacy function and its ability to influence policy dialogue and resource allocation.

103. The absence of a field presence also hampers IFAD's efforts to provide implementation support and to take any follow-up action needed to ensure impact achievement and assessment. A more permanent field presence would, in sum, contribute to advancing IFAD's catalytic role, and it would allow the Fund to provide more implementation support and follow-up, strengthen M&E, undertake policy dialogue, build partnerships and cooperate more effectively in donor mechanisms in the United Republic of Tanzania.



#### **IV. POVERTY-REDUCTION APPROACHES AND TARGETING MECHANISMS**

104. Globally, IFAD's main objective is to mobilize additional resources to be made available on concessional or highly concessional terms for agricultural and rural development in developing countries. Its specific focus is on increasing food production in the poorest food-deficit countries and improving the nutritional status and living conditions of the poorest populations. In seeking to achieve these objectives, IFAD has increasingly focused on reducing rural poverty.

105. Poverty in the United Republic of Tanzania is largely a rural phenomenon, with the incidence of 'basic needs' poverty estimated at 57%. The figures for Dar-es-Salaam and other urban areas are 5.6% and 41% respectively<sup>50</sup>. Thus the incidence and severity of poverty is twice as high in rural areas as it is in urban areas. However, intra-rural differences are also evident, with farmers who grow cash crops having relatively higher incomes, even after adjusting for farm size, education and other factors. Surprisingly, indications are that woman-headed households are not necessarily poorer than man-headed households. Farmers engaging in subsistence agriculture face particularly high poverty incidences, and they are – less surprisingly – often found in the marginal rural areas of the country.

##### **A. Poverty-Reduction Approaches of the Country Programmes**

106. In the Tanzanian context, one may, simplistically, outline two approaches (and their combinations) to supporting agriculture for the reduction of rural poverty: (i) a strategy that focuses on improving agriculture's function as a social security net, emphasizing support that directly targets the poorest subsistence households in marginal areas and provides immediate benefits; and (ii) a pro-poor growth strategy that focuses on increasing smallholder production, emphasizing specialization and commercialization, where the potential for agricultural growth and the production of a surplus is greatest.

107. The first strategy would seek to improve the livelihoods and reduce the vulnerability of the poorest households through support not only for agricultural production, but also for primary education and health, drinking water supply, environmental conservation and the creation of small self-help groups (5-10 members) for income-generating activities. Where agricultural support interventions are involved, their design would be based on existing subsistence farming systems, but with marginal improvements envisaged. For example, in the low-rainfall areas in the centre of the country, the design might include support for livestock, which plays an important role in household survival strategies.

108. The second strategy is based on a perception that poverty reduction is better achieved in the longer run through dynamic processes of structural change where successful farmers expand their surplus and income, while marginal and unsuccessful farmers gradually leave for other sectors or for wage employment in agriculture. The focus here would be on the rural 'middle class' of farmers with a potential for growth and the production of a commercial surplus, and on these farmers' specific production constraints. Thus, the two strategies would result in different types of interventions and a different geographical coverage.

109. IFAD's older projects (KAEMP, Mara-FIP, SHERFSP and WSHPMA) have more elements of the first strategy than the emerging portfolio does. The earlier portfolio included a combination of production-enhancing activities (irrigation, income-generation, livestock, extension services,

---

<sup>50</sup>Government of the United Republic of Tanzania: Poverty Reduction Strategy Paper, 1 October 2000. The rate given for Dar-es-Salaam is rather low. In general, poverty rates in urban areas are probably also increasing, but this may be caused by rising rural poverty. See Danielson, A: Can HIPC Reduce Poverty in Tanzania?, Scandinavian Working Papers in Economics No. 2001: 14, Department of Economics (Sweden: Lund University, August 2001).

environmental conservation, building of informal solidarity groups) and social measures (primary health, education, drinking water supply). Also, the old portfolio has a higher concentration of support in the ten most deprived regions (see Table 2). As KAEMP, Mara-FIP and WSHPMMA are soon to exit the country programme, the support will mainly be concentrated in the ten least-deprived regions. The strategy for the new portfolio (AMSDP, PIDP and RFSP), however, emphasizes the pro-poor growth strategy that focuses on increasing smallholder production and stressing specialization and commercialization where the potential for agricultural growth exists.

**Table 2: Regional Poverty Ranking and IFAD's Regional Support**

Region	Poverty Ranking <sup>1/</sup>	Per Capita Income 1997 <sup>2/</sup>	IFAD-Supported Projects
Dar es Salaam	20	603	
Ruvuma	19	256	AMSDP, RFSP
Kilimanjaro	18	165	AMSDP, RFSP
Singida	17	217	PIDP, RFSP
Tabora	16	212	PIDP
Shinyanga	15	241	PIDP
Mbeya	14	210	AMSDP, RFSP
Iringa	13	256	AMSDP, RFSP
Mwanza	12	218	PIDP
Arusha	11	263	AMSDP, PIDP
Rukwa	10	313	AMSDP, RFSP
Mtwara	9	206	
Tanga	8	183	AMSDP
Mara	7	192	MARA-FIP, exit 2003
Morogoro	6	204	
Coast	5	202	
Kigoma	4	161	
Lindi	3	206	
Kagera	2	155	KAEMP, exit 2003
Dodoma	1	164	PIDP, RFSP
<b>All Regions</b>		<b>231</b>	

Source: PRSP.

<sup>1/</sup> The ranking 20 indicates least deprived/highest welfare and 1 indicates most deprived. Assessment is based on the combination of food security, unemployment, GDP per capita, illiteracy among women, primary school enrolment, health status, health services and nutrition level.

<sup>2/</sup> Per capita income in USD at 1USD= TZS 616.31

### The Old Portfolio

110. As outlined in section III, the 1993 CSR focused on “a strategy uniquely relevant for smallholders” by pursuing a three-pronged approach: (i) assisting in improving extension services to poor households in isolated but high-potential areas in the southern highlands; (ii) facilitating increases in productivity and income of smallholder households in marginal areas; and (iii) addressing the weak institutional and infrastructure base, in particular the lack of access to markets and financial services.

111. Several projects have/had an explicit focus on marginal areas, most notably the SDPMA, WSHPMA and, to a certain extent, Mara-FIP (especially the lakeshore area). Most areas where these projects are/have been active are characterized by low land productivity, low adaptation levels of productivity-enhancing technologies, and often a relatively high incidence of both food insecurity and poverty. It has thus seemed appropriate and relevant to target these areas in order to reach the poorest where they live and where the incidence of poverty is high.

112. IFAD-supported projects have made a difference in many of these marginal areas by improving access to water supply, basic health services and irrigation facilities. The most successful interventions have been those focusing on activities with limited capital requirements, low technological complexity and based on commercially viable propositions from small, socially coherent groups. However, even in the poorest areas there is a clear social stratification, and the local elites there cannot be characterized as poor. The less-poor groups and individuals are often well connected to – or identical with – the politically powerful, which enhances their power to appropriate part or all of the aid resources. The CPE team observed a number of examples of non-poor benefiting from IFAD-supported interventions. Therefore, it cannot *a priori* be assumed that interventions in marginal areas automatically benefit the poor target group directly and exclusively.

113. In some cases, it may even be desirable to target part of the intervention to non-poor segments, either to garner political support, or for demonstration/production purposes. One example is the IFAD-supported seed-multiplication schemes, where the supported seed producers are not likely to be the poorest farmers (despite this being the intention at appraisal), but where the poor target group ultimately may benefit from the improved availability of quality seeds. Seed has a significant multiplier effect, and the best seeds are usually obtained from farmers with the highest level of skills and the most fertile soils. The critical issue is, of course, to ensure that the poor eventually benefit (for example, by adopting improved seeds) and to avoid interventions where the benefits do not ‘trickle down’. This example also illustrates an inherent problem facing all external development agencies targeting the poorest: the resources and capacity of the intended beneficiaries are often limited, thus hindering effective participation and appropriation of benefits.



Photo 6: Country Programme Evaluation Workshop, 18-19 November 2002  
Mr Wilfred Ngirwa, Permanent Secretary  
Ministry of Agriculture & Food Security  
Source: Photographer CPE Workshop

## The New Portfolio

114. The 1998 COSOP gave priority to pro-poor growth strategies. The proposed concentration on financial services, marketing and irrigation was a logical consequence of this strategy. The COSOP seems consistent with the agricultural sector strategies outlined in the Government's PRSP, which sees a significant increase in the agricultural growth rate as an essential, though by no means sufficient, condition for reducing rural poverty in the medium and long term.

115. The AMSDP and RFSP include the relatively less poor areas (e.g. Arusha, Kilimanjaro and the southern highlands), with the possibility that non-poor farmers will also benefit from programme interventions. These programmes have less focus on providing immediate benefits to the poorest. Rather, they aim at creating an environment conducive to further investments and growth. Cash- and export crop farmers may benefit from these interventions, and studies have shown that export crops have the most substantial multiplier effect for the wider economy<sup>51</sup>.



Photo 9: Mara Region Farmer's Initiative Project  
A 75-meter deep well was constructed by the project.  
Source: IFAD CPE Mission 2002

116. Obviously, marketing services are not immediately relevant to the poorest subsistence households with no potential for producing a surplus for the market. However, marketing outlets might induce shifts in the crop mix of subsistence producers. The RFSP focuses on SACCOs, which are similarly more relevant to the commercial farmer and to the small farmer with some marketable surplus than they are to the poor subsistence farmer who uses no inputs. Moreover, their entry requirements may be beyond the capacity of the poorest. As to irrigation, the situation is mixed. The PIDP and SDPMA clearly focus on marginal areas and on poor communities, and some of the poorest households do benefit from the support. However, commercial irrigated paddy production represents a huge technological leap for the poorest subsistence households. It is capital- and labour-intensive, and past experiences with irrigation in the United Republic of Tanzania include cases where 'middle-class' households over time tend to take control of the schemes, as the poorest, most vulnerable households are tempted to sell their irrigation plot (a major capital asset) in times of crisis. The view on the relevance (or lack of relevance) of a network of marketing, rural infrastructure and rural financial

<sup>51</sup>Surprisingly, the multiplier effect of agricultural exports for urban incomes is even higher than that of light manufacturing. See World Bank, *Tanzania at the Turn of the Century: From Reforms to Sustained Growth and Poverty Reduction* (Washington, D. C.: World Bank, April 2001).

services to the subsistence sector is basically a function of whether the rural economy remains static or generates growth impulses that will draw subsistence agriculture into the market economy.

117. Both the CSR and the COSOP could have, arguably, provided greater details on the target group and various targeting mechanisms to reach the intended rural poor. However, women are specifically targeted, and the COSOP stated that all projects would undertake detailed gender assessments and develop necessary targeting criteria to give preference to woman-headed households. HIV/AIDS is a priority concern in the 2001 PF regional strategy, and its impact on rural poverty, the choice of technology and the situation of women in the United Republic of Tanzania will have to be closely considered in any future COSOP.

118. The 1998 COSOP and the programme designs viewed the majority (90%) of the rural population as being poor. Therefore, while they contain broad indications of targeting, they do not detail specific strategies for addressing the very different needs and constraints of the poorest subsistence households, smallholders producing surpluses and commercial large-scale farmers. For example, if the focus of a growth strategy were on supporting smallholders producing surpluses, the fact that many domestic food crop markets had reached their saturation points would be an important consideration, with various implications for IFAD's work. It would mean that IFAD would need to work with the Government to liberalize regional food crop exports and/or that support would need to be directed towards those traditional export crops for which the world market is still attractive. Further, special consideration might need to be given to contract farming schemes (such as those emphasized in the ASDS). IFAD's objective could be to promote such schemes while ensuring that farmers were not exploited. Similarly, if reaching the poorest subsistence households with rural financial services were the paramount objective, IFAD would need to concentrate on strengthening the capacity of SACCOs and supporting the promotion of savings/credit services within small solidarity groups of the poorest community members.

119. In sum, the 1993 and the 1998 strategies focused on growth in areas with a high potential for agriculture as well as on the poor in marginal areas. The new portfolio places more emphasis on facilitating broad-based agricultural growth, with most lending being channelled towards improvement of rural financial and marketing services in the relatively less poor and high-potential areas. Yet, in the justification of the strategy and the programme interventions, reference continues to be made to the poorest, assuming that the support is relevant to both strategies and to all groups<sup>52</sup>.

120. In future cooperation, IFAD and the Government may need to reflect on the balance between growth and more-immediate benefits to the poorest. The CPE recognizes that pursuing both these objectives effectively is likely to be difficult within the context of one COSOP. It may therefore be appropriate to develop specific strategies and interventions targeting specific social groups and geographical areas.

## **B. Mechanisms for Targeting the Poor at Project Level**

121. IFAD's two country strategies have thus indicated broad approaches for targeting, without going into detail about target-group characteristics or targeting mechanisms. The strategies also refrain from providing guidelines on the degree of targeting. In practice, therefore, targeting is being operationalized at the project level, and consequently targeting methods have varied on a case-by-case basis. Most IFAD-supported projects include a definition and description of the target group, often comprising the very poor, women (in particular woman-headed households), smallholders and households facing food insecurity. Sometimes the non-poor are also included as a secondary or tertiary target group with access to some project benefits. Most appraisal documents contain some indication as to how targeting will take place, although more details would be useful.

122. Specific guidelines for targeting in line with IFAD's mandate are often adopted during project implementation. In this connection, the CPE notes that the poverty indicators for targeting need to be

---

<sup>52</sup>This is also a fundamental rationale in Tanzania's PRSP.

carefully developed to ensure that the poorest are the main beneficiaries. For instance, in various cases eligibility has been limited to farmers with one hectare (ha) or less of land, occasionally causing farmers who wish to benefit from project activities to make fictitious ‘sales’ to relatives or friends. Therefore, plot size may not be the best indicator of poverty, also because many farmers have other sources of income besides agriculture.

123. Other targeting mechanisms that include a mandatory and often high beneficiary contribution *a priori*, either in terms of cash or labour, have frequently excluded the poorest since they cannot provide the required contribution. The effects of IFAD’s promoting labour-intensive technologies aimed at raising productivity are even more subtle. This approach may unintentionally have adverse consequences for labour-scarce households, in particular woman-headed households.

124. Further, there are examples of poor farmers who have contributed to various schemes without fully recognizing the subsequent financial and labour obligations, which they are unable to meet. One such example is the cash contribution of TZS 1.2 million (approximately USD 1 500) that communities in the WSHPMMA had to deposit for water-borehole development. In other cases, schemes have collapsed, raising the probability that some farmers may even be worse off. The CPE team also saw several examples of beneficiary contribution mechanisms (for example, in irrigation schemes) that are having a regressive impact because they require a flat-fee contribution, regardless of individual income, yields, plot size, etc. The implication of such uniform contribution ( of both membership fees and labour) is that, compared with households with more land, households with less land pay a higher contribution per land unit.

125. Intuitively, targeting the poor or the poorest directly seems to be an appropriate and cost-effective strategy for reaching the poorest without ‘wasting’ resources on groups and individuals outside the target group. However, in addition to the problems mentioned earlier, one obvious problem with the individual targeting approach is monitoring and enforcement of eligibility criteria, especially if these are designed to ensure minimum leakage to non-intended beneficiaries<sup>53</sup>. In order to rationalize efforts, IFAD may consider focusing in future projects on providing more-immediate benefits to the poorest households and avoiding micro-management within a community for selection of individual beneficiaries. Instead, the emphasis should be on selecting the poorest areas and communities, and introducing technologies and methodologies that are particularly relevant and attractive to the poorest members in the community.

### **C. Targeting Women**

126. In addition to poor smallholder households, the country strategies identify rural women as a specific target group. The 1993 CSR emphasized the need to promote labour-saving technologies in order to improve women’s participation in project activities, and offered some appropriate solutions. The old portfolio includes various types of support to help women carry out functions usually considered their main responsibility, such as fetching water (drinking water schemes in KAEMP, Mara-FIP and WSHPMMA), collecting firewood (woodlots in KAEMP) and milking (Mara-FIP). The new portfolio is less focused on the specific functions and needs of women. Often it is the men who make the marketing decisions and take the lead in establishing and operating SACCOs and financial intermediaries. Usually the men have the user rights to land in irrigation schemes and manage the sale of rice, while the labour-intensive nature of irrigated farming tends to increase women’s workloads.

127. The CPE finds that in general all projects are aware of gender issues and make an effort to include women in project activities, sometimes struggling against cultural norms. Several projects specifically seek to establish women’s groups and promote women’s participation in user associations. Further, PF is making special efforts to improve the gender focus of its activities in the United

---

<sup>53</sup>One extreme option is to screen recipients by their income and resources. The transaction costs of this approach are often prohibitively high, especially if only limited advance information is available, as is usually the case.

Republic of Tanzania (at the time of the CPE mission, KAEMP and Mara-FIP had just received a grant of USD 60 000 for gender-mainstreaming work).

128. Based on the CPE's observations, the following are areas that deserve further consideration in IFAD-supported programmes in the United Republic of Tanzania: (i) women in mixed-sex groups and management committees need more training and capacity-building to develop the knowledge and confidence required to speak up and influence the decision process; (ii) to be sustainable, women's groups need more training and their informal status should be formalized; (iii) baseline surveys and M&E systems need to include gender-specific indicators; (iv) the introduction of agricultural methods and technology should always be subject to an analysis of how this will impact on women's time; and (v) gender issues related to land-use rights need to be carefully analysed.

## V. PERFORMANCE AND IMPACT

### A. Introduction

129. This section provides an assessment of the performance and impact at the overall country programme level, rather than at the level of individual projects. The main focus of the CPE is an overall assessment of the programme and issues of a systemic and strategic nature<sup>54</sup>. The detailed self-evaluation reports of four ongoing projects are available in the Annex to this report.

130. The IFAD country programme needs to be viewed, not in isolation, but in the context of the changes in the contemporary policy environment. The projects under implementation are closely linked to the strategic framework set out in the COSOP<sup>55</sup>. That strategy was carefully calibrated to the policy transformation in the United Republic of Tanzania, which looked beyond the liberalization phase to the need to focus on accelerating agricultural growth, with special attention to developing the smallholder sector as the main engine for reducing rural poverty. An important benchmark to assess the performance of the country programme would be to see how effectively the programme has managed to address key elements of the Government's poverty-reduction, and agricultural and rural development strategies. This benchmark would be particularly relevant to the prospective assessment of projects still in the initial phases of implementation.

### B. Implementation Performance and Progress

#### Quantitative Indicators

131. An assessment of the performance of the Tanzanian programme using conventional indicators of efficiency shows that it has performed better than regional and IFAD-wide averages (see Table 3).

**Table 3: Quantitative Indicators of Implementation Performance**

(Tanzanian portfolio of ongoing projects)

Indicator	Tanzania, United Republic of	PF Region	IFAD
Time between Executive Board approval and loan effectiveness (months)	7.1	12.9	13.1
Percentage of loan disbursed (mid-2001)	48%	35%	37%
Days of loan suspension due to arrears	0	74.0	11.4
Average financing <sup>1/</sup> (USD million)	15.4	11.4	12.8

Source: IFAD PPMS 2001.

<sup>1/</sup>That is, IFAD loan amount.

132. There are some other positive indicators of improvements in implementation. It should, however, be noted that the CPE's country visit schedule did not allow for time to go into project-specific implementation issues. As such, its fairly incisive discussions with various stakeholders and its own field observations had to be supplemented by secondary sources and background documents on the status and progress of individual projects. The IFAD country portfolio managers (CPMs)

<sup>54</sup>It is generally the function of project evaluations to formulate project-specific assessments and related issues.

<sup>55</sup>The three 'new portfolio' programmes, designed under the 1998 COSOP framework, have the following effective dates: PIDP (18/02/00), RFSP (12/10/01) and AMSDP (approved on 06/12/01, but not yet effective). The older active projects (pre-dating 1998 COSOP) are due to close as follows: Mara-FIP (30/06/03); KAEMP (31/12/03); and WSHPM, the BSF-funded project that complements Mara -FIP (31/12/02).



prepare periodic project status reports that provide a useful source of concise information on project performance. This includes the CPM's assessment of specific implementation progress indicators. The assessment for four ongoing projects is summarized in Table 4. This could evolve into a useful tool for assessment if project evaluation missions used a systematic methodology, based on these indicators, to make objective assessments, at least as a kind of selective reality-check exercise. In addition, they could use a questionnaire to gauge the clients' perspective on portfolio management, as is done by the World Bank.

**Table 4: Assessment of Implementation Progress and Impact Indicators**

	Mara-FIP	WSHPMA	KAEMP	PIDP
<b>Progress Indicators</b> <sup>1/</sup>				
Compliance with loan covenants	1	2	2	1
Availability of counterpart funds	2	2	2	1
Compliance with procurement procedures	2	3	2	2
Procurement progress	1	3	2	2
Achievement of physical progress	2	2	2	2
Technical assistance progress	1	2	2	2
Performance of M&E system	1	2	2	2
Timeliness of reporting	2	2	2	2
Coherence between AWP/B and implementation	1	2	2	2
Quality of audits	1	2	1	2
Quality of accounts	2	2	2	2
Project management performance	2	2	1	1
<b>Development Indicators</b>				
Development impact	2	2	2	N/A
Expected benefits	2	2	2	N/A
Beneficiary participation	1	2	2	2
Institution building	2	2	2	2
<b>Other Efficiency Indicators (Yes/No)</b>				
Time overrun	N	N	N	N
Regular submission of AWP/B	Y	Y	Y	Y
Acceptable disbursement rate	Y	Y	Y	N/A
<b>CPM's Overall Assessment</b>				
(i) of project performance	2	2	2	2
(ii) of cooperating institution performance <sup>2/</sup>	S	I	S	S
<b>Source:</b> Project status report dated				
	15/06/01	15/06/01	25/7/01	10/7/01

<sup>1/</sup> Progress indicators: 1: problem-free; 2: minor problems; 3: major problems but improving; 4: major problems.

<sup>2/</sup> S: satisfactory; I: improving; U: unsatisfactory.

Note: Assessment for current period, usually no change from last period.

133. However, it must be emphasized that these indicators do not capture the quality of the implementation progress and processes in terms of outputs and outcomes. There are bound to be many problem areas in particular project- or location-specific contexts. It is essential that PF work out a jointly agreed implementation action plan with the concerned government agencies, with particular emphasis on the preparation and review of AWP/Bs. MoF has already provided their preliminary inputs for this purpose, and consultations are underway between the Government, IFAD and the cooperating institution to firm up such an action plan.

134. **Reducing procurement delays.** Enhanced operational capacity, simplification of procedures and substantive technical support at both formal and informal levels are necessary to improve performance in procurement. For instance, SOF grants<sup>56</sup> provided to three projects/programmes allowed the Government to prepare manuals, guidelines and procurement documents – resulting in a lead-time reduction in procurement from 18 months to about 6-8 months. However, SOF funding is limited, and it would be advisable for the relevant government staff to be trained to handle procurement matters more efficiently.

135. **Counterpart funding.** The lack of counterpart funds has been a persistent problem in the Tanzanian programme. Generally, the Government has been unable to meet the financial commitments agreed upon during the project design process. This was also recognized as a key concern in the 1998 COSOP. Therefore, IFAD project formulation and appraisal missions need to be realistic when proposing the Government's share in the financing plans.

### **C. Project Outputs and Impact: Progress and Issues**

An assessment is provided in the following paragraphs by:

- (i) main subsectors supported by the country programme:
  - agricultural production;
  - irrigation;
  - rural financial services; and
  - marketing development; and
- (ii) cross-cutting thematic areas of particular concern to IFAD:
  - beneficiary participation;
  - decentralization, the role of civil society and NGOs; and
  - sustainability.

136. The issues raised are often linked and overlapping, but the above divisions are a convenient device for organizing the discussion of the principal areas of intervention and the main thematic areas addressed in IFAD's active country programme.

137. The policy perspective for this qualitative assessment is provided by the key elements of the ASDS and RDS, within the context of the broad framework for poverty reduction (the PRSP). In a sense, this means determining how IFAD's active portfolio fits into the current policy environment, which will influence its implementation, rather than unduly tying the portfolio to the policy context in which the various projects were conceived.

138. The main priority areas in the ASDS are: (i) strengthening the institutional framework; (ii) creating an enabling environment for private-sector development; (iii) assigning public and private roles in improving support services; (iv) strengthening marketing efficiency for inputs and outputs; and (v) mainstreaming the planning for agricultural development in other sectors.

139. The RDS emphasizes: (i) promoting widely shared growth (agricultural and livestock development, the development of small and medium rural enterprises, training and skills development, improved natural resource use, tourism, forestry, wildlife and fisheries development); (ii) increasing opportunities and access to services (education, health, rural water supply and sanitation, rural infrastructure, information, communications, technology and energy); (iii) reducing risks and vulnerability; and (iv) promoting good governance (decentralization and empowerment, participatory district planning, security and justice).

---

<sup>56</sup>SOF amounts ranged from USD 0.19 million for Mara-FIP to USD 0.09 million for KAEMP and USD 0.08 million for PIDP.

140. The strategic framework underlying the country programme is largely in line with the above strategic priorities recently adopted by the Government.

### **Progress and Issues by Main Subsectors**

141. **Agricultural production.** An important objective underlying a number of projects in the country programme is to reverse the decline of agricultural production, both of staple and cash crops. The projects have made progress in achieving this objective.

142. Mara-FIP has, for instance, increased production at the household level through the adoption of improved seeds and better production techniques. The many IPM/IPN groups and seed growers' associations have potential for sustained and long-term impact. Also, they represent a valuable contribution to the experiments and discussions on improved service access and delivery through the group approach. More specifically, 120 cassava nurseries have been established, and seed production has exceeded appraisal targets by three times. Under the crop component, the support for multiplication and distribution of pest-resistant seed varieties of food crops is likely to have increased the availability of food in some areas, thereby reducing the food insecurity of the poorest households. Mara-FIP has assisted farmers in distributing 544 tonnes (t) of cassava cuttings (more than twice the planned 200 t) and 1.7 million coffee seedlings (out of a planned 2 million), and in sourcing seeds to plant 1 500 ha of farmland (as against 2 010 ha planned). Thanks to the project's sisal pilot scheme, beneficiaries have sold 2 640 t of sisal to commercial processors. Under the livestock component, the support for rehabilitation of cattle dips and para-veterinary training is likely to have a positive and sustainable impact.

143. Under the agricultural component of KAEMP, support for seed production will – with some success during the life of the project – contribute to increased food production and income among a few thousand seed growers who are directly supported with inputs and training. Estimating the number of ordinary farmers who will eventually benefit from improved seeds is far more difficult. Although the project is improving the availability of improved seed, adoption rates among the poorest households will depend on prices and purchasing power, and also on the extension services. Some 6 000 farmers organized into IPM/IPN groups have already benefited from improved seeds and extension. As a result, banana production has increased on average from 5 to 40 kg per bunch for local varieties (15 to 65 kg for exotic varieties); maize production is up from 1.0 t/ha to 3.0 t/ha, and beans from 600 kg/ha to 2.0 t/ha.

144. Production increases do not necessarily translate into increased well-being for poor farmers, however. Increases in cassava production have, for instance, resulted in the collapse of local prices, and farmers dependent on such cash crops may actually have lower incomes now than before. The same situation may apply to coffee farmers who are receiving free seedlings – although in this case, the collapse of prices is in the world market. However, the answer lies not in restricting production or withdrawing from the export crops, but in better management of risks associated with volatile prices. It must be kept in view that export crops have the potential to reduce rural poverty since they are predominantly produced by smallholders. Increased agricultural exports can also contribute to increased growth in the overall economy due to strong linkages with other sectors of the economy.

145. Rainfed agriculture usually results in the restriction of the harvesting period to a short time frame. This means the accumulation of crops on the market creating a 'glut' – and consequently driving prices downward. With regard to agricultural production, the CPE team expressed concern that: (i) the increase in the production of cassava and bananas has led to a collapse in local prices, depressing the incomes of farmers who depend on these crops for cash; and (ii) the use of subsidies needs to be rationalized among projects and, in principle, subsidies should be phased out as soon as possible in the interests of establishing proper parameters for the sustainability of benefits. The CPE recommends that IFAD engage the Government in a policy dialogue on the possibility of: (i) increasing support for marketing development and storage facilities; (ii) relaxing marketing restrictions on the export of food crops to neighbouring-country markets; (iii) promoting high-value

export crops in the smallholder sector; and (iv) for this purpose, making further efforts to promote a commercial and sustainable seed production system based on smallholders.

146. **Irrigation.** The use of water for irrigation is not widespread, as only 150 000 ha are under irrigation. Irrigation systems for smallholder agriculture are primarily dependent on rainfall, which limits their usefulness in years of low rainfall. Current systems are expensive to operate and are in a state of disrepair, functioning at a low (15%) water-use efficiency. In this context, cost-efficient small-scale irrigation rehabilitation and development is a challenging task. Yet, irrigation development is crucial to agricultural growth and to production diversification and intensification.

147. The CPE finds that the investments in water resources in Mara-FIP may be providing a positive impact to more beneficiaries than was envisaged at appraisal. The user demand for these investments is strong, as evidenced by the considerable advance contributions and long waiting lists. Despite some problems of participation, equity, management and technology, the CPE considers that users do obtain important benefits from the financed irrigation schemes – i.e. shallow wells, medium-deep wells and earth dams for the collection of water for livestock and human consumption. These schemes have helped beneficiaries obtain two crops rather than one per year and increased yields from 1 to 4 t while reducing the average production cost per hectare from USD 1 650 to 740.

148. It is too early to assess performance of irrigation structures to be financed under the PIDP, though reservations have been expressed about the appropriateness of water harvesting from seasonal sources using diversion-scheme technology, as it is considered to be a high-risk and technically complex intervention. The technical constraints to and opportunities for water harvesting in drought- and flood-prone areas should be studied more carefully during implementation. The irrigation section of MAFS is preparing a manual to guide technical staff in the design of water-harvesting irrigation schemes. The manual should also take into account the problems faced in irrigation schemes constructed earlier in the country.

149. The irrigation development projects envisage the provision of extension services and the organization of water users' associations (WUAs). In the PIDP, an NGO (the Participatory Resources Network Tanzania) was used to sensitize programme staff to the need to involve small farmers in programme activities, particularly through their organization into WUAs. Again, it is too early to comment on the impact of these activities.

150. Finally, the CPE team found that irrigation systems need to be expanded and improved in marginal areas with low rainfall. It also felt that the rural poor would be better served by irrigation systems that require limited labour and capital input. The poor could, for one, participate more easily in the development and O&M of such schemes. The CPE noted that the area coverage of irrigation work by IFAD in the Tanzania portfolio is very wide, making implementation difficult. As mentioned earlier, the choice of technology (for instance, in terms of promoting diversion schemes using seasonal rivers as against primarily using dams) also requires further consideration.

151. **Rural financial services.** Agriculture is dominated by small-scale subsistence-level farming. Despite the country's large size, a 1994/95 survey reported that there were only 1 039 farms nationwide larger than 20 ha. Many farms are considerably smaller. For example, the average size of a coffee holding is estimated at only 0.5 ha. This has profound implications for the ability of formal financial institutions to provide services directly to such clients, and points to the need for the development of effective intermediary organizations such as primary societies and local businesses.

152. The various SACCOs, and savings and credit associations (SACAs) established under the SHERFSP have succeeded in increasing savings by 40%. On the other hand, in the CPE's view, the performance of the credit revolving fund and input distribution components of KAEMP and Mara-FIP has been mixed. The RFSP is testing approaches in the provision of microfinance services to rural areas, under IFAD's FLM. One of the programme's salient features is to establish direct linkages between the rural microfinance institutions (MFIs) and the commercial and community banks. This

ensures that the former can act as financial intermediaries for the latter, enabling them to extend their financial services and products to rural areas. With careful follow-up and monitoring, IFAD's RFSP could become a pioneer in the complex area of rural microfinance, which is needed to fuel the process of agricultural commercialization in the United Republic of Tanzania.

153. More specifically, the RFSP is an experiment in testing approaches to the provision of microfinance services to rural areas. The programme, which has just started, will be implemented in three distinct phases corresponding to a logical sequence of growth and transformation of MFIs. However, the implementation of activities under each phase will be kept relatively flexible. The shift of the programme from one phase to the next will essentially require satisfactory fulfilment of a set of performance criteria or milestones (particularly related to institutional strengthening, governance and the regulatory framework), called triggering mechanisms, prescribed under each of the proposed phases. These will be critically examined and evaluated before further expansion of the programme. This process makes for better risk management and the possibility of adjusting programme components in the light of actual experience

154. **Marketing development.** The AMSDP, which will be IFAD's first major intervention in marketing development, is a very large programme with a budget of USD 42.3 million. It will cover seven regions and 35 local governments, with a combined area of 255 000 km<sup>2</sup>. IFAD will finance USD 16.4 million; the African Development Bank is expected to provide a loan of USD 14.5 million, the SDC a grant of USD 3 million and DANIDA a grant of USD 2.5 million<sup>57</sup>. The thematic coverage will be considerable, involving: (i) the development of agricultural marketing policies, studies, the establishment of new policy committees at national and district level, and institutional support for the MCM, the PMO and district councils (35); (ii) capacity-building of trader/processor groups and associations, and support for their market access; (iii) market information systems; (iv) business advisory services; (v) financial services for traders and processors; (vi) roads, including building the districts' capacity to construct and maintain roads; and (vii) village markets and storage facilities.

155. Reservations about the programme concern its wide geographic coverage and ambitious scope. On the other hand, it must be recognized that in the context of the Government's rural poverty-reduction strategy, this type of intervention has a strong rationale as part of efforts to shift largely subsistence agriculture to market-oriented production. This is not an easy task, considering the number of factors that prevent farmers from getting a fair return for their marketable food and cash-crop surpluses. Constraining factors include:

- **poor rural infrastructure.** Poor road conditions, limited road coverage, or the lack of roads altogether, affect farmers' costs, severely cutting into the profitability of their operations. High transport costs, for instance, make inputs more expensive for rural small farmers, who in turn risk having their farm produce damaged while it is being transported to markets over difficult terrain or for long distances;
- **dearth of appropriate storage facilities for harvested crops.** Post-harvest losses of food due to inadequate storage facilities are estimated at between 25% and 30%. The price differential between the periods of glut after harvest versus periods of normal supply is about 200% for maize;
- **lack of communications** Lack of communications deprives farmers of the ability to access market intelligence and compromises their ability to negotiate meaningfully in buying and selling;
- **inadequacy of the crop boards.** The crop boards that replaced the old marketing board do not appear to provide identifiable benefits to either producers or businesses engaged in the marketing and processing of agricultural goods. The strategic grain reserve

---

<sup>57</sup>Cofinancing from some sources is not yet confirmed.

operates in a way that is both technically and economically inefficient. It has adopted a strategy of releasing reserves to reduce prices, with the net effect of having smallholders subsidize consumers and suppressing returns to agriculture;

- **unfavourable tax structures.** Tax policy is an important factor in determining private-sector behaviour. More than 50 taxes on agriculture have been identified at central, district and local levels. The overall tax burden in terms of farmers' gross margin has been estimated at 63% for mild arabica coffee, higher for tobacco and lower for cotton. Local taxes often make up a higher proportion of total taxes than do central taxes. The overall result of these policies is to reduce returns to agriculture and other activities significantly, thereby negatively influencing economic activity in rural areas. This inevitably also reduces the effective demand for financial services in these areas, especially for credit.

156. Thus, the AMSDP represents an excellent vehicle for IFAD to engage, along with other donors, in a policy dialogue with the Government. Without this, routine programme investments may not have the desired impact on rural poverty eradication and agricultural growth.

### **Progress and Issues by Cross-Cutting Thematic Areas**

157. **Beneficiary participation.** Until about 1996, IFAD projects paid insufficient attention to beneficiary participation in project design and implementation. In fact, the 1998 COSOP states: "In earlier IFAD-designed projects the question of beneficiary ownership and the need for a participatory approach have not been considered as an instrument for project formulation, appraisal and implementation. While preparing these projects, the conventional method was followed, with a top-down approach placing heavy reliance on the existing governmental machinery to plan and execute the entire activities of the project. As a result the beneficiaries could not identify themselves as an integral part of the development process and these projects could not adequately respond to their requests or demands. This has been a root cause of the failure of the Zanzibar [Smallholder Support Project in Zanzibar]and Marginal Areas [SDPMA] projects."

158. More recently, projects have made greater efforts to encourage beneficiary participation. The participatory rural appraisal (PRA) process has, for instance, been used in Mara-FIP and PIDP as an initial step in promoting interest in programme activities; and the logical framework approach has been applied to assist households in identifying problems and solutions. Participation has been fostered by: (i) seeking a role for beneficiaries in setting priorities at the local level that respond to their perceived needs and preferences; (ii) promoting, in the context of budgetary stringency, cost-sharing devices, such as service charges, and user responsibility for infrastructure maintenance; and (iii) organizing beneficiaries into user or solidarity groups, which serve as the institutional frameworks for their participation in project activities or their taking up of stewardship responsibilities for common property, such as water resources or community assets. Support for the formation and capacity-building of user groups has, for instance, resulted in some 750 user groups being formed in Mara-FIP. Some of these groups have limited prospects of sustainability, particularly those formed because of a temporary subsidy (e.g. in the crop component). This raises a problem common to all project-funded structures – that is, groups tied to specific project activities or benefits, which in many cases do not last beyond the project funding.

159. Despite the progress made, the CPE team raised two specific considerations related to participation. First, IFAD-supported activities in the United Republic of Tanzania need to emphasize the quality of processes that empower people at the grass-roots level (e.g. skills enhancement, training and the overall functioning and management of groups) as much as, if not more than, the achievement of pre-established physical and financial targets and outputs (e.g. number of groups established). This would contribute to building ownership and sustainability of interventions and would also increase the probability of achieving the desired developmental results. Second, a more flexible approach to implementation may prove to be more effective. For instance, the CPE noted that if authorities rigidly

apply the targets outlined at appraisal, they are unlikely to internalize adequately the evolving requirements of the rural poor in their project AWP/Bs.

160. The qualitative aspects of group formation and participation are difficult to monitor and are generally not covered by project performance indicators. Therefore, project success is gauged by such quantitative aspects as the number of irrigation schemes constructed and pumps installed, or the amount of inputs distributed. Group formation and participation thus become the means for output delivery rather than ends in themselves. In the process, the emphasis on empowering beneficiaries to take control is somehow lost. This was the case in both the SDPMA and SHERFSP. Currently, Mara-FIP, KAEMP and the PIDP are struggling to find an appropriate balance between the participation process and targets for the delivery of physical outputs. In fact, in the past few years their logical frameworks have been adjusted to include a number of proxy qualitative indicators to measure, inter alia, health, the quality of life, management capacity and other 'soft' parameters.

161. **Decentralization, the role of civil society and NGOs.** The government policy on decentralization and devolution of powers is still evolving. The implementation of the new portfolio should provide IFAD with an entry point to engage the Government in the areas of: (i) participatory local governance; (ii) transparency and accountability in decision-making processes in the lower levels of government; (iii) a sharp distinction between 'deconcentration', in terms of delegation of authority to lower government levels, and devolution of decision-making powers to representative local bodies; and (iv) a clear delineation of budgetary, fiscal and allocation functions. With regard to point (iv), local bodies currently have the authority to impose all kinds of taxes and charges, a situation that has created confusion and that must be rationalized as an urgent priority.

162. The evolving process of decentralization has brought with it new concerns. One in particular is the nature and quality of the interface that participatory mechanisms in IFAD programmes will have with decentralized administrative structures, and the demands that this will place on existing coordination mechanisms. Such issues will need to be resolved as they arise, and projects adjusted as necessary.

163. IFAD projects envisage NGO involvement in the design and implementation processes, in the PRA exercises, in group formation and social mobilization, in training, and as service providers under contractual arrangements with the project entities. The Government has been supportive of NGO association with projects. Some NGOs may also have a role as financial intermediaries in microfinance operations. However, more effort is needed to dialogue with 'advocacy' NGOs.

164. At a more general level, IFAD operations aim at improving target groups' leverage and bargaining power so that they can take an active role in project implementation processes, particularly in project coordination committees. Success in this area has only been partial. Outside of the framework of the project target group or the project service provider, CSOs have had little input in project activities. The only exception has been sporadic consultations by IFAD project-development missions with prominent CSO and NGO networks. IFAD's relations with CSOs and NGOs can no longer remain at such a formal and mechanical level, but need to be strengthened in the context of partnership-building with stakeholders.

165. **Sustainability.** Given the importance of sustainability to IFAD's work, the next section discusses this issue in detail. Suffice it to say here that, in view of budgetary constraints in the public domain and the low levels of income and savings among the target groups, it is difficult at this point in the Tanzanian portfolio cycle to foresee what project investments will be sustained in the future and to what extent. It is clear, however, that both a long-term time horizon for development support and a conducive policy environment are essential to ensure sustainability.

## VI. PARTICIPATION AND SUSTAINABILITY

### A. Introduction

166. The country programme introduced several activities and investments that need to be sustained, after the closure of individual projects, either by the beneficiaries or by the service providers, such as the central government, local governments, NGOs and CSOs. Sustainability is closely linked to issues of participation and ownership.

167. At the beneficiary level, sustainability is mainly determined by: (i) the financial and technical viability of the activity or investment; (ii) the degree to which beneficiaries participate in or have a sense of ownership of the investment or activity. This in turn is influenced by, *inter alia*, the approach to user participation, cost-sharing mechanisms and subsidies; and (iii) the capacity of beneficiaries and their groups to manage the activity or investment. This is influenced by the efforts to build their capacity but also by the nature of the activity or the investment itself.

168. At the level of service providers (e.g. local government, an NGO, a bank), their ability to sustain the service or activity is largely determined by: (i) their human and financial resources (budget); (ii) the degree to which they feel ownership of the activity (Have they actually had responsibility for implementation or has a de facto parallel project structure implemented or decided the activities?); and (iii) whether the activity is a part of their mandate and normal functions, as defined by laws and policies (Or is the activity implemented only because of project finances?). This section attempts to address these issues with reference to ongoing projects and programmes.

### B. Participation and Sustainability at the Level of Beneficiaries

#### Participation in Project Design

169. As mentioned in the previous section, recent IFAD projects have attempted to ensure that beneficiaries participate in the design process. At the same time, the CPE notes that the predefinition at appraisal of detailed physical delivery targets leads to an emphasis on the delivery and achievement of outputs, rather than concentrating on the processes of empowerment and capacity-building that sustain ownership and sustainability. More energies are thus devoted to meeting physical delivery targets and financial disbursements at the cost of, among others, group formation and building participation – in particular if the implementation period is relatively short as in most IFAD-supported projects in the United Republic of Tanzania and elsewhere. Such a situation is not eased by the inherent difficulties in monitoring and measuring qualitative outcomes.

170. It is noted that projects provide some flexibility for re-establishing annual targets depending on the evolving requirements of grass-roots communities, although always within the overall framework of project appraisal targets and menus. Therefore, projects need to be designed so that the emerging requirements of communities and individuals can be more easily internalized during implementation. The wider inclusion of community development funds in project design is one instrument that may provide greater flexibility and the opportunity to move away from target-driven approaches.

171. Project design is important to promote true beneficiary participation. While no project menu is open-ended, unless the project is limited to general budget support, options are available for designing and implementing projects in a more participatory manner. A design consistent with a demand-driven approach would replace detailed quantitative targets with details on:

- **Eligibility criteria.** Which individuals and groups, and which activities and investments, are eligible for project support? The choice of eligible investments and activities would, *inter alia*, consider IFAD's mandate, government policy, local



priorities and analyses of activity and investment models (including risk/sensitivity analyses);

- **Criteria for accessing support and procedures for approving support,** In the case of commercial activities and investments, commercial viability would be mandatory;
- **Process and procedures for applying for support;** and
- **Support modalities.** These could include cost-sharing, subsidies, credit, or training and technical assistance.

172. The design and implementation would emphasize that budgets allocated for eligible activities are tentative and can be changed to reflect actual demand. Targets for disbursements on physical outputs would be conservative in the first period of the project where the focus is on promoting the participation and building the capacity of beneficiaries. The design would include a description of the participatory process to be applied and the capacity-building of beneficiaries. During implementation a 'manual' would be developed specifying the steps in the participatory process. Such a design would be helped by a wider use of the FLM approach and the introduction of procedures that allow a quick response to requests for reallocating resources between budget lines.

### **Technical and Financial Viability**

173. The technical and financial viability analysis is an integral part of project formulation and appraisal. The CPE notes that during implementation more emphasis is placed on technical evaluation than on financial viability and consequences. The CPE feels that both these analyses should be undertaken as part of the selection and prioritization process of all schemes or sub-projects to be considered for implementation. This should be a routine exercise, performed throughout implementation. The CPE notes that the PIDP district office has the necessary technical expertise for the purpose and has started to provide such assistance. In other project areas, various possibilities need to be explored, and consultants should be used for this purpose if required.

174. Both process and substance are essential for ensuring active and sustainable participation. In the IPM/farmer field schools, supported under an FAO/IFAD regional project, and in the IPM/IPN groups under KAEMP, high priority is given to group processes, and the focus is on empowering the farmers so that they can identify, understand and deal with their agricultural problems. However, at times solutions that are technically and economically appropriate to the farmers' situation are not available to the groups or are beyond the financial reach of poor households. As a result, and also because the time invested did not always match the financial returns, the CPE encountered a few IPM/IPN group members who were considering dropping out of group activities. The sustainability of groups formed under IFAD-supported programmes is therefore of concern, and it may be necessary to involve such groups in income-generating activities to provide a rationale for their continuation after project closure.

175. In PIDP, user participation and contribution is now given high priority, although there is room for streamlining the approach. However, the CPE team observed that in a few sites, users' interest and contributions had been mobilized before a technical assessment of the irrigation scheme to be introduced had been undertaken.

176. Financial analysis for investments in infrastructure – such as roads, drinking water and irrigation – needs to be given much more attention. In particular, future financial flows of such investments need to be calculated from the perspective of the beneficiaries. Beneficiaries should be made aware of future O&M costs, the annual allowance needed for depreciation, and the likely annual revenue or income. On the basis of this information, they could decide whether or not to invest their cash and labour in the activity. Some projects are following this approach. Mara-FIP, for example, after having

estimated the O&M costs for cattle dips, advised dip owners on the fees they would need to charge in order to break even. However, such processes need to be adopted more extensively. Similarly, financial and market analysis of agricultural production activities needs to be systematically conducted at the design stage and during implementation. Thus, an analysis of the viability and sustainability of developing seed production into a commercial activity should be undertaken prior to embarking on seed production itself. Or, as another example, market absorption capacity and the consequences on prices should be studied before promoting technologies for increasing food crop production.

177. IFAD, the Government and other implementing partners have the moral responsibility to promote technically appropriate and economically feasible packages that are likely to improve beneficiaries' income and livelihoods. Any response to 'user demand' should be based on such principles. This is especially important where projects adopt cost-sharing arrangements or provide subsidies, as such actions may influence or distort genuine user requirements.

178. In this connection, it is essential that any joint investments based on cost-sharing safeguard the interests of the participating rural poor, particularly with regard to their income and labour. Therefore, before promoting cost-sharing arrangements, projects should inform beneficiaries of the total capital investment costs, the required allocation for depreciation, and the O&M costs, and requirements of different technological options. This requires a thorough assessment of the technical and financial viability of the proposed investment, and the sharing of such results and associated risks with the intended beneficiaries. In addition, apart from assessing the user group's managerial capacity, an assessment of their (technical) capacity to manage and maintain the structures and finance O&M costs is worth exploring. In such a way, there is some reassurance that users are better equipped to make their own decisions.

### **Subsidies and Cost-Sharing**

179. Conceptually, it is difficult to distinguish between what is a subsidy and what is a cost-sharing arrangement. For example both terms could be used for public financing of investments in irrigation. Whether a subsidy or a cost-sharing arrangement, it involves transfer of public funds for the benefit of a private household or a community. However, there is a tendency to use cost-sharing, which has a positive connotation, in situations where government has traditionally assumed the entire financing responsibility (for example, the provision of medical drugs and the maintenance of roads) and now obliges beneficiaries to assume part of the financing. In such situations, cost-sharing contributes to reduction of the dependency syndrome and improves the prospects that government, with a limited budget, will be able to sustain the service and/or provide the service to many more beneficiaries.

180. The CPE noted that subsidies can undermine sustainability when provided for a recurrent activity that is supposed to be commercially viable and sustainable after the project closes and the subsidy is discontinued. This applies to the subsidies provided in Mara-FIP, PIDP and KAEMP for seed production and supply, maintenance of bunds in irrigation plots, and input supply. Groups are occasionally formed for the purpose of receiving a subsidy, and individuals have been known to engage in an activity not because of its long-term financial attractiveness but for the sake of the subsidy. When the project and the subsidy come to an end so, too often, does the activity.

181. On the other hand, subsidies may be useful for promoting critical short-term objectives, and may sometimes be unavoidable. For example, subsidies were provided for seed multiplication in Mara and Kagera after cassava and banana-planting materials had been destroyed by cassava mulybug and panama diseases. The subsidies helped to counter the situation of food insecurity that had developed in the regions. Once these problems were addressed and the seed production and distribution system had been privatized, the subsidies were discontinued.

182. In the Tanzanian country programme, in addition to making use of direct subsidies, IFAD has promoted cost-sharing arrangements with the rural poor, for instance, for the development and maintenance of irrigation schemes. In such cases, the rural poor are mobilized through WUAs and

contribute in labour or cash to the development and O&M of the schemes. In addition, in Mara-FIP and PIDP, where irrigation schemes were initiated as group activities to ensure their long-term sustainability, beneficiaries are obliged to pay up to 10% of the capital and part of the maintenance costs. In both projects, beneficiaries are providing construction materials and labour as a part of their contributions to costs.

183. More thought needs to be given to the choice of financing modalities. The CPE could not determine why different projects chose to deliver a good on commercial loan terms, fully subsidized, or under different government-beneficiary cost-sharing arrangements. In Mara-FIP, for example, few poor coffee farmers receive free coffee seedlings, while a farmer producing cassava cuttings is paid to weed. In KAEMP, a farmer with a banana demonstration plot received manure without clear repayment conditions, while in the WSHPMMA a poor community has to cover a significant amount of the capital costs and is responsible for all O&M of a drinking water scheme. Agricultural inputs were provided in kind on loan terms and apparently at prices above market prices in the SHERFSP, whereas an IPM/IPN group in KAEMP received free water tanks for initiating a commercial livestock activity.

### **C. User Participation in the Design and Implementation of Investments**

184. Beneficiaries and their organizations should be more involved in the design and implementation of investment schemes, whether they are irrigation schemes, roads or water dams. The cost-sharing arrangements applied in these schemes should be seen as joint ventures between the government and the users, and users should be treated as equal partners since they contribute cash and labour.

185. In the case of PIDP, while the appraisal report and programme implementation manual clearly emphasize beneficiary participation and identify processes and steps, the programme's mechanism for user participation needs to be strengthened. For example, although beneficiaries are involved in the process, irrigation schemes are still largely designed by 'outsiders'. Village meetings are used to promote user participation in planning and design, but often these public meetings are not organized in a way that allows disadvantaged groups and women to voice their concerns.

186. The PIDP design emphasizes beneficiaries' participation in the supervision of construction work undertaken by private contractors as an important factor for ensuring sustainability. The programme's implementation strategies do not fully address this provision, however. For instance, WUAs formed in the schemes are not widely involved in the selection of local contractors. Their role has mainly been to ensure that all WUA members pay entrance fees, contribute to O&M costs and provide labour as required by the contractor. Only more recently are monitoring and supervising activities being gradually transferred to WUAs. In that process, government responsibility is that of a facilitator and provider of technical backstopping, including the collection, compilation and analysis of data and the preparation of reports. Administrative and financial authority over some aspects has not yet been given fully to WUAs. The reasons for this are practical and are meant primarily to ensure necessary accountability and transparency within the system. In fact, in accordance with the procedures of procurement guidelines, the district development committee, in cooperation with the WUA, selects the outside contractor, whereas the WUA generally selects the local artisans and contractors. Once the contractor is selected, the agreed contract is signed between the district executive director (DED), acting on behalf of the WUAs, and the contractor. DED makes payments to the contractors directly, upon receipt of payment authorization and certification from the WUA. In PIDP, some contractors were not paid because the WUAs evaluated their construction work as unsatisfactory.

187. As to the role of users in construction implementation, the PIDP implementation manual states "the WUA will sign a declaration accepting ownership and responsibility for the scheme"; "the contract for the construction of the scheme is between the contractor and the 'employer' who is defined as the District Council on one part and the Programme Coordinator PIDP on the other part"; "the employer is responsible for supervision and has the power to terminate the contract". Thus, users are yet to be considered as equal 'joint-venture partners' in terms of decision-making. And this even though WUAs are the owners of the scheme and are contributing their savings and labour.

188. As mentioned earlier, some of the SDPMA schemes needed rehabilitation only a few years after construction, and much of this work was carried out in the context of the PIDP. While it is early to anticipate the requirements of irrigation scheme rehabilitation following the completion of the PIDP, it is useful to build the capacity of WUAs to negotiate and deal with contractors so that they are prepared to do so in the future. This can best be done by involving WUAs in the tendering, contracting and supervision process during project implementation. In this regard, if users (rightly) are given the status of 'employer', included in the tendering process and provided some training, they may more fully appreciate what they are supposed to receive from the contractor and contribute to the daily supervision work. This may help ensure that contractors deliver quality outputs. Finally, if users are more involved in the design and supervision of implementation, they may develop the skills to undertake some civil works themselves without having to make use of contractors.

#### **D. Sustainability at the Level of Service Providers/Government**

189. Sometimes, government and external support succeeds, within a project cooperation framework, in introducing and developing activities and beneficiaries' organizations that become sustainable within the project period. Thus, the assisted activities and organizations will continue without further support after project support is withdrawn. In this case, sustainability is achieved at the beneficiary level even if the support structures developed and supported by the project collapse after the project closes. Their collapse will, of course, preclude the expansion of support to new areas and beneficiaries, but the beneficiaries' activities and organizations that are already supported will remain and continue. In such situations, temporary, parallel project support or management structures may be accepted as a second-best solution.

190. Often, however, support is also needed after project completion. In such cases, it becomes crucial to base the delivery of support on permanent organizational structures, and to build their capacity to sustain delivery support. It is, of course, hoped that financial capacity for capacity-building exists; if not, the beneficiaries' activities and organizations promoted during the project risk collapsing after the project closes.

191. The CPE finds that the following activities, which receive support in the current Government-IFAD cooperation, have reasonable prospects of becoming sustainable before project closure and would therefore not need any further support from government or others: (i) the cattle dips (Mara-FIP); (ii) some of the Mara bund irrigation schemes and earth dams; (iii) some drinking water supply schemes, especially shallow wells (KAEMP, Mara-FIP and WSHPMA); and (iv) a few IPM/IPN groups and other user groups that have developed viable commercial activities (KAEMP and Mara-FIP).

192. In other areas, government or others will need to provide support, also after project closure, to ensure the sustainability and impact of the already-supported activities or investments. This is the case for (i) a large number of SACCOs, SACAs and solidarity groups; (ii) the revolving credit and input supply schemes managed by project organizations; (iii) roads; (iv) health facilities and supplies; (v) some irrigation schemes in PIDP based on diversion of water from volatile rivers; (vi) seed production and distribution; (vii) promotion of new crops (sisal, vanilla, etc.); and (viii) extension services and the majority of IPM/IPN groups. In these areas, continued government support will be needed to ensure the continuation of activities.

193. For medical drugs and health centres, government policy is to provide financing on a cost-sharing basis, and an established system exists for doing so. This area has high budget priority and is therefore likely to continue. The same cannot be said for the supply of mosquito nets and bicycles on subsidized terms. As to roads, irrigation schemes and water supply, the items have priority in government budgets, but it would be unrealistic to expect that the central government or local governments will be able to provide sufficient financing for major rehabilitation works and maintenance. Further, capacity at district level to deal with the more specialized technical subjects related to irrigation is limited. With respect to the subsidized promotion of seed production, crops and

input supply, the CPE's impression is that the subsidies involved are not consistent with national policies and therefore that government support of these activities is unlikely to continue after project closure.

194. The worst sustainability scenario is when beneficiaries' activities or groups do not become sustainable during the project period and, at the same time, depend on continued assistance from a support structure that is temporary, such as a project organization. This is the case in credit activities, based on revolving funds and managed by the project organizations (KAEMP, Mara-FIP and SHERFSP). It is partly the case for the support to SACCOs and SACAs. Here the projects (SDPMA and SHERFSP) did attempt to base support delivery on cooperative and community development staff in the districts, but their capacity to continue support, and thereby ensure that the SACCOs became viable and self-sustainable entities, was limited.

195. In RFSP, implementation and support delivery will primarily be the responsibility of a parallel, temporary programme management structure that will contract specialists from civil society and the private sector to deliver support services to MFIs and other financial institutions. Thus, if this model achieves sustainable results, it is a condition that the supported MFIs and other financial institutions become self-sustainable within the programme period.

196. Today district governments are responsible for many activities supported in the Government-IFAD cooperation. KAEMP and Mara-FIP provide some support for building the capacity of district governments to plan and implement their new responsibilities. Further support is needed, however, as the development of district-level capacity is a long-term exercise. Moreover, district financial resources, from central government grants and local revenues, are in most cases limited compared with the financing available from donor-funded projects, thus making it unlikely that districts will be able to continue financing the activities when donors leave.



Picture 10: Mara Region Farmer's Initiative Project  
The local dairy provided by the project preparing fresh milk for the nearby villages in the district.  
Source: IFAD CPE Mission 2002

## VII. INSIGHTS AND RECOMMENDATIONS

197. This final section summarizes a series of insights that emerged from the CPE process. They constituted the basis for discussion among members of the CLP and served as input towards the formulation of the CPE's agreement at completion point, in accordance with IFAD's evaluation process.

### **The Need for More Concentration and a Longer Time-Frame**

198. With the recent approval of the AMSDP, the IFAD-supported programme in the United Republic of Tanzania will cover 14 regions and 56 districts, and will have an area of approximately 430 519 km<sup>2</sup> hosting a population of nearly 16.4 million. (This only includes the four most recent interventions and does not consider the older projects in the portfolio, which included a project in Zanzibar.) By 2002, IFAD will have provided support for many different subsectors and activities, including agricultural production (e.g. research and extension, livestock development and agricultural technology), rural finance, social development (health, education, housing and drinking water supply), irrigation, marketing, institutional and grass-roots capacity-building, and development of rural infrastructure. The average annual disbursement over the entire period of cooperation between IFAD and the United Republic of Tanzania is around USD 3.2 million, although in the 1990s this figure rose to about USD 5 million. Even where projects covered only one region (the case of KAEMP and Mara-FIP), project staff and implementing agencies emphasized challenges faced in implementation because of the enormous distances.

199. Although in a large country like the United Republic of Tanzania distances are bound to be vast, it is also true that IFAD has experience in supporting varying activities in different, often distant, geographic areas. Given such wide geographic and thematic coverage and the considerable annual averages of disbursement, there is a risk that the impact of the interventions under the present cooperation configuration may be diluted resulting in inadequate benefits for the rural poor. In this context, IFAD needs to pilot innovative approaches, since in each region and subsector it is confronted with different agroecological conditions and different institutional and infrastructure capabilities. Coverage of different regions and subsectors also requires considerable human resources and funds for project supervision and effective M&E; and it might prevent the Fund from building a comparative advantage in a given subsector or geographic area that would enable it to engage with authority in policy dialogue processes with the Government and other partners. In sum, it appears that IFAD's resources are spread thinly over large areas and many activities, making implementation, communication and supervision difficult and expensive in view of the infrastructure-related and institutional limitations in the country.

200. What are the options? On the one hand, the Fund may continue its operations as in the past in line with its mandate and government priorities for rural poverty alleviation. The opportunities for and constraints to pursuing such an approach have been covered in the CPE. On the other hand, IFAD could consider a different approach, entailing a greater concentration of its support in the United Republic of Tanzania. It could, for instance, take a sector-wide approach (rather than a project-by-project approach) and build on the established national strategies and systems of delivery and financing of support. It could concentrate its efforts within a selected subsector or theme. This cooperation could well have nationwide coverage, or a more definite programme area could be targeted in the medium term. The selection of the programme area could be determined by the choice of subsector involvement, for instance, supporting the development and processing of a particular export crop. Another possibility would be for IFAD to assist from five to ten selected core districts in developing and implementing their district administration plans. The priorities and composition of the support would then largely be determined by the people and their elected representatives in AWP/Bs. Finally, the CPE suggests that IFAD could consider applying a longer-term (8-10 years) perspective with respect to subsector and geographical concentration, adjusting approaches and methods with evolutions in policy, legal and institutional frameworks.

## **Let the Poor Decide**

201. The prevailing practice in the country programme illustrates that detailed quantitative targets and outputs are usually defined during the project design phase, together with cost estimates and corresponding disbursement and implementation time frames. The CPE feels that such an approach may require more reflection, as it is not easy to determine at the design stage the priorities and requirements of the rural poor over a period of 6-7 years.

202. In addition, current project implementation arrangements generally cause authorities to be more concerned about achieving pre-established physical targets and outputs, than about the processes leading to empowerment and capacity-building, which are necessary for ownership and sustainability. PMUs and other implementing partners are driven by a culture that emphasizes the delivery of agreed activities and the disbursement of funds, as traditionally their performance has primarily been assessed on input/output-related indicators. This leads to the use of the appraisal report, with its pre-set menu of activities and disbursement schedules, which acts more like a straitjacket than the reference manual providing broad parameters for implementation it is meant to be. The CPE notes that some adjustments to targets are possible within the current framework to accommodate the evolution in stakeholder demand for support, but those are mainly possible within the overall parameters of project appraisal objectives.

203. The CPE recommends that targets at design may at best be considered as indicative guide-posts that need to be adjusted to local realities during implementation, according to the evolving preferences, priorities and demands of the rural poor. For example, IFAD has experimented with community development funds, which are effective instruments for capturing the actual requirements of the poor during implementation. In addition, the Fund may consider the broader use of the FLM in the United Republic of Tanzania, as this instrument allows for adjustments to targets and activities at various stages during implementation. Finally, it may be useful to develop specific indicators to monitor qualitative aspects of empowerment and capacity-building, for example in areas related to group formation and beneficiary participation in project activities. This will allow implementation staff to monitor the involvement of the rural poor in crucial project processes related to decision-making and resource allocation.

## **Participation as an Equitable Partnership**

204. Despite the progress noted over time in the Tanzanian programme, there is room for further improvement of the strategies and approaches to beneficiary participation. In general, the CPE observed that participation was interpreted differently by different people at different levels. The challenge that lies ahead is to develop a consistent notion of participation in the country, where standards and expectations are outlined and understood from the outset. In this light, it is important to view participatory development as an equitable partnership among different actors, where the rural poor and their communities become active agents of change – that is, the rural poor should be not as mere participants, but as strategic partners. Participation has sometimes been seen as a process to use occasionally to stimulate beneficiary interest and to prepare the rural poor for the delivery of services and outputs. Instead, participation should be an underlying operational principle that underpins all activities, with the overall goal of empowering people, and supporting them so that they can acquire the skills, knowledge and experience they need to take greater responsibility and ownership for their own development.

205. Sufficient time should be made available at the beginning of the project to analyse the factors, that could influence the participation process. There should be adequate information dissemination and community consultation. This would prepare the community for subsequent activities and facilitate their active involvement in the project. Projects should work through established institutions, including traditional structures whenever appropriate and possible, and the creation of new, parallel structures for participation should be limited. However, the Fund may wish to select line agencies and other implementing institutions according to their perceptions of participatory development and commitment

to true participation. Where institutions are not sufficiently oriented to promoting participatory approaches, staff training should be encouraged, specifically in interpersonal skills such as empathy, communication, group dynamics and facilitation, and in motivational leadership. It is critical that projects set up and operate a mechanism at the project level to monitor participation processes. They also need to provide training in participatory approaches to staff at various levels.

206. Development interventions and implementing agencies should be careful, however, not to fall into the 'participation trap', where participation is seen as an imposition and participatory processes (such as undertaking of PRAs or group formation) are organized for reporting purposes to justify the release of further disbursements. Participation should not be seen as an end in itself, but rather as a means to an end. Therefore, project performance should not be evaluated just by output/targets related to participation (such as number of people involved in PRA or number of groups formed), but rather on the effects of participation on the corresponding activity for which participatory processes were undertaken. Development workers also have a serious responsibility with regard to participation, since participatory processes raise expectations among the poorest, which project designers and implementers must be determined to fulfil within overall project frameworks and established parameters.

207. In conclusion, the Government, IFAD and the project or programme concerned should carefully assess any activity or investment in terms of technical feasibility, financial viability, and prospects of sustainability before providing financing and promoting participation. The rural poor should be invited as equal partners in investment design and decisions, and in the implementation of construction and O&M work.

### **Approaches to Rural Poverty Alleviation**

208. There are implicit differences between the approaches to poverty alleviation underlying the 1993 CSR and the 1998 COSOP. As discussed in section III, The CSR was based on a perceived preference for interventions aimed more directly at improving livelihoods and reducing the vulnerability of the poorest households. It stressed not only agricultural interventions, but also support for primary education, health, drinking water supply, environmental conservation, water harvesting, and the development of self-help groups for promoting rural financial services. The COSOP, while maintaining the same basic objective of poverty alleviation, adopted a more broad-based growth-oriented approach, based on a perception that, in the long run, poverty reduction is best achieved through dynamic processes of structural changes, where successful farmers expand their surplus and income, while marginal and unsuccessful farmers gradually leave for other sectors or for wage employment in agriculture. Focus should therefore be on the rural 'smallholder sector', comprising farmers with a potential for growth and production of a commercial surplus, and on the specific production constraints facing these farmers. Thus, the two strategies have resulted in different types of interventions and different geographical coverage. The implementation by IFAD of two different strategies to rural poverty alleviation in the United Republic of Tanzania merits further analysis and debate in the light of IFAD's evolving strategy. In addition, a close monitoring and review of the outcomes of the approach to rural poverty alleviation promoted by the 1998 COSOP would be useful, in that it could provide additional inputs for developing specific strategies and support interventions targeting different social groups and geographical areas in the country.

### **Policy Dialogue**

209. The United Republic of Tanzania receives considerable attention from both multilateral and bilateral aid agencies. Since the mid-1990s, many development cooperation institutions have decentralized their operations to the country levels where major decisions related to development and resource allocations are now taken. Within the framework of the PRSP, the Government and donors are engaging in a continuous country-level dialogue to define sector and subsector strategies and decide on investment programmes and resource envelopes. Budget support and support for joint



programmes are becoming increasingly important. Specifically relevant to IFAD are the joint Government-donor working groups for the formulation and implementation of the ASDS and RDS.

210. The CPE sustains that IFAD can and should intensify its participation in relevant policy dialogue fora in the United Republic of Tanzania. A number of donor working groups such as FASWOG offer possibilities for building strategic partnerships and mobilizing resources. Greater participation would also allow IFAD to engage other institutions working in agriculture and rural development in the country in priority-setting and resource allocation.

211. The development of the new Tanzanian COSOP provides the Fund with a concrete opportunity to involve a wide range of partners in a process of consultation and dialogue aimed at developing a new cooperation strategy. The CPE identified a number of areas (e.g. the role of subsidies, strategic choices of future IFAD interventions, the need to lift restrictions on food crop exports to neighbouring countries) that, among others, could form the basis for policy dialogue in the short term.

### **IFAD Field Presence and Implementation Support**

212. The need for a more permanent IFAD field presence in countries with a critical mass of IFAD-supported activities such as the United Republic of Tanzania is a topic that deserves serious attention by IFAD and its governing bodies. One possibility for the Fund is to include the United Republic of Tanzania, together with a few other selected countries, in a pilot programme to test alternative arrangements for enhancing the Fund's field presence. This pilot programme could then be evaluated after a number of years and, if results are positive, be given further consideration.

213. A good design is a necessary but not a sufficient condition for achieving the desired impact. Limited backstopping and technical assistance during the implementation phase has often been cited as a constraint to smooth implementation and the attainment of outcomes. The Tanzanian country programme, like others, has experienced this situation, which is partly due to IFAD's limited human and financial resources for project follow-up and support. Similarly, the supervision process has effectively supported implementation, but because of resource constraints, it is limited in terms of frequency and technical areas of coverage. Above all, closer monitoring is needed of the implementation of the recommendations made by supervision missions, mid-term reviews, evaluation activities, and other technical assistance missions by concerned parties including IFAD, UNOPS and the Government.

### **Project Management Units**

214. Based on the CPE's analysis, the following suggestions deserve reflection and attention: (i) a project management function should be incorporated within established government structures in order to promote sustainability after the project period. Thus, mainstreaming would assure continued management support after donors are no longer involved; (ii) concerted efforts should be made to transfer some of the responsibilities of PMUs to CSOs, thereby building capacity at the grass-roots level while releasing government from the need to provide services; and (iii) decentralization has considerably shifted the implementation function to the district and sub-district levels. Therefore, to ensure smooth project management and implementation, IFAD must continue to support management capacity-building efforts at the lower administrative levels in the United Republic of Tanzania, and at the same time ensure that the project-management functions are more firmly integrated in the local-level administrative and institutional structures.

### **Subsidies and Cost-Sharing Arrangements**

215. The CPE considered that, compared with temporary subsidies for recurrent activities, sharing costs of capital investments may involve less risk and be more effective in the long run. Cost-sharing arrangements are likely to improve the ownership and sustainability of an intervention. IFAD could therefore consider promoting such approaches more widely in the Tanzanian country programme.

However, cost-sharing arrangements are useful when: (i) beneficiaries are treated as equal partners and informed of all financial implications; (ii) the investment is viable and able to generate enough returns to finance depreciation and O&M; and (iii) the beneficiary group develops sufficient capacity for managing the investment. In addition, cost-sharing should in some cases involve more parties than the beneficiaries and project authorities. For example, in the support for rehabilitation of farm-to-market roads (AEMP and Mara-FIP), it may be worthwhile to consider allocating the maintenance responsibility not just to direct beneficiaries but also to district governments, as it is unlikely that village road committees could maintain the roads without support from local governments.

216. In addition, it would be useful for IFAD to support the Government in developing a policy that would provide guidance on the type of financing modalities to apply for different investments/activities. Currently alternative financing choices are used in different projects, sometimes even for similar activities across projects. This policy should be consistent with governmental capacity and priorities for cost-sharing (subsidizing) specific project activities, and it should carefully consider the implications for sustainability of the different types of financing. For example, while the Government generally shares the investment/rehabilitation costs of social-service structures, such as health centres and drinking water supply schemes, it is doubtful that it should undertake to subsidize investments in rehabilitation of privately or group-owned cattle dips, which have prospects of commercial viability. More immediately, it is recommended that KAEMP study the cost-sharing arrangements in Mara-FIP and PIDP, which have gone further than it has in enforcing user contributions and have a somewhat clearer approach to cost-sharing.

### **Targeting**

217. On the whole, the COSOP and the CSR have provided broad approaches for targeting, without going into details about target group characteristics and targeting mechanisms. In practice, therefore, targeting has been operationalized at project level, and consequently targeting methods have differed on a case-by-case basis with varying results. Therefore, the methodology and poverty indicators for targeting need to be carefully developed to ensure that the main beneficiaries are the poorest. In addition, it would be worthwhile to develop, during implementation, a methodology for monitoring the inclusion of identifiable groups of the poor in project activities. Apart from using cost-effective participatory approaches such as wealth-ranking, the methodology could include sample surveys at the beginning, mid-point and conclusion of a project for assessing target-group involvement and the corresponding poverty impacts.

### **Monitoring and Evaluation**

218. The IFAD-supported projects in the United Republic of Tanzania could benefit from IFAD's new Practical Guide on Monitoring and Evaluation of Rural Development Projects, completed and launched in 2002. In fact, to introduce and operationalize the guide at the project level, OE has already begun to customize the guide for IFAD's Asia and Pacific, and Western and Central Africa regions. A similar effort will be initiated in close cooperation with PF in the Eastern and Southern Africa region starting in 2003. IFAD-supported activities in the United Republic of Tanzania will also be included in the process.

219. In the meantime, based on the review of current M&E systems, the following are some specific suggestions that could enhance M&E operations in the country: (i) training-needs assessments, with a focus on M&E skills, should be among the early capacity-building exercises in all projects. The emphasis of training should be on both 'know-how' and 'do-how' aspects; (ii) the language used in the participatory M&E tools such as the logical framework, the programme implementation manual, the participatory impact assessment and the PRA should be simplified and also translated into Kiswahili to facilitate easy understanding by stakeholders below the district level; and (iii) the M&E system should define roles and responsibilities for M&E and strengthen capacity in the MoF, other line ministries and district administrations to fulfil this role.

