

# POVERTY, POLICIES AND PERCEPTIONS IN TANZANIA

An evaluation of Dutch aid to two district rural development programmes



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## PREFACE

The principal objective of development cooperation as practised by the Netherlands is the reduction of poverty. The degree to which development activities contribute towards that objective is the most difficult question that can be raised in evaluations of the ways in which development policy is implemented, and forms the focal point of the present research. The approach chosen is the way in which the people perceive their own poverty situation (for which the activities are intended), as well as long-term social and economic trends. These are then confronted with the manner in which development funds are employed. The evaluation is oriented towards two districts of Tanzania – Mbulu and Songea – where the Netherlands has made long-term financial contributions to District Rural Development Programmes.

New methods and techniques were adopted in confronting perceptions, trends and policy in the two districts. In Mbulu a video registration was made of the people's perceptions, but due to the costs involved this was not feasible in Songea. In both districts the people's views were recorded by a research team from the University of Dar es Salaam. Literature with regard to social and economic trends was studied and summarised. It was no simple matter to gather and assemble all elements, efficiently and effectively. Even after further research, there were gaps in the database with regard to social and economic changes. This was a reason why the Terms of Reference could not entirely be fulfilled. The extra research unfortunately caused considerable delay in rounding-off the evaluation. Nevertheless, the evaluation has provided valuable insight into the problems that are linked to regional development activities, oriented towards poverty reduction.

The research has shown that poverty in the districts has not lessened. Enabling policies at the national level have proven to offer an insufficient basis at the local level for the districts to develop independently. In general, aid provided by the Netherlands has been inadequate to make any real difference. In designing the form of that aid, two problems occurred: insufficient orientation towards the real causes of poverty as seen by the population, and frequent changes in the focus of the aid. Those changes were due in particular to political re-orientation on the part of the Netherlands, rather than to growing insight into the poverty situation in the districts concerned or into the opinions held by the local people.

It is no simple matter to record the people's perceptions in writing – it is far more effective to let them speak for themselves. That was the reason why a film was compiled from the enormous amount of video material, which is attached to this report in CD-Rom format.

The research was carried out under the responsibility of Inspector Alex Bartelink of the Policy and Operations Evaluation Department (IOB) of the Netherlands Ministry of Foreign Affairs. Sjoerd Zanen and Jacoline Plomp were involved in the research as consultants. Data were compiled in the districts by a group of Tanzanian researchers under the leadership of C.S.L. Chachage. Ton Aarden was involved as filmer in making a video registration of the people's views. When Inspector Bartelink retired on reaching pensionable age, consultant Jan Sterkenburg took on the responsibility of rounding-off the investigation, assisted by consultant Dick Bol on certain points in the reporting. Finally, a word of thanks is due to all those people in Tanzania and the Netherlands who made the research feasible, particularly the inhabitants of the districts who were prepared to speak with the researchers regarding their own conditions of life.

Final responsibility for this evaluation is naturally that of IOB.

*Rob van den Berg*

*Director*

*Policy and Operations Evaluation Department*

*February 2004*

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## ABBREVIATIONS

AIV	Advisory Council on International Affairs
ALAT	Association of Local Authorities in Tanzania
ASDS	Agricultural Sector Development Strategy
CBO	Community Based Organisation
CCM	Chama Cha Mapinduzi (formerly TANU)
DAC	Development Assistance Committee
DADP	District Agricultural Development Plan
DED	District Executive Director
DFID	Department for International Development (U.K.)
DRDP	District Rural Development Programme
GDP	Gross Domestic Product
HIPC	Highly Indebted Poor Country
IDS	Institute of Development Studies
IFAD	International Fund for Agricultural Development
ILO	International Labour Organisation
IOB	Policy and Operations Evaluation Department (formerly IOV)
IOV	Inspectie Ontwikkelingssamenwerking te Velde (Operations Review Unit - later IOB)
IRDP	Integrated Rural Development Programme
LGA	Local Government Authority
LGRP	Local Government Reform Programme
MDRDP	Mbulu District Rural Development Project
NGO	Non-Governmental Organisation
NGOMAT	Ngoni-Matengo Co-operative Union

NMC	National Milling Corporation
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OED	Operations Evaluation Department (World Bank)
PRSP	Poverty Reduction Strategy Paper(s)
RCU	Ruvuma Co-operative Union
RDU	Ruvuma Development Association
RECO	Regional Co-ordinator (of DRDP)
RNE	Royal Netherlands Embassy
SAMCU	Songea Agricultural Marketing Co-operative Union
SNV	Netherlands Development Organisation/SNV
SODA	Songea Development Action
TANU	Tanzania African National Union (later CCM)
TAT	Tobacco Authority of Tanzania
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
WB	World Bank
WDC	Ward Development Committee

# 1 MAIN FINDINGS

## 1.1 Introduction

The objective of this evaluation basically was to examine the extent to which interventions supported by the Netherlands in the framework of the District Rural Development Programmes (DRDPs) in Tanzania have addressed the fundamental causes of rural poverty as perceived by the various stakeholders in the programmes. DRDPs have poverty reduction as their principal objective. They are conducted within a concrete geographical context which makes it possible to describe the longer-term processes of rural change that affected rural poverty. Dutch support for district development in Tanzania started in 1987 in four districts, gradually expanding to fourteen districts at the present time. Over the period 1987-2002 expenditure totalled about US\$ 60 million, equalling about 10% of Dutch aid to Tanzania during those years.

Two of the fourteen districts were selected for the study, i.e. Mbulu and Songea, based on their peripheral location, their internal socio-economic differentiation and the protracted period of support provided by the Netherlands, i.e. since 1987 in Mbulu and since 1993 in Songea. A considerable difference in population density between the two districts is reflected in land availability per capita; this influences the potential for agricultural output growth and, thus also rural poverty conditions. The two districts are not representative of all fourteen districts, but each is representative of several others, i.e. those with low potential for agricultural production and relatively high population pressure (Mbulu), or with relatively good potential provided attention is given to maintaining soil fertility (Songea).

Initially, the overall aim of DRDPs was to increase the income of farm households and to improve the living conditions of the rural population. Later, this was re-formulated as: to improve the well-being of the rural population in a sustainable way, thus reflecting a shift in focus from support for income generation to the improvement of social services. Recently, i.e. with the incorporation of DRDP into sector support to local governance, the focus again shifted, towards the strengthening of local governance.

The evaluation was experimental in several respects: it attempted to reveal the effects of long-term processes of change on poverty, and to relate the relevance of the aid

programme to the people's perception of poverty and its basic causes. Moreover, it used video recordings as an instrument of data collection in addition to other methods.

The study had several limitations, the most important of which were the complications involved in extrapolating the perceptions of categories of respondents at village level to the poverty situation at district level, and the lack of reliable data on long-term trends in agricultural production, income and social services. Despite these limitations, the evaluation provides interesting insights into poverty reduction effects of Dutch aid as perceived by the local population, elected leaders and government staff.

## 1.2 Main findings

### 2.1 *District Rural Development Programmes have not achieved their main long term objective: the improvement of living conditions and the structural alleviation of poverty.*

The district programmes supported a wide-range of activities directed towards rehabilitation of the physical infrastructure, strengthening of the economic base, improvement of social services, and enhancement of human capabilities in local governance. Despite 10-15 years of support and considerable achievements in various fields of activity, the impact on the poverty suffered by rural households has been limited. The two districts experienced an increase rather than a decrease of poverty, a trend that corresponds largely with that for Tanzania as a whole: national statistics indicate no real per capita income growth over the past 25 years.

The low average volume of aid per capita, low coverage of households for income generating activities (between 5 and 12%), the absence of any significant breakthrough in agricultural productivity, and the location-specific improvements of social services, are indicative of the limited impact on poverty alleviation. The Dutch contribution was fragmented, moreover, over a wide range of activities, whereas there was a need for strategic interventions in key areas for poverty reduction in view of the low volume of aid in per capita terms.

There are two principal causes for the disappointing impact on poverty. Firstly, the refractory socio-political environment in Tanzania and the non-conductive government policy. Second, deficiencies in the aid approach, including the non-identification of the basic problems of the poor and several changes in DRDP focus during implementation. Consequently, DRDP support was only inadequately targeted towards the poor, if at all. If DRDPs continue in the present way, their contribution to poverty reduction will be negligible also in future.



2.2 *The changes in DRDP focus were largely inspired by Dutch development co-operation policy, and received a positive response from politicians and bureaucracy in Tanzania.*

The emphasis in DRDP shifted from strengthening the economic base and agricultural production towards improving social services and, subsequently, towards enhancing the capabilities of local governance. These changes were largely inspired by Dutch development co-operation policy. From the late 1980s onwards more attention was given to the social sectors and to ownership of aid activities on the part of the recipient government and, later, also to institutional development and good governance. The shift towards capacity building in local governance, in particular, made strengthening the economic base for increasing rural incomes into a secondary objective

Conditions in Tanzania for the observed changes were favourable: while economic reforms reduced the role of the state in the development process, social services remained largely in the public domain. Moreover, local politicians and civil servants welcomed the support given to social services, including the rehabilitation and construction of infrastructure, as tangible signs of progress, and profited from the capacity building efforts. Ownership of the programme, therefore, became largely that of elected leaders, politicians and civil servants, rather than of the village population

2.3 *District Rural Development Programmes have given little attention to the basic obstacles to poverty alleviation as perceived by the rural population; removal of some of these obstacles was beyond the authority of the district administration and required intervention at the national level.*

In the perception of the villagers, those projects aimed at improving social services and physical infrastructure were relevant for poverty alleviation. In their opinion, however, the DRDP did not address their crucial problems: the lack of an enabling environment to increase agricultural production and to market their produce at fair prices. The population did not perceive the basic causes of poverty in terms of income, but rather in the socio-political conditions that influenced production, income and welfare: access to and control over land, the quality and reliability of support services for agricultural production and animal husbandry (input supply, marketing, veterinary services), the lack of social security due to the absence of employment opportunities, and weaknesses in leadership and the legal system.

There were two principal reasons for not addressing these priorities as perceived by the population. Firstly, the lack of any thorough analysis of the main obstacles to rural development and the basic causes of rural poverty in the preparation phase of the district pro-

grammes and, until recently, shortcomings in monitoring and evaluations which prevented such obstacles becoming known.

Second, the limited possibilities to enable such crucial problems to be solved at the district level. Several principal obstacles towards district development fall outside the authority of district administrations and can only be addressed effectively at the national level. The sector-wide approach which, among other things, is intended to link local level problems to national level policy, and the incorporation of DRDPs in sector support to local governance, did not create the appropriate framework in which effectively to address problems resulting from insufficient marketing liberalisation and inadequately-functioning marketing structures. This is chiefly due to local governance not being a genuine sector for channelling district level issues to relevant national policy institutions.

#### 2.4 *DRDPs have made little effort towards political empowerment and the strengthening of civil society; those attempts that were made were largely ineffective.*

The Netherlands started its support to district development in Tanzania in the mid-1980s when the policy environment for such support was rather unfavourable: Tanzania did not have a poverty alleviation strategy, nor a decentralisation policy that included delegation of authority to the district level under a multi-party political system. Over time, the policy environment has improved, but concrete changes at the local level have been implemented only slowly. At the district level, Tanzania is de facto still a one-party state, with a government administration linked to the party machinery. Perception studies reveal that, at the village and ward level, many people either fear their leaders or state that leaders have to be obeyed. Others, especially younger people, complain about the quality of leadership, corruption, lack of transparency and mismanagement of funds.

The recent shift to local governance focused on capacity building of the district administration and council staff rather than on empowerment of the local population. And although the programmes introduced participatory planning methods, various types of training and group formation, there was no systematic approach to the creation of countervailing power (e.g. strategic support of NGOs and strengthening of village councils). Consequently, at the village level the population saw participatory planning as a bureaucratic exercise with all decisions being taken by government officials, and as a technical method of project preparation and implementation, rather than as a means to democratise village structures.

Experiences elsewhere in Sub-Saharan Africa regarding the effectiveness of donor assistance for decentralisation-cum-poverty alleviation, indicate the importance of combining the organisational strengthening of local administrations with political empowerment of the population and mobilisation of productive resources in a comprehensive strategy.

**2.5** *The orientation of aid towards resource-poor and remote regions as pockets of poverty reduces the chances of effectively achieving poverty alleviation.*

Although support given to Songea was of shorter duration, achievements were generally better than in Mbulu, partly because of the better resource potential, ample availability of land, and possibilities for technological innovation. This difference in achievements between Mbulu and Songea confirms the importance of area selection for rural development support.

In selecting project areas, a donor who gives priority to marginal areas is confronted with a dilemma. As has been observed in several other evaluations, little can be achieved in terms of sustainable development in such areas, in view of the limited possibilities for economic growth, even under conditions of long periods of donor support and substantial amounts of aid. The natural resource situation constrains agricultural output and surplus production, while the peripheral location restricts marketing opportunities. In view of the limited possibilities for economic growth in marginal areas, there seems to be good reason to give priority to those areas with moderate to good potential. These may become foci of growth from which benefits spread to other areas or, alternatively, which attract migrants from low potential areas.

**1.3** **Issues for future attention**

If the Netherlands intends to continue its support to district development programmes and effectively to address poverty as a consequence of the principal objective of its development co-operation policy, the following issues require further attention:

**3.1** *A strategy for structural poverty alleviation in the wider framework of support to decentralised rural development should be operationalised in greater detail. Such a strategy must include identification of the resource potential and of the basic constraints to poverty reduction, and of the approaches needed to make effective use of that potential and to remove the constraints to the benefit of the poor. Democratisation and empowerment of the local population is also an essential element of an effective poverty reduction strategy.*

- 3.2 *A district-specific strategy for rural poverty alleviation requires specification of the issues that can effectively be addressed at district level and of those that need measures at national level. This would be part and parcel of a sector-wide approach that intends to link issues at the micro-, meso-, and macro level. The incorporation of DRDPs in sector support for local governance must also provide insight into how to address national-level issues outside the immediate scope of local governance, such as marketing liberalisation in agriculture. Moreover, the role of government and of the private sector with regard to poverty alleviation should be clearly defined.*
- 3.3 *Any programme for poverty reduction in rural areas must indicate ways by which to increase production, productivity and profitability of agriculture. Agricultural production growth faces both technological and political/institutional constraints. Most aid programmes for rural development emphasise the removal of technological constraints; political/institutional constraints, however, are often of greater importance for effective poverty alleviation and therefore need explicit attention in the design of such programmes.*

## 2 OBJECTIVES AND EVALUATION APPROACH

### 2.1 Justification

Reducing poverty has been the major goal of development co-operation for the past 50 years. Remarkable results have been achieved in the economic and social sectors of developing countries: during the last 30 years, life expectancy has increased by an average of more than 20 years, infant mortality rates have dropped by half and primary school enrolment rates have doubled. In the last century, average income, health and literacy have improved at a faster pace in the developing countries than in the OECD countries (OECD/DAC, 2000). Development co-operation may take part of the credit for a number of these successes.

However, progress in terms of both income and social services has mainly taken place in East and Southeast Asia, and improvements observed there do not apply to Africa south of the Sahara. From 1990-2000, the number of people with an income of less than US\$ 1 per day in Sub-Sahara Africa increased from 242 million to 291 million. This means that, at the turn of the century, almost half the population of this continent was classed as poor. The poverty situation is also reflected in nutritional data: according to UN statistics, almost one third of the African population is undernourished. Bad governance, wars and corruption are frequently mentioned as causes of the African deprivation, as well as such other internal factors as a fragile environment and poor infrastructure. In addition, trade restrictions introduced by rich countries to protect their own economies may also affect countries in Sub-Sahara Africa.

Some 50 years ago Tanzania was one of the poorest countries in Sub-Sahara Africa and it is still so today. Since the late 1960s its government has made efforts to address poverty, as is apparent from the range of its policy documents. The country also received massive volumes of foreign aid from numerous donors, most of whom saw poverty alleviation as the principal aim of their assistance policies. Why did these efforts have such meagre results?

Since the early 1970s, the reduction of poverty has also been the major objective of Dutch development co-operation policy. For quite some time, improving the living conditions of poor groups was chiefly addressed through projects, either through improvements in community services such as education, health care and drinking water supply, or through support for activities that generate income. In evaluating these projects, the emphasis was placed usually on the degree to which the goals had been achieved and the efficiency of implementation. Generally, evaluations started with an analysis of government policy and goals of projects and programmes, rather than with an analysis of the poverty problem in the field. Evaluations also paid far less attention to (i) processes that led to this situation and the underlying causes of poverty, (ii) the perception of the population regarding the poverty situation, its underlying causes and the relevance of aid activities, and (iii) the extent to which aid activities aimed at removing the causes of poverty as perceived by the population.

## 2.2 Objectives and key questions

The general objective of the present evaluation is to examine the extent to which interventions financed by the Netherlands in the framework of the District Rural Development Programme have addressed the basic causes of poverty as perceived by the local population. This means that the perception of the rural population has been the starting point of the study, but present-day perceptions are placed in the wider framework of long-term processes of change and the significance of those changes for different segments of the population. In addition, the study examined the extent to which the interventions financed by the Netherlands were in line with the dynamics of change in rural areas, and the perception and priorities of the population. This is considered to be an indication of the relevance and potential effectiveness of the aid programme in reducing poverty and improving the population's living conditions

This general objective has been specified by means of the following key questions:

1. *What processes can be identified in the rural areas that influence(d) changes in the living conditions and degree of poverty of different segments of the population?*
2. *What were the main characteristics of government policy in Tanzania with regard to poverty reduction and to what extent was this policy in line with the processes of change in rural areas and the people's perception of poverty?*

3. *What has been the contribution of Dutch development co-operation in the framework of the district development programmes to the reduction of poverty, and how can these activities be evaluated in relation to the poverty situation and the perception of the population?*

The processes of change were analysed in selected areas against the background of general changes in rural Tanzania after independence and in relation to the rural development policy pursued by the Tanzanian government. The study concentrates on those changes that influenced social and economic developments in rural areas on the one hand and local governance on the other. These are expected to provide insight into the background and causes of the current poverty situation.

In the context of the rural economy, this chiefly involves changes in farming and agricultural services and the effects on agricultural production and rural incomes. In the social sectors, the magnitude, distribution and performance of education, health and drinking water facilities are considered indicative of living conditions of the rural population.

Local governance includes the improvement of district administration and democratisation, i.e. strengthening of civil society and empowerment of the local population. (For detailed descriptions of concepts as local governance and dimensions of decentralisation, see Land and Hauck, 2003). Administrative decentralisation and improved local governance is considered important for poverty alleviation, based on the assumption that it leads to better planning and execution of interventions, takes account of local priorities, involves local responsibility and people's participation.

Consequently, poverty and poverty alleviation has been analysed and assessed as to their economic, social and political dimensions. Hence, the contribution to poverty reduction was the key criterion in assessing aid effectiveness.

### **2.3 Scope of the study**

The study was conducted in two districts in Tanzania that form part of the district programme receiving Dutch aid. Political developments following Tanzania's independence in 1961 are taken as the point of departure, but the influence of the colonial period is also taken into account.

Dutch support for district development dates from 1987, and an attempt is therefore made to describe the poverty situation in the districts at three points in time: in the early 1960s when Tanzania became independent, in the mid-1980s when Tanzania formally ended its socialist development strategy and a new policy for decentralisation and local governance was announced, and at the present time after some twenty years of economic reform.

Mbulu District in the Arusha Region and Songea District in the Ruvuma Region were selected for the study. The choice of these districts was based on their peripheral location and their poor communications with the country's major economic centres, their internal socio-economic differentiation, and the protracted period of the Dutch aid programme. Considerable differences in population density between Mbulu and Songea may indicate a great variability in the availability of land per capita. It has been assumed that these would affect the nature of the poverty situation.

This evaluation is experimental in several respects: it attempts to reveal the nature of long-term processes of change and their effects on poverty; it relates the relevance of the aid programme to the people's perception of poverty and its basic causes; and it considers the nature of that relationship as being crucial for the effectiveness of aid. Moreover, the perception study by regular interviews was preceded in one of the two districts by video recordings of people expressing their views on poverty, government policy, and donor support. A compilation of these was subsequently shown to the people in some of the villages concerned, who were invited to comment. In its approach, therefore, this evaluation is close to what Booth labelled 'a contextual method of gaining knowledge', i.e. an attempt to capture a social phenomenon, such as poverty, within its local social, economic and cultural context (Voipio & Hoebink, 1999, pp. 37-38).

Due to its emphasis on perception and to the problems involved in analysing long-term processes of change, the study has several limitations. Firstly, the actual poverty situation has been recorded and analysed at district level rather than at the level of the selected villages in the two districts. This has the advantage of linking-up the poverty situation with the District Rural Development Programme, but prevents comparison of respondents' perceptions of poverty to their actual resource position, income and living conditions. Second, long-term income trends could not be traced at the district level. Moreover, information on social services was not readily available in the pertinent district offices in Songea and Mbulu and could only partly be constructed because available statistics were often inconsistent. This narrowed the analysis of poverty trends in the two districts. Third, the division of Mbulu district into Mbulu and Karatu in 1998 hampered the use of available statistics. The perception study was limited to villages in post-1998 Mbulu District because of the expected high degree of poverty. Karatu is economically more advanced and more dynamic; it has a much higher average income but also wider income disparities.



## 2.4 Methodology

The following methods were used in the evaluation study:

- a. *Literature study* in the Netherlands and Tanzania into the history of Tanzania and more specifically into developments in Mbulu and Songea Districts. Public sources as well as unpublished documents that provided specific information regarding the selected areas were consulted.
- b. *File study* of activities financed by the Netherlands over a period of some 15 years. This occurred at three locations: the archives of the Ministry of Foreign Affairs and of the Dutch Development Organisation SNV in The Hague, the archives of the Royal Netherlands Embassy in Dar es Salaam, and the offices of district councils and district administration in Mbulu and Songea.
- c. *Video recordings*. To record the *perceptions* of the various groups of the local population regarding their own situation, approximately 200 persons were interviewed as individuals, as representatives of organisations or as a group in eleven villages in Mbulu District, seven of which were selected by MDRDP and four were chosen at random. The video team conducted structured and unstructured interviews separately for men, women, youth, farmers and officials. The team also organised group discussions with different categories of the population. Finally, they interviewed key informants in district centres, such as politicians, businessmen, government and DRDP staff and representatives of Non-Government Organisations (NGOs). An 80-minutes summary was made of some 36 hours of video recordings and shown to the villagers for verification purposes. The main subjects mentioned by the population helped to define the questions for the field study.
- d. A *field study* by a team of Tanzanian researchers was carried out in four villages in Songea and four in Mbulu. These villages were chosen on the basis of diversification in the agricultural production system and ethnic background on the one hand, and the extent of people's participation in the district development programme on the other. The study teams conducted structured and unstructured interviews in the selected villages, separately for men and women, farmers and officials. The teams also organised *focus group discussions* with different categories of the population. Finally, they interviewed key informants in district centres, such as politicians, businessmen, government officials, staff of the District Rural Development Programme (DRDP) and representatives of Non-Government Organisations.

This methodology implies that perceptions were obtained through both video recordings and analysis and a field study applying various types of interview. Subsequently, the perceptions of the population were compared with other sources of information, such as statistics, and progress and evaluation reports. The results of the field study were produced in an internal report titled: *Location-Specific Poverty Alleviation in Songea and Mbulu Districts: A Research Report*, 2001.

The various sub-studies were co-ordinated by two Dutch consultants and supervised by the responsible IOB staff.

## 2.5 Structure of the report

The report consists of the following parts:

- Main findings of the study and issues for the future planning of poverty alleviation programmes (chapter 1) and the objectives and evaluation approach (chapter 2).
- A background section which provides a description of the donor community's views on poverty and development (chapter 3), changes in rural Tanzania since independence (chapter 4), poverty and government policy in Tanzania (chapter 5), and Dutch aid and poverty alleviation in Tanzania (chapter 6).
- The next section contains a description and analysis of socio-economic change, and of poverty and poverty alleviation measures at the level of the two districts. Chapter 7 describes the socio-economic and administrative changes in Mbulu district, and the perceptions of different segments of the population regarding poverty. Chapter 8 deals with the Dutch aid programme in Mbulu district and provides information about objectives, approach, activities and results of efforts to support development in relation to people's perception of the main causes of poverty. Chapters 9 and 10 contain similar information for Songea district.
- Based on the descriptions in the preceding chapters, the final chapter (chapter 11) assesses Dutch support for district development and compares these programmes with the priorities of the population and popular perceptions of the relevance of donor support.

## 3 POVERTY, DEVELOPMENT AND AID

### 3.1 Poverty and development

At present, three dimensions to poverty are commonly distinguished: economic, social and political. In economic terms, poverty refers to the effects of the unequal distribution of resources, such as capital and land, and the inadequate exploitation of those resources. The social dimension relates to inadequate access to amenities that determine the living conditions of people, e.g. drinking water, education and health facilities. Finally, the political dimension implies the involvement in decision-making on the part of the poor. These three dimensions are inter-related and mutually reinforcing. The degree of poverty is measured with the use of indicators that have been developed by donors and by governments in developing countries. The latter justify interventions and financing of activities in the area of poverty reduction on the basis of these indicators. However, indicators and interventions do not necessarily correspond with the perceptions of the target population for whom the support is intended.

Over the years, views in development theories regarding the causes of poverty have changed significantly and, implicitly also the strategies towards poverty alleviation. In the 1960s, poverty was seen as a situation of underdevelopment to be solved by economic growth. Poverty alleviation was therefore pursued by promoting economic growth in developing countries. It was widely assumed that the effects of growth would trickle down to all segments of the population and that poverty would gradually disappear. For this reason, the (average) per capita income of the population was taken as the major criterion for the level of development and the incidence of poverty.

When, in the 1970s, it was shown that poverty continued to exist on a large scale, even in countries with economic growth, emphasis in the debate shifted to the need for direct alleviation of poverty. Since the trickle-down effect did not seem to have worked as expected, poor groups should be identified and would be provided directly with the necessary basic needs (Streeten et al., 1981). At the same time, improvement of the employment situation was considered a crucial aspect of fulfilling basic needs in the longer term and, therefore, a major instrument for poverty alleviation (ILO, 1976). The perceived need to deal simultaneously with poverty and economic growth led to the formulation of a World Bank strategy which did not abandon growth as the primary

objective, but raised concerns about the distribution of its benefits. It made the case for a better distribution of the fruits of additional growth and for an effort to secure the basic needs of the poor and investments in human development (World Bank, 1974).

In the early 1980s, UNDP developed a series of indicators with which to describe poverty in its Human Development Reports (UNDP, 1996). At that time, however, less emphasis was placed on alleviating poverty when many developing country economies got into serious difficulties as a result of the combination of decreasing world market prices and high indebtedness. Priority in development aid shifted to macro-economic problems (balancing the government budgets, improving the balance of payments, reducing the role of the state in favour of market forces). As economic reform programmes carried the risk of being detrimental to poor segments of the population, they were supplemented with specific measures to reduce such harmful effects and were labelled as adjustment with a human face (Cornia et al., 1987).

The World Bank, which played an important role in providing financial support for the economic reform programmes, continued to emphasise the significance of economic growth as a necessary condition for reducing poverty. In the 1990 World Development Report, the link between economic growth and poverty reduction was further explored.

Achieving a pattern of development that successfully reduces poverty requires, in the view of the World Bank, policies that provide opportunities to the poor and enable them to participate in growth. Policies must be attuned to three broad tasks:

- (i) to encourage rural development and urban employment through, among other things, lower taxation of agriculture, market liberalisation and public provision of infrastructure;
- (ii) increasing access of the poor to land, credit and public infrastructure and services, and
- (iii) a specific approach for resource-poor regions: policies that facilitate out-migration to reduce population pressure and additional investments to meet basic needs and maintain or increase yield levels, with due attention for the preservation of natural resources.

Since then the poverty agenda has broadened further. Evidence of persistent gender inequalities and of a higher incidence of poverty among women focused attention on the gender dimension of poverty. Then, in 1998, the World Bank report, *Assessing Aid*, drew

attention to the relationship between poverty, growth and good governance and institutions. In that study good governance refers to economic policies affecting growth: inflation, the budget surplus and open trade. It is argued that aid is more effective in countries with such policies (World Bank, 1998). Others have criticised this report and concluded, on the basis of the same World Bank data, that such policies are likely to reduce the growth effect of aid (Dalgaard & Hansen, 2000).

In addition to this shift towards good governance as an important pre-condition for successful poverty reduction, other views emerged in the 1990s. Amartya Sen (1990) considered development from the concept of human freedom (deprivation of basic capabilities). Thus, poverty reduction would imply that lack of freedom of any nature should be removed. This view shows strong similarities with that held by the Institute of Development Studies, which advocates the development of different types of (capital) assets (Carney, 1998), and with the livelihood strategy developed by DFID expressed in access to natural, physical, social, infrastructural and political resources and services (which is also an element of the World Bank approach to poverty reduction).

A striking development in recent years is that the economy is no longer considered as an individual phenomenon with its own dynamics, but that economic practices are seen as being embedded in a wider framework of social and political processes. According to the World Development Report 2000-2001, *Attacking Poverty*, 'opportunity', 'empowerment' and 'security' are central notions to an understanding of the position of the poor. Opportunity focuses on building-up assets by the poor and improving marketing mechanisms to benefit them. Empowerment involves making state institutions pro-poor and enhancing the role of social institutions in poverty reduction. Security deals with mechanisms for mitigating the vulnerability of the poor.

At least two important changes with earlier frames of analysis have been noticed: (i) a departure from a relatively mechanical point of view towards a more people-oriented or micro point of view on poverty alleviation, and (ii) a shift towards acknowledging the importance of social networks and the position of poor people in those networks. This has been labelled as an institutional or social capital perspective on poverty alleviation and development (Bastiaansen et al., 2002).

Apart from these conceptual changes, a new and more pragmatic instrument for poverty reduction is the Poverty Reduction Strategy Paper (PRSP). A PRSP reflects a national development strategy integrating goals of macro-economic stability, economic growth

and poverty reduction with quantifiable targets designed by national governments after broad consultation with key social groups. PRSP was introduced by the World Bank and IMF in 1999 as a device with which to direct resources made available through debt relief programmes towards poverty-reduction expenditure. Bilateral donors see the PRSP often as a necessary basis for achieving poverty reduction goals through sector support.

### 3.2 Poverty reduction and decentralisation

The general focus on good governance in development assistance led to renewed attention for decentralisation processes. The importance of decentralisation for poverty reduction is acknowledged in the World Development Report 2000-2001, which refers to several advantages of decentralisation. Firstly, development programmes can be more effective in meeting local needs if they can draw on local information. This can help in identifying more effective ways of building infrastructure or providing public services, and increase the efficiency of regulatory functions that are more easily performed at the local level. Moreover, the increased flow of information from local communities to government staff may increase government awareness of local needs. Second, decentralisation has a strong potential for increasing popular participation, in planning and implementation of development activities. Third, it can increase accountability and transparency. Local monitoring can be very effective for ensuring that officials perform diligently, while decentralisation makes it easier for people to obtain information on budgets and the use of funds. The report also mentions several caveats to decentralisation. “Most important is the likelihood that, in settings with highly unequal local power structures, decentralisation will only bolster the power of local elites. Also critical is the extent to which local government agencies are able to work with communities in implementing decentralised programmes. Decentralisation therefore has to be approached cautiously to ensure that it benefits the poor” (World Bank, 2001).

A recent report for the OECD/DAC network on aid evaluation assesses donor support for decentralisation and local governance, and concludes that support to decentralisation is not necessarily an effective tool in poverty alleviation. The poverty focus in the evaluated programmes was generally weak; poverty targeting varied considerably in programme design and was entirely absent in some cases. Moreover, there was little or no evidence that donor interventions contributed significantly to pro-poor outcomes in terms of economic activity, service delivery, and social or regional equality. The absence of pro-poor outcomes was often due to lack of commitment by recipient governments (Schou & Steffensen, 2002). These observations are in accordance with the findings of a field study

in six countries: “..there is little evidence that democratic local government initiatives can do much to reduce poverty. The main reason is when governance is decentralised, local elites get most of the power and steer benefits to either themselves and their interest groups, or at least maintain the existing distribution pattern” (Blair, 2000).

The ways in which decentralisation has contributed to poverty reduction in a concrete policy and country context in Africa has been explored recently in three country studies: Ethiopia, Guinea and Mozambique (Bossuyt & Gould, 2000). Each of these countries has lived through a long period of centralised one-party state systems. They are therefore fairly representative for other African countries, for Tanzania in particular. Under these one-party state systems, local structures lacked political autonomy and were intended to bring the population in line with political doctrine rather than to increase political, economic and social choices for the poor. Also, after the introduction of economic reforms and the multi-party state in the three countries, government policy did not constructively link decentralisation to poverty reduction and local institutions were not given an explicit mandate to combat poverty. According to the study, the strategy underlying decentralisation was one of incorporation, masterminded and implemented by ruling elites in order to maintain their control over people and resources.

The study identified several problems facing local government in executing its economic and social development tasks, including poverty reduction: an unclear division of tasks between central and local government structures, political dominance of centrally nominated officials, weak human material and financial capacities, and marginal involvement of non-state actors. Despite these obstacles, the cases indicated that citizens and local governments are beginning to occupy spaces created by reducing the role of the state.

Donors appeared to lack coherent strategies towards decentralisation and in their support to decentralisation a link to poverty reduction was hard to find. According to Bossuyt and Gould: “...donor agencies are funding poverty-oriented projects of decentralised public authorities and are supporting the capacity of local communities and civil society organisations to collaborate with the local governments. However, these interventions do not amount to a comprehensive, multilevel strategy that could fully tap the potential of decentralisation for more effective poverty reduction”.

Based on a comparative analysis of donor support for decentralisation in the three countries, Bossuyt and Gould present the following general recommendations:

1. Decentralisation best serves poverty reduction if it combines strategies of political empowerment, resource mobilisation and enhanced service delivery.
2. Donor programmes should be incorporated in statutory structures, even if this reduces short-term efficiency. Donors should not move away from local government support because central government shows insufficient commitment to decentralisation.
3. Donors should not limit their support to public administration but should strengthen civil society organisations in order to facilitate local communities' access to information and downward accountability of officials.
4. Donor support should help to engineer new relations between local governments and the local population by involving both parties in planning and implementation of development activities.
5. Donor support to central government is essential for an effective linkage between decentralisation and poverty reduction. Crucial pre-conditions for successful decentralisation have to be fulfilled at the national level such as a coherent legal framework, a functional division of tasks between different layers of government and access of citizens to an effective judicial system.
6. As individual donors are not in a position to provide the required support on their own, there is a need for functional co-ordination and division of tasks among donors.

Recent experiences with donor support to local governance in Uganda provide a good example of support to central agencies in charge of decentralisation, and effective donor co-ordination under recipient country leadership (IOB, 2003). These experiences in Uganda also confirm the limited effectiveness of decentralisation for poverty reduction due to weaknesses of local institutions in service delivery. Public agencies and officers are held in low esteem by the village population and the multiplicity of local taxes associated with fiscal decentralisation is inimical to the expansion of monetary opportunities in rural areas (Ellis and Bahiigwa, 2003).

### **3.3 Poverty alleviation in Dutch development co-operation**

Poverty alleviation is the main general objective of Dutch development co-operation. In the mid-1970s it arose as an explicit development aim in response to the modernisation theory, in which economic growth through industrialisation was emphasised. The assumed trickle-down effect of economic growth did not visibly improve the living conditions of the poor, and Dutch policy therefore focused on direct poverty reduction through the satisfaction of basic needs. Aid was to be directed to the poorest countries, and within



these countries to the poorest groups in society (the “poorest of the poor”). In addition, Dutch policy underlined the importance of developing countries’ own policies to tackle poverty. This meant a concentration on countries that addressed their poverty problems seriously. This policy reorientation also changed the geographical pattern of bilateral aid. At the end of the 1970s, Africa became the major recipient of Dutch aid (IOV, 1994).

In the early 1980s, poverty alleviation no longer occupied central stage in Dutch development co-operation due to the economic recession and to the debt crisis in many developing countries. Following the international development discussion, economic liberalisation and the reduction of state intervention in the economy were combined with poverty alleviation. In spite of this two-pronged approach, Dutch bilateral aid focused increasingly on macro-economic programme aid, especially in respect of the African countries. In 1984, the two objectives of economic reform and poverty alleviation were combined into the general objective of “structural relief of poverty”, from the point of view that sustainable improvement of the living conditions of the poor was not possible without strengthening the national economies.

Criticisms of economic reform programmes, especially in the *Adjustment with a human face* study commissioned by UNICEF, pointed to the potentially adverse consequences of such programmes for the poorest groups in developing countries (Cornia, 1987). This had its impact on Dutch aid. Employment creation and the improvement of social services returned to the agenda and aid for the social sectors, often in the form of project aid, was expanded. At this time, i.e. the second half of the 1980s, renewed attention was paid to direct poverty alleviation in the framework of area-based programmes with a rural development orientation.

During the 1990s, two new aspects of poverty alleviation were emphasised in Dutch development co-operation policy. Firstly, the perception of poverty was based on an explicit mutual relationship between its economic, social and political dimensions. Second, the micro approach to poverty alleviation was linked with the macro context in which the poverty problem became manifest. This meant that, on the one hand, the importance of a sound macro-economic policy was endorsed, while on the other, more attention was given to local developments, the dynamics of local cultures and endogenous processes, whereby people try themselves to break-out of the circle of poverty (Ministry of Foreign Affairs, 1991).

This policy was closely linked with the international consensus on development co-operation pursued through several international conferences, which finally resulted in the Millennium Development Goals. The Netherlands joined that international consensus by supporting the debt relief programme (HIPC) related to the Poverty Reduction Strategy Paper (PRSP), in which national government funds were designated for priority sectors in which poverty reduction goals were explicitly addressed.

A set of guiding principles were adopted for Dutch poverty reduction policy, such as (i) poverty is not a static situation but the result of a process; (ii) poverty is highly context-related, its analysis must address the specific situation in the country concerned and be made by those directly involved; (iii) there are wide disparities between types and levels of poverty; (iv) poverty reduction measures must be applied in ways and in sectors where they will have the greatest impact, and (v) governments of recipient countries must make explicit pro-poor choices in their development policies.

In addition, a recent document re-emphasises that poverty reduction policy should not be limited to assisting the poor directly, but must also be oriented towards the macro context (micro-macro approach). As intervention at the macro level ultimately achieves more for poverty reduction than do large and incoherent groups of projects, aid is shifted towards sector support for recipient governments. A pre-condition for sector support is that the recipient government adopts a national poverty reduction strategy which has been worked out in consultation with civil society, has a high degree of ownership by both government and population, and is based on a comprehensive analysis of poverty-related processes (Ministry of Foreign Affairs, 2001).

In Dutch development co-operation poverty alleviation is also linked to decentralisation, which is considered an instrument of good governance and an aspect of democratisation that may contribute to poverty alleviation. For this reason, the Netherlands supports decentralisation processes, although it acknowledges – in line with World Bank views – that there is no direct link between decentralisation and poverty reduction. The effects of decentralisation for poverty reduction may be hampered by a low degree of organisation of the poor to influence policy, the negative attitude of civil servants and politicians towards the participation of civil society in development, the lack of funding and staff with which to improve public services and the people's reluctance to pay taxes for service improvement due to their lack of confidence in the local administration (Ministry of Foreign Affairs, 2002).

### 3.4 Summary and conclusions

The reduction of poverty has been the principal objective of Dutch development co-operation for the past 30 years, although the strategy for its realisation has changed several times during that period.

Over the years the World Bank has played a dominant role, both in providing financial support for development strategies and in analysing development processes, including the poverty issue, and the factors that influence those processes. Dutch development co-operation has generally followed the global trends set by the World Bank. The focus shifted from the direct poverty alleviation of target groups in poor countries (1970s) via the structural relief of poverty through macro-economic reforms and the reduction of state intervention (early 1980s), back to direct poverty alleviation through improved social services (late 1980s) and, subsequently, to linking the micro or project approach to poverty reduction within the national or macro context in which the problem became manifest. This resulted in a sector-wide approach in development co-operation, and to the selection of social sectors such as education and health as priority sectors in most priority countries for Dutch bilateral aid. Sector support is linked with a national poverty reduction strategy adopted by the recipient or partner country in order to enhance the effectiveness of aid.

In practice, poverty has been reduced chiefly in East and South Asia under conditions of sometimes spectacular rates of economic growth. In contrast, Sub-Sahara Africa has experienced persistent poverty during the past four decades. Bad governance, wars and corruption have frequently been mentioned as the main causes of poverty in this sub-continent.

The identification of good governance as a major factor that influences the development process in general and the effectiveness of development assistance in particular, has renewed interest among donors for the decentralisation of authority to sub-national levels of administration. Decentralisation combined with the improvement of local governance has been considered an effective instrument for poverty alleviation because of a greater awareness of local needs, the potential for popular participation in planning and implementation and the increased transparency and accountability of the local administration towards the local population.

In practice, support to decentralisation has not been the effective tool for poverty alleviation that was originally envisaged, mainly due to the generally weak poverty focus in

decentralisation programmes and to a lack of commitment on the part of recipient governments to address the urgent needs of poorer segments of the population.

In sum, the conceptualisation of poverty and the identification of its underlying causes have received ample attention, as have the accurate measurement of poverty and the formulation of policies and strategies. On the part of the recipient country, policy formulation has emanated in Policy Reduction Strategy Papers, that are linked to donor support through the Sector-wide Approach.

## 4 CHANGES IN THE ECONOMY AND LOCAL GOVERNANCE IN RURAL TANZANIA

### 4.1 Introduction: rural Tanzania before Independence

The basis for the structure of present-day rural societies in Tanzania was laid in the 19th century. Agricultural systems were developed with a combination of food crops for self-support and cash crops for sale on the market, supplemented by cattle, that served as a source of food and as savings. Food crops such as maize and rice, cooking bananas, cassava, sweet potatoes and various types of fruit were added to the African staples of millet and sorghum. Also in the 19th century, farmers started to use iron farm implements and applied several other agricultural innovations: animal manure to maintain soil fertility, double cropping and crop rotation systems, and irrigation. These resulted in higher yields and made it possible to build-up food reserves, which gave the farmers more food security. Under the influence of growing production, chiefly limited by available labour, and expanding trade, the size of political units increased.

From the late 19th century onwards, new commercial crops such as coffee, cotton, tobacco, and later sisal, pyrethrum, wheat and sunflowers were introduced under the influence of the colonial powers. The colonial state of what was then German East Africa (Tanganyika) needed income, and the Germans therefore tried to set up a capitalist plantation agriculture, but with little success. Only where cash crops were introduced on a small scale and by independent farmers was this achieved. In several districts, cotton was introduced as a compulsory cash crop in order to facilitate taxation of farmers. Many authors associate the German time with the outbreak of epidemics, especially rinderpest (which in five years time killed off 90% of the cattle in most areas), smallpox, and famine. Famine, combined with the loss of human life that came with the German colonisation, claimed some three quarters of a million victims in five years, followed by other famines after the Maji Maji rebellion (1805-1906) and World War I, especially in the south of the country. As a result the rural population was probably worse off in 1920 than in 1850 (Hyden, 1980; Coulson, 1982). Under German rule (until 1917), also an extensive infrastructure of railroads, roads, towns, schools, churches and hospitals was built.

After the German defeat in World War I, Tanganyika became subject to British rule as a mandate of the League of Nations. The British focused on extension and other support to “progressive” farmers on comparatively large farms, which in turn would set an example for the remaining rural population. As a result of this policy, the production of maize, coffee and cotton increased dramatically between 1924 and 1934 (Hyden, 1980). However, mono-cropping often caused soil erosion, disease and vermin in the crops. Also in the late 1930s the tsetse fly spread to almost two-thirds of the country as a result of depopulation caused by epidemics and cattle disease. Policies introduced to curb tse-tse infestation and soil erosion were based on coercion; they did not take account of local knowledge and were ineffective.

It was not until the mid-1950s that the British tried a different approach, that of “persistent persuasion”: i.e. the growing of export crops was stimulated by extension based on agricultural research. In addition, the government promoted co-operatives in order to improve produce marketing. Ultimately, all this resulted in a significant expansion of commercial farming on small farms, especially in those parts of the country with a favourable resource position. The considerable demand for tropical agricultural produce on the world market in the 1950s resulted in price increases and thus raised incomes for small farmers (Iliffe, 1979).

#### **4.2 Socialism and rural development 1961-1980**

Upon Tanzania’s independence in 1961, the government inherited a commercial, agricultural sector with an average annual export growth of more than 7%, a similarly growing non-monetary farming sector, and a growth in gross domestic product of 4.8% per annum. African commercial farming was characterised by inequality, however, which the government felt was undesirable. When, after independence, a great deal of settler-agriculture disappeared or deteriorated, the new government initiated an agricultural development policy with a two-pronged approach, inspired by the World Bank (1960) and included in Tanzania’s first Five-Year Plan (1961-1966). The improvement approach comprised better services for commercial farming to large numbers of (small) farmers: co-operatives for input supply and marketing of produce, agricultural extension to improve farming practices, credits and linking of agricultural growth to community development. The transformation approach involved support for commercial agriculture controlled by the government in settlement schemes, which went hand in hand with attracting migrants to unpopulated or sparsely-populated high potential areas.

The transformation approach was a dismal failure and the improvement approach had no visible impact on agricultural productivity. Although agricultural production continued to rise, this was chiefly the result of area expansion coupled with population growth. While the percentage of subsistence farming in GDP remained approximately constant in the years 1960-1968, the same period saw an increase in the share of subsistence farming in the agricultural sector as a whole (from 55 to 71%). Agriculture was thus de-commercialised, partly due to lower prices on the world market, partly to taxation and partly to the creaming-off of surpluses in the marketing of agricultural produce by a marketing apparatus that was managed inefficiently by the government. The marketing of agricultural produce became more expensive for the farmers than it had ever been during the colonial period (Hyden, 1980).

After the Arusha Declaration in 1967, the state took control of the economy through the nationalisation of crucial sectors and the introduction of various forms of communal agriculture in rural areas. The idea behind the central concept (*Ujamaa*) was that mutual help, as practised within the African family, would be repeated at the village, district and national levels. The policy was to be translated into decentralisation of government, participative self-rule at the village level, and the provision of basic facilities to all sections of the population. The most drastic aspect of this policy was the establishment of communal village production units, within the scope of what was called the 'villagisation' programme. In *Ujamaa* villages, farmers were to produce and live in a commune. This concentrated living in villages would facilitate social services (schools, health centres, water pumps). The villages were to become the core units of multifunctional co-operatives, above which umbrella co-operative unions were set up in every district, which – like the village co-operatives – had an important political function. The co-operatives acquired a monopoly on the sale of agricultural produce and the supply of inputs. In 1976, they were replaced by semi-government organisations (parastatals) controlled from above and with the same functions. Agricultural production was stimulated in the form of campaigns, accompanied by regulations for the compulsory planting of crops. Hired labour was restricted, inter-cropping was sometimes prohibited and weeding became compulsory.

Beginning in the 1970s, Tanzania's economic growth slowly declined: 5.5% in 1965-1969, 3.6% in 1970-1974 and 3.4% in 1975-1980. Agriculture's share in total investment fell from 23% in 1966 to 13% in 1973 and some 8% during the second half of the 1970s. The principal causes of the decline in output were decreasing prices for export products

on the world market, repeated droughts, and the disrupting consequences of the villagisation policy. Agricultural price policies favoured food crops over export crops, and farmers sold their produce as much as possible through informal market channels.

The expansion and improvement of social services in the rural areas was forcefully pursued, with priority for the new villages. Policies regarding the improvement of social services were fairly successful in the initial stage, and important results were achieved in the education and health care sectors. From the mid-1970s onwards, however, there were major shortages of medical instruments and medicines, while the primary education sector suffered from too few qualified teachers and teaching materials. Maintenance of the physical infrastructure also left much to be desired (IOV, 1994).

#### **4.3 Economic liberalisation 1980-2002**

As of the end of the 1970s and in particular after the war with Uganda (1978-1980), Tanzania's economy deteriorated rapidly. Between 1980 and 1985, growth in GDP fell to an average of 1.1% per year. Government spending rose faster than its income and the foreign debt took on uncontrollable proportions. The consequences became especially apparent in rural areas, where agricultural production underwent deep crisis. As a result of import restrictions, inputs were scarce, the export of cash crops stagnated, and food production lagged behind population growth. The weak performance of various economic sectors since the mid-1970s, mirrored in the stagnation of exports and GDP growth, has had important consequences for Tanzania's balance of payment position and debt situation. In 1985 only 30% of imports were covered by export revenues. The increasing gap between exports and imports has largely been financed by foreign aid (IOV, 1994).

After a period of crisis management through unplanned austerity between 1979 and 1982, and a transition period between 1982 and 1985 during which Tanzania attempted to combine economic adjustments and its socialist policy, the country drastically changed its development strategy in 1986. The new strategy entailed a return to a market-oriented economy, sharp devaluation of the overvalued currency, and reform of the system of foreign exchange allocation. Measures included a general reduction of state intervention, the rationalisation of state industries, and liberalisation of agricultural marketing with higher proceeds for producers (Doriye & Wuyts, 1992).

Initially, economic growth increased after introduction of the economic reform policy (ERP). After the mid-1980s, food production improved at a fast pace as a result of the free



market, higher market prices and favourable weather conditions. In the early 1990s, however, food production again decreased due to lower input use caused by the abolition of subsidies and decreasing market prices, but also due to the absence of any major technological breakthrough to increase the productivity of land and labour. The average value of the six major export crops showed strongly fluctuating yields during the period 1980-1990, due to varying world market prices and the consistent dominance of government in the marketing boards. A 1992 study indicated that economic liberalisation had positively affected village economies, meaning diversification in income-generating activities (no export products), price levels and local trade, and thus the availability of reasonably priced household goods at the village level (Booth et al., 1993). In general, the performance of the Tanzanian economy was disappointing in the first half of the 1990s, however, as average growth lagged behind population growth.

From 1995 onwards, the implementation of reforms was again given serious attention: inflation rates went down from 25% to 5% per annum and structural reforms in the public sector enabled a much larger participation of the private sector. This had a positive effect on economic growth, which reached 4% in 1997 and surpassed 5% in 2001. Although foreign investment increased – with positive effects on exports (especially gold and fish) and on tourism - overall investments stayed below 20% of GDP. Agricultural growth remained below the target of 5% per annum. And although overall per capita income rose modestly, output growth in agriculture was insufficient to make an impact on rural poverty reduction.

Since the 1970s, Tanzania has been famous for its achievements in the social sector, in particular health and education. At the end of the 1970s it was claimed that three-quarters of the population lived within 5 km of a nearest health facility, and that major improvements in average life expectancy and a significant drop in child mortality rate had been realised. Enrolment rates in general education amounted to 90%, and literacy rates were claimed to be as high as 93% among the male and 88% among the female population. The economic crisis of the 1980s had a serious effect on the health and education systems. Financial constraints caused a lack of basic supplies and equipment of health facilities, while the country faced a rapid spread of Aids. In education, enrolment rates decreased and literacy rates declined. Government expenditure on education fell dramatically (from 14% of the national budget in 1975 to 7% in 1992). The downturn in health care was less dramatic, but here too expenditure decreased from 7% in 1975 to 6% in 1992 (IOV, 1994). Moreover, in both sectors expenditure was distributed unequally over the

country. For example, the bulk of expenditure on health care was spent in the towns on hospitals and curative centres aimed at those with higher incomes (Bol, 1997).

This declining trend in social services provision and social welfare did not change substantially during the 1990s. Literacy rates did not increase noticeably, and access to and the functioning of health facilities did not show significant improvement; only the supply of safe drinking water was improved.

#### **4.4 Decentralisation and local governance**

In the 19th century, social change in rural Tanzania occurred primarily as a result of external influence. The centralisation of political power was associated chiefly with the growing slave and ivory trade between the interior and the coast. Most small agricultural communities were under the authority of a village chief, who checked trade routes or created defence mechanisms against armed intruders. Although the size of political units increased under the influence of this growing 19th century trade, there were only a few large ethnic units. Therefore, when the German colonial power occupied the country at the end of the 19th century, there was little resistance. The Germans divided the country into districts and their government officials were assisted by Tanzanian secondary school graduates.

In 1926, the British administration introduced the Native Authorities Ordinance, based on the Indirect Rule system, with the British District Commissioner as representative of the national government and local traditional chiefs to exercise administrative and judicial duties at the level of the chiefdom. The major function of the chiefs was to keep order, collect taxes and set up social and infrastructural services. Under the chiefs were sub-chiefs for sub-divisions of the chiefdom and a headman at the village level. The main function of the latter was to maintain law and order, collect taxes and mobilise his people for community services, such as road construction and maintenance. As from 1950, other civilians could also be appointed by the District Commissioner and traditional chiefdoms were accepted as legal organisations. In several parts of the country, district councils were established with a gradually expanding membership of civilians other than chiefs and headmen. In 1953, the position of the traditional chiefs was confirmed by the African Chiefs Ordinance, while the Local Government Ordinance provided that non-Africans could also be included in the council.

After Independence in 1961, the chiefs were replaced by councillors, the majority of whom were popularly elected, while others were appointed by the Minister for Local Government. This situation changed in 1965 with the introduction of the one-party system. Henceforth, the chairman of the council was no longer elected; the position was filled by the party chairman in the district. The party (initially the TANU and later the Chama cha Mapinduzi or CCM) was represented down to the village level through Village Development Committees that replaced the dissolved traditional authorities. A further intensification of state control was introduced when village populations were grouped into Ten-House Cells, each with its own chairman.

In 1982, a Local Government Act was passed and a system of local governance was gradually created, although still under the leadership of the CCM until 1992. The multi-party system was then introduced and in 1998 the Policy Paper on Local Government Reform was published, specifying the design and endorsement of the local government reform agenda. Since the late 1990s, regional administration has been restructured and its role redefined, emphasising its supportive, advisory and facilitating role to local authorities. Moreover, a common basket fund has been established to facilitate donor contributions for implementation of the reform programme and a financial management guide prepared. In 1998 a separate Ministry of Regional Administration and Local Government was created and a review of training needs and arrangements for local government staff was made.

The 1982 Local Government Act was revised in 1999. The new legislation involves the devolution of powers to elected bodies, including powers to levy local taxes and the obligation of central government to supply local governments with adequate grants. In addition, the Act clarifies the relationship between central and local government, promotes openness of council decisions and makes it accountable to the population. Moreover, local governments have greater independence regarding the use of financial resources made available by national government. Finally, in 2000 the Local Government Reform Programme (LGRP) started and a special team was recruited to assist the new ministry in managing the reform process.

Main objective of LGRP is to improve the quality of and access to public services provided through Local Government Authorities (LGA), with the ultimate aim to contribute to poverty reduction. This includes (i) shifting responsibilities for managing and providing services from central to local government authorities (at district council level) and (ii)

increasing efficiency by reorganising the local administration and allowing councils greater freedom in organising their activities and managing their personnel.

A joint government-donor review of LGRP in 2001 concluded that decentralisation policy was not implemented consistently, and that progress was slower than anticipated, particularly with the inter-related reforms in the areas of fiscal decentralisation, human resources and legal harmonisation. The review led to the creation of three task forces to address the issues in these three areas. Moreover, the emphasis of LGRP changed to one of pre-qualification, whereby the reform process is implemented in those districts that meet the 'access criteria', i.e. minimum conditions in terms of organisational capacity to qualify for greater autonomy.

Major activities undertaken in the areas of fiscal decentralisation and human resources are: (i) design of a formula-based system for recurrent sector grants for national development priority areas; (ii) design of a formula-based system for capital grants – mainly aimed at investments for infrastructure – and related to this a system for capacity-building grants; (iii) analysis of financial management performance of LGAs to identify those that qualify to receive block grants and associated greater autonomy and (iv) design of an institutional strengthening programme of Regional Secretariats. Not much attention has yet been given to define criteria to appraise whether the granted autonomy results in improved and more efficient service delivery.

It is foreseen that qualifying LGAs will be granted fiscal autonomy in the second half of 2004. Support for capacity building will be provided to those that have not met eligibility criteria.

The present system of local governance is organised down to the sub-village level. Within villages there are sub-villages led by a chairperson who is elected by all adult members in the sub-village. In principle, the sub-village assembly meets monthly. There is also an assembly at the village level, i.e. a meeting of all adults ordinarily resident in the village, and an elected Village Council. This latter consist of all chairpersons of sub-villages and other members elected by the village assembly, of whom no less than one quarter should be women. The Village Executive Officer is secretary to the council and the assembly.

The village council also meets monthly.

The forum at the ward level is the Ward Development Committee (WDC) consisting of the Ward Councillor as chairperson, all chairpersons of Village Councils in the ward, and any person who is member of the district council and resident in the ward. The Ward Executive Officer is secretary to the WDC.

The District Council constitutes the highest political authority, consisting of elected members (one for each ward), Members of Parliament in the district and other appointed women members. The District Executive Director (DED), a civil servant appointed by the Ministry of Regional Administration and Local Government, is secretary to the council and has the support of technical staff. The Council may delegate responsibilities to ward committees and village councils

The District Council is responsible for the planning and implementation of development activities in the district. At (sub-)village and ward level, the planning process is a joint exercise of technical officers and elected representatives. At the district level, proposals are forwarded by the various departments to the District Planning Office and discussed by the Heads of Department meeting chaired by the District Executive Director. Subsequently, draft proposals are presented to the council committee responsible for finance and planning and later approved by the full Council (United Republic of Tanzania, Dar es Salaam, 2001a).

Thus, under the revised law, decentralisation is a comprehensive process encompassing political, financial and administrative dimensions, which allows for participatory development planning. The process is still closely supervised by the CCM, which maintains its powers in almost all districts. In numerous districts council members of the ruling party have been elected unopposed, reflecting its strong position in Tanzania.

#### 4.5 Summary and conclusions

Since the end of the 19<sup>th</sup> century rural Tanzania has experienced a process of fundamental socio-economic change. This has been characterised, among other things, by the introduction of new crops, commercialisation of agriculture, exposure to external economic forces due to the production of export crops, monetisation of the rural economy, and the provision of social services such as education and health care. The intensity of the changes has differed widely throughout the country, mostly in relation to the resource position of the various areas and their network of communications. This spatial differentiation in the process of rural change has caused considerable inequity in rural incomes. Areas with less potential in natural resources and/or those that are inadequately opened-up to other parts of the country have generally been characterised by a high degree of poverty.

After Independence in the early 1960s, the Government of Tanzania initiated a rural development policy in which agricultural commercialisation was to go hand-in-hand with wide participation of the population in development. This policy led to intensive state intervention in, and control over, production, input supply and marketing services. In addition, it caused priority to be given to communal forms of production and heavy subsidies on inputs, which were mostly supplied as grants by donors. It soon became clear that neither of the policy goals would be achieved: production stagnated, the agricultural sector de-commercialised, and rural incomes declined. During this period, social services were expanded and greatly improved, bringing better living conditions to rural areas. The economic decline in the second half of the 1970s, however, meant that these standards of social services could no longer be maintained.

Economic reforms introduced in the 1980s initially caused increased agricultural output, particularly that of food crops for domestic consumption. However, low world market prices for export crops, the absence of any major technological breakthrough to increase the productivity of land and labour, and inefficient marketing systems, hampered further agricultural output growth, with a dramatic effect on agricultural incomes and thus on poverty. Although the provision of social services has improved, partly due to increased development assistance, their sustainability depends on tax revenue based on income growth. Economic reforms have not yet led to the envisaged process of rural socio-economic change.

The post-Independence concentration of powers in the state put an end to the gradual expansion of local governance that had started in the mid-1950s. Decentralisation was taken up again in 1982, although to a limited extent and under strict supervision of the ruling party. After introduction of the multi-party state in 1992 and the publication of a Policy Paper on Local Government Reform, a more substantial Local Government Reform programme started. This included the formal devolution of powers to elected bodies, including the authority to levy local taxes, the obligation of central government to supply adequate grants for the appropriate functioning of local administration, and the creation of a common basket fund to facilitate donor support for local governance at the sector level. In practice, the process is still controlled by the dominant political party, which has maintained its power in almost all districts.

## 5 POVERTY AND GOVERNMENT POLICY IN TANZANIA

### 5.1 Poverty in Tanzania

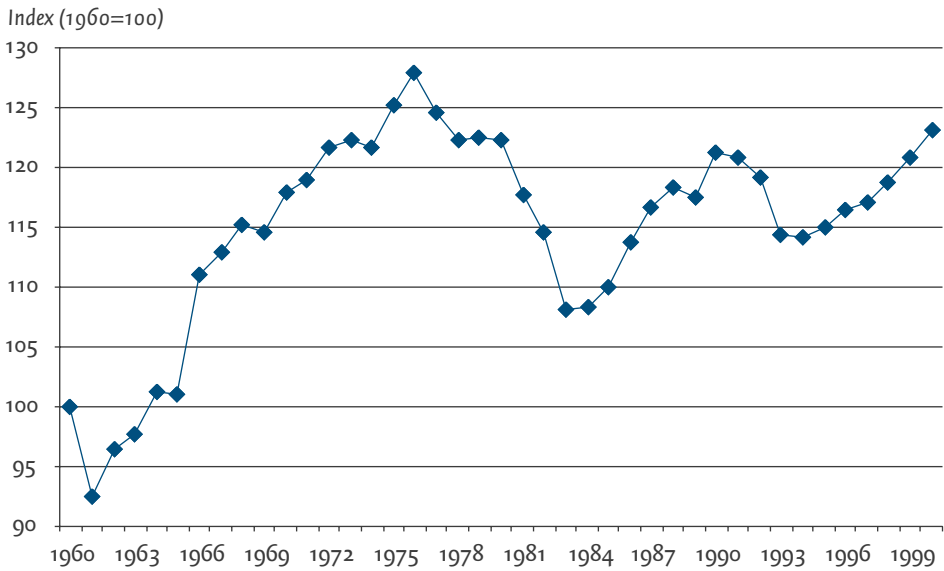
The analysis of economic change in Tanzania during the 20th century provides some information regarding the poverty situation in rural areas. It refers to improvements in rural living conditions from the end of the 19th century onwards which were related to technological innovations in agriculture and to the introduction of export crops. This resulted in higher returns, greater food security and, in selected parts of the country, to cash income from agriculture. Export crop production expanded during the first half of the 20th century and in a few areas to large-scale commercial farming by African farmers. The process was accompanied by the initiation and gradual expansion of community services, education and health facilities in particular, partly through the activities of missionary organisations, partly through government.

Since Independence, the per capita income of Tanzanians has increased marginally. Over the period 1960-2000 real income, i.e. corrected for inflation, rose by 22%, i.e. less than 0.5% per annum. Between 1960 and 1976 there was an average income growth of 2% per annum, but from then onwards a serious decline occurred and by the mid-1980s incomes were back at the 1967 level. Despite some recent improvements, per capita income in 2000 averaged US\$ 280. In other words the 1975 peak had not been regained (in real terms) and no net income growth had occurred over the past 25 years. Moreover, the average per capita income is less than US\$ 1 per day, the indicator for absolute poverty.

Income levels in Tanzania have always been influenced heavily by world market prices for major export crops, e.g. coffee, tea and cotton. The decline in the mid-1970s was caused by the end of the coffee boom, but also by the dramatic failure of socialist experiments in rural areas, villagisation and state intervention in agricultural marketing in particular. Low world market prices and the partial implementation of economic reforms, especially in the marketing of agricultural produce, explain the stagnation in the rural economy in the early 1990s.

The trend in average incomes since Independence is shown in Fig. 5.1.

Figure 5.1: Per Capita Income Growth (1960-2000)



Source: Bigsten et al., 2001

Four household surveys provide a more detailed insight into poverty trends in Tanzania over the period 1983-1995, i.e. the period of structural adjustment of the economy and economic reform. These surveys suggest higher incomes than the official statistics for GDP per capita, and indicate a growth of average household income and expenditure during the decade. However, the declining incidence of poverty showed some stagnation in the early 1990s. The surveys confirm that poverty is still largely a rural phenomenon: rural households account for 92% of the poor. The most recent household survey (2000/01) provides a good indication of what happened to poverty during the 1990s by comparing the results with the outcome of the 1991/92 survey.

Table 5.1. shows results for rural and urban areas in the country, whereby the poor were defined as people whose income was insufficient to satisfy minimum basic needs (close to US\$ 100 p.p.a. in 2000/01).

It is clear that only a modest decline in poverty occurred during the 1990s, largely caused by a remarkable improvement of income and living conditions in Dar es Salaam. In rural areas, where most people still live, poverty reduction was indeed very minor. The share of rural people living in poverty remained the same, 87% in 1990 and 2000, with four



Table 5.1 Poverty changes during the 1990s

	Total	Rural	Dar es Salaam	Other Urban
The poor (as % of population):				
1991/92	39	41	28	29
2000/01	36	39	18	26

Source: Household Budget Survey, 2000/01

regions (Lindi, Mara, Singida and Shinyanga) being worst of. Poverty levels are related strongly to the education of the head of household: the less educated, the poorer. Farmers are also poorer than other professionals or artisans, as are women compared to men. The poor also benefit less from social services than others.

Further insight into the poverty situation may be obtained from several social indicators reflecting health conditions, literacy, and access to education facilities and to drinking water supplies. Table 5.2 shows long-term trends for some social indicators.

Table 5.2 Trends in Social Indicators during the period 1960-2000

	1960	1970	1980	1990	2000
Adult Literacy Rate (% population over 15 years)	10	33	79	70	71
Net Primary School Enrolment (% school-going children of age groups)	25	35	53	48	59
Life Expectancy (at birth) (Years)	42	46	52	54	50
Infant Mortality Rate (per 1000 live birth)	152	129	101	105	100
Access to Safe Drinking Water (% population)	25	35	53	46	55

Source: Various Human Development Reports (UNDP) and World Development Reports (World Bank)

The most recent household budget survey includes further details of social change and access to community services during the 1990s (Table 5.3).

It appears that Tanzania's early record in social development was quite impressive. Until 1980 all major education and health indicators improved noticeably from the 1960 levels.

Table 5.3 Changes in Social Indicators during the 1990s

	1991/92	2000/01
Adult men with any education (%)	83	83
Adult women with any education (%)	68	67
Adults literate (%)	70	71
Primary net enrolment ratio	53	59
Children aged 7-13 years going to school (%)	57	61
Secondary net enrolment ratio	5	5
Households within 2 km of a primary school (%)	66	63
Households within 6 km of a primary health unit (%)	75	75
Households with a protected water source (%)	46	55
Households within 1 km of drinking water (%)	50	55

Source: Household Budget Survey 2000/01

During the 1980s, however, stagnation began, causing a decline in educational achievements, a no longer improving infant mortality rate, and reduced access to safe water. Stagnation continued during the 1990s, except for a very recent primary school enrolment increase and some improved access to (safe) drinking water. Life expectancy has even declined as a result of the devastating HIV/AIDS crisis, thereby returning to the pre-1980 level. Enrolment in secondary schools remained at a very low level (5%) throughout the period, worse than in other African countries, and is only now increasing gradually as a result of private schools.

The combined effect of the various indicators shows a dismal poverty reduction record. Improvements across the board occurred until 1980, but then incomes started to decline, later followed by stagnation and a decline in social services. Only recently (since 1995) have some improvements again become visible, be it very gradually. And what applies to incomes is also relevant to social indicators: the poor always score worse than the rest of the population in terms of access to, and use of, social services.

In Tanzania, two development agencies have conducted surveys of how the poor think about poverty (so-called participatory poverty assessments). The report *Voices of the Poor*, involving 6000 people in 87 villages, revealed differences in perceptions of poverty among different categories of the population. It is striking that the poor do not define their main

problems in terms of (low) incomes. Much more important, in their opinion, is access to productive resources such as land, agricultural inputs and production-oriented services. According to the study, the poor give priority to secure land rights, the availability of agricultural inputs, credit and useful technology, good transport, access to markets, and possibilities for saving. *Voices of the Poor* also demonstrates the important role of “social capital” (trust, unity, participation) in successful developments at the village level (World Bank, 2000).

In a 1997 UNDP study about local human development, with field surveys in eight villages in Shinyanga Region, the poor in rural Tanzania are characterised by their dependence on subsistence agriculture. They live in the more remote parts of the country with low rainfall and less fertile soil. Only cash crop producers, a mere 37% of rural households, seem to have benefited from the post-1985 liberalisation of the economy. Poor households are also characterised by a higher dependency rate and lower levels of education. While female-headed households on average do not seem to be poorer than male-headed ones, the UNDP study states that they perceive themselves generally as being poorer. The people emphasised social insecurity, weak social services and gender inequality as factors that contribute significantly to poverty. Cultural thresholds (e.g. unequal access to land and capital at the household level), weak governance, lack of funds and poor infrastructure were also mentioned as obstacles to development (UNDP, 1997).

The views of Tanzanians about poverty are related to the way of life of the groups in question. Material and non-material dimensions both form part of their perceptions, as well as temporary and permanent characteristics.

In another study (Luwaitama et al., 1995) two types of prevailing “discourses” regarding poverty are distinguished: *fatalist* and *optimist*. The fatalist discourse involves an apparent resignation to the predominant definition of the poor by non-poor, as those who lack ‘inbred’ characteristics enjoyed by the non-poor: clever, lucky and hardworking. In the optimist discourse, there is resistance to being called poor, a notion that is only deemed applicable to those who are lazy, stupid, extravagant or insane. In this connection, it is interesting to note that many women feel that men who squander the family income on alcohol cause poverty in the family. The poor tend to consider those people as poor whose social circumstances are desperate (widows, orphans, the homeless and landless, those who fail exams, give up and live as underdogs). The lack of children and husbands is also considered a sign of poverty.

According to this study, women tend to be less fatalistic and more optimistic than men, and rural residents also seem less fatalistic than townspeople. Obviously, optimistic people seem more capable of fighting for poverty reduction than the fatalists. To the poor, the only ones that are poor are those who have given up the struggle for better, especially materially better, living conditions (Luwaitama, 1995).

## 5.2 Poverty and government policy 1961-2002

After Independence, the Government of Tanzania put a high priority on poverty alleviation. Together with ignorance and disease, poverty was considered to be one of the three “enemies of development”. In line with the view current in the 1960/70s about the role of the state in development, state interventions were initiated to reduce prevailing economic and social inequalities. Government policy therefore focused on establishing state enterprises in the agricultural and industrial sectors, and on the construction and improvement of health facilities, schools and water supply systems. In remote rural areas, the dispersed population was concentrated into *Ujamaa* villages in order to facilitate the provision of such services.

State control over the economy did not bring about the anticipated increases in production, however. Decreasing world market prices and poorly functioning marketing services reduced farmers’ incomes and resulted in a downturn of the rural economy. In turn, this endangered the maintenance of community services; the ultimate effect was a decline of those services, a deterioration of the living conditions of the population, and an increase in rural poverty.

During the period 1980-1995 an explicit poverty reduction policy did not exist. The severe economic crisis and the fall in development aid forced the Government of Tanzania to reduce public expenditure and, after 1985, to initiate economic reforms. Policy then focused on macro-economic issues such as an appropriate exchange rate, foreign exchange earnings, macro-economic stability and the reduction of inflation, privatisation and market liberalisation. Some attention was also given to the rehabilitation and maintenance of basic social services. In general, therefore, government was preoccupied with crisis management and economic reforms rather than with a comprehensive poverty reduction policy.

In its economic reform policy, the Tanzanian government deployed three instruments to redistribute income: taxes, trade regulation and credit facilities. The results were not always favourable to the rural population. A significant portion of collected taxes was

used for debt repayment, recurrent expenditure in the social sector (salaries of teachers and health personnel), and for keeping the destitute industry on its feet. At the same time, government expenditure on the agricultural sector decreased, which must have had significant consequences for productivity and poverty in the rural areas. Trade liberalisation positively affected the income from export crops and credit arrangements increasingly became available for the private sector. As this involved only a small number of farmers, however, it did not have any positive effect on rural poverty. Moreover, the effectiveness of several safety net programmes for poverty reduction was restricted due to official minimum wage regulations and the lack of any explicit targeting of the poorest groups in society (Bol, 1997; Voipio & Hoebink, 1999).

In 1995 the Government of Tanzania established a task force consisting of experts from government and civil society to design a long term vision for the country's development. The group designed Vision 2025, an ambitious strategy with long-term macro economic and sector goals, including an economic growth rate of 8% per annum. With this target in mind, a National Poverty Eradication Strategy was designed which aimed at halving absolute poverty by 2010 and eradicating abject poverty by 2025.

In an effort to strengthen ownership of the development process, a Tanzania Assistance Strategy was formulated to co-ordinate national and international (donor) efforts towards poverty eradication. Moreover, as a result of a new Highly Indebted Poor Countries (HIPC) initiative for debt reduction, a Poverty Reduction Strategy Paper was formulated in 1999/2000. This means that only since very recently, Tanzania has had a comprehensive national strategy for poverty alleviation. (URT, 2000)

The government's current policy concerning poverty alleviation is outlined in this paper. It concentrates on efforts aimed at (a) reducing income poverty, (b) improving human capabilities, survival and social well-being; and (c) alleviating the extreme vulnerability of the poor.

Reducing income poverty will be pursued through sound macro-economic policies and by intensifying the implementation of reforms for increased marketing efficiency, particularly in agriculture, reforms aimed at promoting export-oriented expansion and diversification, and efforts to raise investment (from 15% to 17% of GDP). The improvement of human capabilities, survival and social well-being will focus on the rehabilitation of existing structures and raising the quality of services on offer. A crucial factor is the abolition of primary school fees to ensure that children from poor families in particular will have access to basic education. Local communities are expected to play a major role in identi-

fyng the needs of vulnerable groups, which will then be addressed by existing government programmes and by enlisting the involvement of donors (United Republic of Tanzania, 2001a). The Tanzanian Government intends to restrict its financial intervention to the following priority areas: (basic) education, primary health care, rural roads, agriculture, (drinking) water, the legal system and combating HIV/AIDS.

In line with the PRSP, public expenditure in priority sectors expanded from 20% of total expenditure in 1998/99 to over 30% in 2000/01 and to almost 45% in the 2001/02 budget. To a large extent, however, this only rectifies a downward trend in the recent past: for 2002 social sector spending will only be 4% of GDP, whereas it was 6% during the early 1980s and also 4% during the early 1990s. Within priority sectors, some shifts towards pro-poor items like primary education, primary health care and rural roads are also planned.

Table 5.4 below gives some details about public expenditure in health and education, priority sectors of PRSP and concentration sectors for Dutch assistance to Tanzania.

Table 5.4 Government expenditure in the social sectors (TSH bn/1995 prices)

	90/91	91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00
Recurrent Budget	515	542	481	578	521	472	505	562	560	581
Of which:										
- Education	39	48	45	56	52	51	36	66	95	107
- Health	29	35	28	36	49	42	19	25	49	51

Sources: W.B., Country Economic Memo, 2001, Vol. 2

As poverty is largely a rural phenomenon, the Tanzanian Government has designed a special Rural Development Strategy (December 2001), the overall objective of which is to provide a framework for the implementation of sector policies concerned with the development of rural communities. It is stressed that rural development is largely dependent on the growth rate of agricultural production. The increase of rural incomes through improving the productivity of smallholders, pastoralists and non-farm enterprises is therefore at the centre of the strategy, which includes intensifying and commercialising

smallholder agriculture. The provision of basic infrastructure and services is considered both as essential for rural communities and as a pre-condition for rural economic growth. It includes access to assets such as education, health, land, financial services and markets, and ensuring sustainable management of the natural resource base. The strategy has been worked out in an action plan and is complemented by an Agricultural Sector Development Strategy (ASDS) (URT, 2001b).

The primary objective of the agricultural strategy is to create an environment conducive to increasing agricultural productivity, to improve farm incomes and reduce rural poverty, and to attract private investment. Interventions are focused on four key areas: (i) strengthening the institutional framework for agricultural development, (ii) creating a favourable climate for commercial, agriculture related, activities, (iii) improving support services by the public and private sector, and (iv) strengthening market efficiency for agricultural inputs and outputs. Implementation of the strategy will be pursued through District Agricultural Development Plans (DADP). ASDS remarks, however, that this is hampered by the non-existence of DADPs for most districts, and that agricultural planning at the district level is an underdeveloped area (ETC, 2001).

Tanzania is highly dependent on donors for the implementation of the rural and agricultural development strategies. An inventory has thus been made of on-going and pipeline projects in the agricultural sector in order to establish their consistency with ASDS. Area-based programmes, such as DRDP, are included in this inventory insofar as support is provided to agriculture and livestock development. Usually, such programmes represent a combination of institutional strengthening, support of basic services and group formation, and participatory planning.

It appears from the inventory that the World Bank and IFAD are by far the largest funding agencies, together covering more than half of total commitments. The Netherlands is included among major donors. The majority of donor projects deal with the delivery of support services and most have a component of institutional strengthening. Many projects focus on production rather than on productivity and profitability. The inventory does not make any specific references to the strategy's role in, and potential for, poverty reduction, but the rural development strategy sees agricultural growth as the crux of rural development and rural poverty alleviation (ETC, 2001).

In 2003, the Advisory Council on International Affairs (AIV), an advisory body for the Dutch government and parliament, made an analysis of the poverty reduction strategies

in three priority countries for Dutch aid in Sub-Saharan Africa: Ethiopia, Tanzania and Uganda. For Tanzania the AIV report observed that the country's policy with regard to poverty reduction is unclear and that only a small proportion of public expenditure is reaching the poor. Moreover, strategies for promoting development are said to be missing, while also more attention is needed for the productive sector, especially agriculture. The report concludes that Tanzania's PRSP is characterised by a focus on the social dimension of poverty, remarkably little attention for the economic dimension, and a narrow view on the political dimension, which is limited to the need for institutional change rather than the social and political emancipation of the poor (AIV, 2003).

### 5.3 Summary and conclusions

Tanzania is characterised by persistent poverty. Measured by changes in income and the provision of social services, there have been only marginal improvements in the poverty situation over the past 40 years. Since Independence, average per capita real income has hardly increased, i.e. less than 0.5% per annum, and present real incomes are below those of 1975. There are two main reasons for this: low world market prices for the country's main export crops and ineffective government policies. The lack of agricultural diversification meant that low world market prices continued to play an important role and the vulnerability of the rural economy has not been reduced. Social indicators show a similar trend: an improvement of the situation during the 1960s and 1970s and a subsequent decline. Since the mid-1990s an upward trend in the distribution and quality of community services has again become visible.

There is a definite gap between the indicators used for poverty measurement by government and the donor community, and the perception of the population. The poor do not define the basic problems underlying poverty in terms of income. Instead, they emphasise the importance of access to, and control over, productive resources: land and land rights, inputs and production-oriented services, and the social insecurity that results from their absence. In other words, the poor emphasise the underlying socio-political factors of rural poverty. In their perception, conditions are unfavourable for earning an income and services provided by government and the private sector are highly inadequate.

The crucial factor in the combating of rural poverty, at least in the short term, is enhancing the effectiveness of government policies. With the advantage of hindsight, it must be concluded that Tanzania's policies towards poverty alleviation have been quite ineffective.



Up to the mid-1980s policies were characterised by heavy state intervention in economic and social life and a strong focus on the expansion of freely-provided community services. As state control over the economy did not bring the expected benefits in economic growth and income increases, and donors discontinued their support for Tanzania's development model, however, social services could no longer be maintained and living conditions therefore started to deteriorate.

Subsequent economic reform policies lacked any explicit poverty focus, as did development aid strategies, and the presumed advantages of market liberalisation did not materialise for large segments of the population, particularly in the rural areas. In other words, government's economic reform policies did not create an enabling environment for agricultural production growth that could lead to reducing rural poverty. Only since the mid-1990s, encouraged by donor incentives for debt reduction, has Tanzania formulated a comprehensive poverty reduction strategy. This has been worked out in detail for rural areas and the agricultural sector in separate policy papers; implementation has hardly started, however, and investments necessary to execute the strategy depend almost entirely on donor funding. Moreover, the political dimension of the poverty reduction strategy lacks attention for the social and political emancipation of the poor. It remains to be seen, therefore, how Tanzania's good intentions will materialise in practise and what the effects will be on the poverty situation.

The elaboration of a reform policy for rural areas is in itself an important step. Poverty in Tanzania is chiefly a rural phenomenon and poverty levels are strongly related to the education of the head of household. In addition, women are poorer than men and the poor benefit little from social services. Geographically the poorest groups are concentrated in remote parts of the country with low and erratic rainfall and less fertile soils, and are dependent largely on subsistence agriculture. In such areas the potential for achieving higher incomes through raising productivity and profitability in agriculture is therefore very limited.

Nevertheless, these are the principal objectives of the agricultural strategy. Key interventions mentioned in the strategy include improving agricultural support services and strengthening marketing efficiency, corresponding with the priorities perceived by the population. To achieve higher productivity, implementation of the strategy requires area-specific interventions, which take account of resource potential and the poor's access to productive resources, and technological innovations. The strategy underlines the crucial role of district agricultural plans in achieving rural development objectives, but acknow-

ledges that their design is seriously flawed by institutional weaknesses at the district level. This implies that donor support to organisational strengthening at the district level may help in the effective implementation of government's rural development policy. This can only be feasible, however, if public investments lead to a production environment that encourages local producers to introduce technological innovations that will increase their land and labour productivity.

## 6 DUTCH AID AND POVERTY ALLEVIATION IN TANZANIA

### 6.1 Background

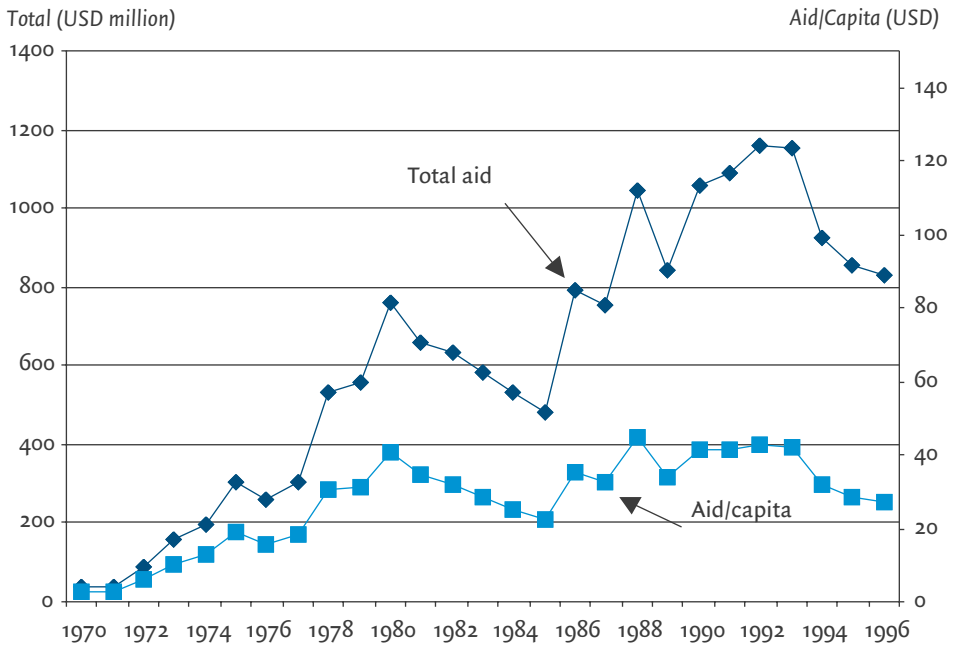
Since becoming independent in 1961, Tanzania has been the recipient of substantial volumes of foreign aid, estimated at almost US\$ 13 billion over the period 1970-1992 and accounting for over 80% of net official inflow of external capital. From 1993 to 2000, official foreign aid averaged US\$ 1,016 million a year, giving a total of about US\$ 21 billion since 1970. The terms of the aid given to Tanzania have been quite favourable: about 75% of the aid flow consisted of grants; the grant component increased from 50% in 1970 to over 95% in 1990, decreasing after 1993 to almost 70%. Including the grant element in loans, the country received over US\$ 18 billion in grants between 1970 and 2000. Bilateral aid dominated the package throughout the period: close to 90% around 1980 with a gradual decline towards 70% thereafter. Aid fluctuated over the years in accordance with the confidence that donors had in Tanzania's development policies, as indicated by Fig. 6.1

The significance of foreign aid for the Tanzanian economy is thus enormous. Up to the early 1990s two-thirds of imports were financed with external aid, 80% of the development budget, and almost 40% of the current government budget. Since 1990 Official Development Assistance (ODA) has fallen sharply, from 30% of GNP to 12.5% in 1998. ODA represented US\$ 46 per capita in 1990 and US\$ 31 per capita in 1998; and around the year 2000 total aid dropped to US\$ 500m per year (Bigsten et al., 2001).

The sector orientation of aid changed over time. In the 1960s and early 1970s, most project assistance was directed towards the agricultural and transport sectors. During the second half of the 1970s, the focus of development assistance to Tanzania shifted from agriculture towards industry and energy, although the Nordic countries in particular continued to support the social sectors and rural development. Figures for the late 1980s and early 1990s indicate transport and industry as being the main sectors for foreign aid, together receiving almost half the total aid flow (IOV, 1994).

More important than sector-wise changes is the shift from project aid to programme assistance, especially after the introduction of the Economic Reform Programme in the

Figure 6.1: Aid to Tanzania 1970-1996



Source: Bigsten et al., 2001

early 1980s. Programme assistance comprised commodity import support to make better use of existing production capacity, particularly in the industrial sector, and general macro-economic support that was largely channelled through the World Bank. Programme aid was primarily aimed at restoring economic growth and, therefore, only indirectly at alleviating poverty. In sum, it is striking that only a limited share of total aid was allocated to direct poverty alleviation in rural areas, including education, health and drinking water supply. Because of severe criticism of the WB’s emphasis on the economic character of Structural Assistance Programmes, special programmes were designed to reduce the disadvantages of structural adjustment for the poor.

To what extent did the massive foreign aid help to alleviate poverty? A comparative study of several Tanzanian programme evaluations by various donors, undertaken during the early 1990s, shows that project aid and macro-economic support did not bring the

intended results in terms of economic growth, improved income distribution and poverty alleviation. With regard to project aid, it is noted that projects suffered from hasty preparation, were too large and too complex, were beyond Tanzanian managerial capability, lacked adequate manpower, and were insufficiently supported by the Government of Tanzania. Therefore, they had a low economic rate of return, and a high failure rate. Macro-economic support or programme aid, although less donor-driven, was geared towards a relatively small number of private firms and (semi-)state enterprises, chiefly in the industrial sector and located in the main towns, especially in the capital. This aid had little effect on rural areas, where most of the poor are living (Bol, 1995).

A more recent study that focused on the approach to, and effectiveness of, European project aid for poverty reduction in Tanzania reaches conclusions more directly related to poverty reduction:

- (i) available statistics seem to contradict that donors have contributed a substantial volume of aid to poverty reduction projects, including those in rural development, education and health;
- (ii) project objectives were mostly expressed in terms of income increases, improvement of well-being or a move to sustainable livelihood, rather than in terms of poverty reduction. Also most projects and programmes seemed to have little idea about their impact on poverty reduction;
- (iii) the larger percentage of donor supported programmes oriented towards income-generating activities for poverty reduction are the multi-sector integrated rural development programmes or district rural development programmes (Voipio & Hoebink, 1999).

## 6.2 Poverty alleviation in Dutch assistance to Tanzania

Tanzania is by far the largest recipient of Dutch aid in Africa. During the 1960s and early 1970s the aid volume was fairly modest and provided on an ad hoc basis. In 1970 Tanzania became a priority country for Dutch bilateral aid and the aid flow increased spectacularly from an average of US\$ 7 million (NLG 20 million) per annum to US\$ 45 million (NLG 100 million) in the second half of the 1970s. It further increased to US\$ 65 million (NLG 180 million) in the early 1980s, subsequently decreasing to US\$ 45 million again in the early 1990s. During the 1990s, the aid volume fluctuated between US \$ 45 and 55 million (NLG 80 and 100 million). All in all, Dutch aid to Tanzania totalled no less than US\$ 1450 million, or NLG 3200 million, up to 2002.

Over time, the sector-wise distribution of Dutch aid has changed significantly. Between 1970 and 1990 the proportion made available to the manufacturing sector almost doubled from about one-third to over 60% of bilateral aid. This change was closely related to the increase of macro-economic support. The share of the agricultural and livestock sectors was reduced from 20 to 10%. Over the period almost one-quarter of all aid continued to be channelled to the social sectors (education, health, water and community development).

The shift from project to programme aid during the period 1970-1990 and from agriculture to industry also caused a geographical bias towards urban centres. It was estimated that almost two-thirds of all Dutch aid went to urban areas, the capital Dar es Salaam in particular. Only one-third was focused directly on the development of rural regions where the vast majority of the country's population lives (IOV, 1994).

The effectiveness of Dutch bilateral aid for poverty reduction was assessed in the IOV country programme evaluation of 1994. The report concluded that:

*During the 1970s and 1980s Dutch development aid to Tanzania was only to a minor extent orientated towards direct poverty alleviation and the basic needs of the population. Less than 20% of all bilateral aid was focused on this main objective of Netherlands development assistance. It was mainly pursued through rural development projects. These projects were of two types: those promoting economic opportunities for the poor and those delivering social services (education, health and drinking water) to the poor. The results of the production-oriented projects primarily benefited those households that had adequate productive resources at their disposal. In some programmes, special measures were taken to enhance the opportunities for the poorer segments of the population. The severe economic crisis of the 1980s seriously affected the level of social services: facilities could not be maintained and basic supplies and equipment were lacking. The drinking water programme clearly shows the dilemma between improving social services for the poor and the cost recovery principle. In sum, Netherlands development co-operation with Tanzania contributed little towards direct poverty alleviation, partly due to the meagre budget earmarked for it and partly owing to the low effectiveness of poverty-oriented programmes (IOV, 1994).*

Since the evaluation of the country programme in 1994, Dutch development assistance gradually became concentrated on a limited number of sectors and regions. Support to the cotton and sugar sectors and assistance to state industries was terminated. Macro-economic support continued to be important during the 1990s but was accompanied by a

gradual expansion of aid to district development programmes with a focus on rural development. In 2000, there was a more drastic change in the aid programme following adoption of the sector approach in Dutch development co-operation. After consultation with the Government of Tanzania, the Netherlands decided to concentrate its support on four sectors: Education, Local Governance, Health, and the Private Sector. The poverty focus formed a major criterion in the selection of these sectors. The district development programme was included as part of the support to Local Governance, and it was assumed that emphasis on decentralisation and participation of the local population in decision-making, as well as the delivery of services, would contribute to poverty reduction. After lengthy discussions with experts and the pertinent ministry, agriculture was excluded from sector support against the preference of Tanzania. Main arguments of the Netherlands for not selecting agriculture were the deficiencies in the institutional and policy framework, while it also felt that the agricultural sector would be better served by incentives through local governance and the private sector (RNE, 2000, Annex 4). In 2003 some further changes in the Dutch aid programme for Tanzania are emerging: a decrease in the volume of bilateral aid in the order of 30%, a reduction of the number of sectors supported and, as a consequence, some uncertainty about the magnitude and nature of Dutch support to local governance.

The selection of the social sectors of education and health and the continuation of the district development programmes under the heading of local government support indicates greater orientation towards direct poverty alleviation after 2000. Consecutive annual reports of the Netherlands Embassy since the late 1990s emphasise the aid programme's orientation and the range of inputs towards poverty reduction, but do not contain any information on concrete results. Instead, the annual report for 2002/03 states that "it is considered of utmost importance to refocus RNE's interventions around three strategic areas (good governance, institutional reform and pro-poor and equitable development policy) within the general context of poverty reduction." Recent annual reports also mention that the effects of Dutch support for poverty alleviation should primarily materialise through improved Tanzanian development policies. In other words, present Dutch aid policy focuses on contributing to an enabling environment for poverty reduction. Therefore, the relevant question in the framework of this evaluation is whether or not the district development programmes indeed helped to alleviate poverty.

### 6.3 District programmes as a tool for poverty alleviation

District programmes in Tanzania are a sequel to the earlier integrated rural development projects (IRDPs, in Tanzania known under the name of RIDEPs), which were highly popular among donors in the early 1970s. IRDPs were a specific type of area-based development projects, with the following main characteristics:

- the multi-sectoral nature of activities supported, usually implemented by several agencies;
- the explicit reference to poverty alleviation and to the rural poor as the main target group;
- the emphasis on local participation and mobilisation of the target group;
- the limitation of the geographic scope of intervention primarily to administrative areas, districts in particular.

In general, such area-based development projects were considered a failure. Several evaluation studies reached similar conclusions with regard to low effectiveness and the lack of sustainable results. Results were particularly disappointing in Sub-Saharan Africa. By the mid-1980s, they were held 'in extremely low repute' by many donors (Conyers et al., 1988).

Most IRDPs in which the Netherlands was involved as a donor sought to accelerate the development of backward and resource-poor regions. Weak institutional capabilities on the one hand, and complex and ambitious development assistance plans on the other, meant that IRDPs often showed a relatively high donor influence in their design and implementation. Most were given assistance for a long period, i.e. for more than 10-15 years. Despite this long-term support, the assistance was often characterised by a strong fragmentation of activities, short commitment periods and frequent extensions, and disappointing results (Sterkenburg and van der Wiel, 1999).

The district development programmes, which started in the mid-1980s, show many similarities to the earlier IRDPs: in poverty orientation, in geographical scope, in focus on people's participation, and in the multiplicity of activities supported. They are much more inter-linked with decentralisation, however, and with attempts to strengthen institutions at the lower echelons of government administration. Decentralisation includes the participation of the private sector and the strengthening of civil society. These new area development programmes, therefore, have shifted the focus towards a more wide-ranging development approach which takes account of all actors in the development



process rather than concentrates on government alone (Sterkenburg & Van der Wiel, 1999).

The reasons for the Netherlands to become involved in district development programmes in Tanzania in the late 1980s were threefold:

- (i) to provide more support for rural development;
- (ii) to support the newly (re-)created Local Government Authorities in the hope that aid could be brought closer to the people through these institutions rather than through central government;
- (iii) to concentrate Dutch aid in particular areas, preferably where it already supported sector projects (Bol, 1999).

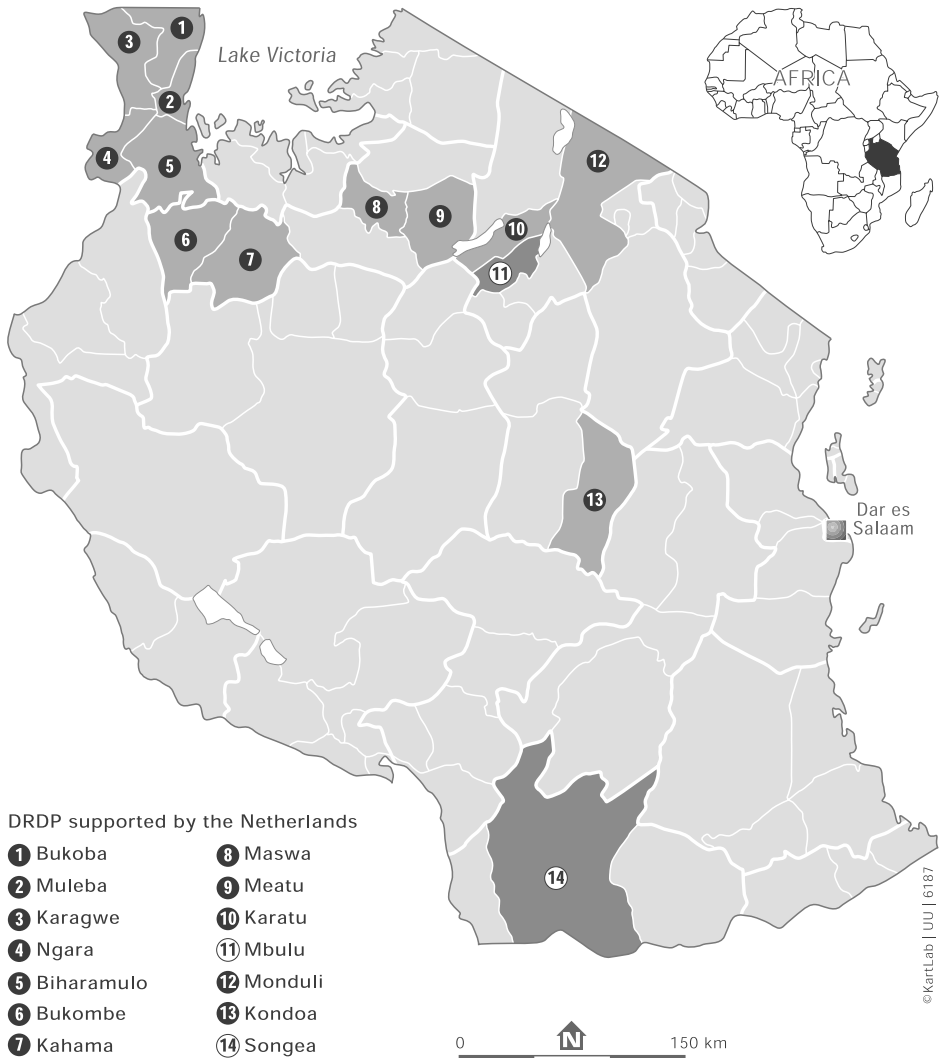
The overall aim of District Rural Development Programmes was to increase the income of farm households and to improve the living conditions of the rural population. At a later stage, this general aim became “to improve the well-being of the rural population in a sustainable way”. This change in the overall aim reflects the shift of emphasis to social services rather than to income-earning activities and related levels of living. More specific objectives were formulated for the individual districts included in the programme and for the various phases of implementation.

The programme started in 1987 in four districts: Mbulu, Bukoba, Maswa and Meatu, but was gradually expanded to fourteen districts at present (see map 1). Total expenditure in the period 1987-2001 increased gradually together with the incorporation of new districts from US\$ 0.6 million per annum in the 1980s to 3.7 million at the beginning of the 1990s, reaching 11 million in 1998. From then on a fairly significant decline occurred to US\$ 6.2 million per year in 2001. Financial assistance to DRDPs remained more or less constant during 1997-2002 if expressed in Tshs. Over the period 1987-2000 expenditure on DRDP equalled some 10% of total Dutch development assistance to Tanzania.

A recent review has observed that there were major variations in total funding among districts. In addition, the gap between the budgeted and actual expenditure was quite large but had improved markedly over the period. Finally, per capita expenditure varied significantly from district to district, whereby districts with smaller populations appeared to have higher per capita expenditure (RNE/SNV, 2000).

In strategy and approach, DRDPs were to be characterised by flexibility rather than by blueprints. After a brief period of orientation, multi-sectoral development plans were written by DRDP staff in co-operation with district planners, including financial paragraphs for donor support. Starter activities were to be identified by the district

Map 1 DRDP supported by the Netherlands



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administrations and focused on three broad categories: improvement of physical infrastructure, increase of agricultural production, and strengthening of institutions. The latter focused on government staff in the district, planning staff in particular, but also comprised non-governmental and voluntary organisations. The DRDP opted for a low input of expatriate personnel, namely one co-ordinator per district, formally operating in an advisory position to the District Executive Director. Later, additional staff were added in a few districts for specific tasks. The low input of expatriate staff was meant to enhance the role and responsibilities of Tanzanian district officers, to create favourable conditions for intensive popular participation, and to increase the sustainability of programme results.

Most expatriate staff were employed by the Netherlands Ministry of Foreign Affairs and aid was managed directly by the Netherlands Embassy (RNE). In three districts the programme has been contracted out to the Netherlands Development Organisation SNV, whose approach differs somewhat from the bilateral programme: it starts activities in one division or sub-district within the selected district and gradually expands them to other divisions. It provides more support staff, including a financial controller to improve financial management, and a technical adviser for agricultural and environmental conservation activities.

Initially, districts were selected on the basis of criteria such as type of farming system, agricultural development potential, including possibilities for environmental conservation, development potential of rural smallholders, and access to markets. Later, other criteria were also applied, such as location in the same region and seriousness of the refugee problem.

The initial criteria reflected the emphasis on sustainable agricultural production growth, which was also an important consideration in sector-oriented projects such as Farming Systems Research and Smallholder Dairy Development. In the early 1990s, emphasis shifted towards the social services, partly as a result of a change in Dutch development co-operation policy, partly as a reaction to preferences of local politicians and government departments in the districts, eager to share in the benefits of donor funding. In addition, this shift corresponded with the tendency towards greater ownership in Dutch aid. Also there was a link with Dutch project aid such as drinking water supply in Shinyanga. Support to social sectors in DRDPs was further encouraged by the appointment of sector specialists on health and education in the Netherlands Embassy.

Project advisors in the various districts had a fairly high degree of autonomy in advising about planning and expenditure, which generally led to a widening of the range of activities supported and greater differentiation in the nature of programmes for individual districts. In the mid-1990s, RNE started an attempt to streamline the programme in the various districts. Regional co-ordinators were appointed, the district administration rather than the expatriate co-ordinator became responsible for financial management, Dutch funding became integrated in overall district development planning, and the programme was made instrumental to the reform of local government. When the Local Government Reform Programme began in earnest in 1999, the Netherlands signed an agreement with Tanzania to facilitate the reform process. By the end of the 1990s the Dutch aid programme for Tanzania was limited to four sectors, and DRDPs were incorporated into sector support to Local Governance.

The selection of local governance as a priority sector in Dutch aid to Tanzania had several implications for the DRDPs. Firstly, it incorporated the support to individual districts in a wider institutional framework encompassing macro- meso- and micro-level organisations. This is expected to facilitate linkages between local authorities and civil society, as well as the effective use of resources geared towards local development. Second, the focus has shifted from the implementation of activities for rural development to institution building for a broad range of stakeholders. The central level is supported through participation in basket funding, technical assistance to the Ministry of Regional Administration and Local Government, the reform team, and the Association of Local Authorities in Tanzania (ALAT). At the meso-level, districts receive block grants to assist in the implementation of district development plans. At the micro or community level support is directed towards the strengthening of civil society and people's participation. Third, the programme supports the funding of activities through District Development Plans, which may enhance Tanzanian ownership of the programme. And fourth, the sector support to local governance provides opportunities to integrate thematic priorities of Dutch development co-operation policy (good governance, institutional development, environment, gender and poverty alleviation) at the operational level.

DRDPs have frequently been evaluated: sometimes covering a single district, sometimes a set of districts, and sometimes all districts supported under Dutch development aid.

In 1990, an evaluation mission concluded that little could yet be said about the effects of DRDPs with regard to the increase of rural incomes and the improvement of rural living conditions. The mission recommended that more attention be given to the main income

sources of the various districts and to priority for investments in the productive sectors (CDP, 1991).

A subsequent evaluation in 1994 observed that DRDPs approached the poverty reduction objective by giving priority to the creation of an enabling environment: improvement of physical infrastructure and training of manpower. The report concluded that, although DRDPs had a clear orientation towards the rural poor, they contributed only marginally to the direct alleviation of poverty and to raising standards of living (IOV, 1994).

In yet another evaluation in 1999, the conclusion with regard of poverty alleviation was that:

*DRDPs reach only a limited number of poor villages and/or poor people, and in general there has been no effort to identify the poor in particular and to target activities towards them. Road rehabilitation has focused on potentially non-poor zones with relatively sizeable surpluses of marketable crops, and other interventions have discriminated little among participants, apart from those community development efforts directly channelled toward women(groups). Since the vast majority of rural households is still considered poor, and taking into account the potentially more relevant (but indirect) anti-poverty effects from rural growth, this non-discrimination is probably less harmful than it may seem.*

In addition, it was concluded that no real technological breakthrough had occurred, i.e. sizeable yield increases in agriculture in line with development potential, and that the rural population had benefited more from macro-economic policy changes than from DRDP activities, although several activities were instrumental in capturing some of the benefits, e.g. road rehabilitation and improved district planning (Bol, 1999).

The above evaluations concerned the four districts that had been included in the Dutch-supported aid programme from the very beginning. In 2000, the effects of reforms (including the Local Government Reform Programme of 1997), were evaluated for all fourteen district programmes supported by the Netherlands. This mid-term review was preceded by a so-called Facilitated Self-Assessment for each district. The picture that emerges from the evaluation report can be summarised as follows:

- Democratic structures are in place, both political and administrative, but they have been introduced from above. In almost all districts CCM has dominated the process and councillors have been elected through the CCM party system, often unopposed. These councillors chiefly promote party interests and are less ardent when it comes to

representing the interests of their electorate. Elements of the population with little economic clout (e.g. women and the poor) usually have little political influence on the village and district level.

- Staff performance is generally low, due to the lack of adequately qualified staff combined with a lack of motivation due to poor working conditions, including low salaries and limited career perspectives. Financial management is particularly weak: only four districts have Principal Internal Auditors. External audits have been undertaken as planned, confirming that the quality of financial management has generally been poor.
- Formally, a participatory planning process has been followed. It appears that the population particularly expects government to assist in building-up the service sector and voices less demands for support for the production sector. There is still a high degree of donor intervention in project selection and approval.
- Although there was an increase in overall council contributions to the District Development Fund, in all cases the amount is still low in relation to total DDF expenditure. Most councils have major revenue raising problems, the collection of the development levy in particular (RNE/SNV, 2000)

The report does not contain information with regard to the poverty reduction effects of Dutch support to district development. It was noted, however, that the shift in emphasis to capacity building for local governance may conflict with the now secondary objective of providing a conducive environment for increasing rural incomes and improving the status of women and other disadvantaged groups. In a joint reaction by RNE and SNV it is emphasised that DRDPs have evolved largely into a capacity-building effort in the framework of the Local Government Reform Programme. The reaction re-iterates that “good local governance is a major factor in creating an enabling environment for poverty alleviation and as such will accelerate (rural) development in the districts.” It also mentions the intention to raise expenditure on capacity building to the detriment of direct poverty alleviation. (RNE/SNV, 2001).

In September 2003 the President’s Office/Ministry of Regional Administration and Local Government and the Royal Netherlands Embassy commissioned a joint evaluation-cum-formulation study for further support to the decentralisation process and development at local level. The Terms of Reference of the mission indicate the nature of the support envisaged. It should not take the shape of a project or programme but “be fully embedded in and compatible with the modus operandi of the Tanzanian Government as

evolving under LGRP". This means that project-based provision of financial and technical assistance is replaced by a funding modality at national level through regular governmental channels, and in accordance with national policies as defined under PRSP and LGRP. The Terms of Reference of the mission explicitly refer to the expected poverty reduction effect of improved service delivery by local government institutions.

#### 6.4 Summary and conclusions

The massive foreign aid that Tanzania has received since the late 1960s has not resulted in a substantial reduction of poverty, although almost all donors claimed poverty alleviation as their main policy objective, and the high incidence of poverty (and sympathy for the country's policy) formed the main reason for including Tanzania as a priority country in their aid programmes. There are two principal reasons for the low effectiveness of foreign aid in terms of poverty alleviation. Firstly, most donors had no explicit poverty orientation in the implementation of their aid programmes and substantial proportions of aid funds were directed towards the transport and communication, energy and industrial sectors, and primarily benefited the urban areas. Second, Tanzania's development policy, and especially the implementation of policy, was either bound to fail due to the strict state control over economy and society exercised up to the mid-1980s, or was insufficiently oriented towards the poor thereafter, at least up to the emergence of PRSP.

The low effectiveness applied to both dominant aid forms: project aid and macro-economic support. In project aid, objectives were seldom expressed in terms of poverty reduction and projects were generally too large and too complex and beyond Tanzania's managerial capacity. In addition, projects suffered from poor and hasty preparation, a lack of adequate manpower, and often from insufficient government support. Moreover, projects were executed in an unfavourable and sometimes discouraging macro-economic environment. Several donors considered the multi-sector integrated rural development programmes to be the main instrument for income generation and improvement of social services in rural areas, but their effects towards poverty reduction were rather disappointing.

Macro-economic support, although less donor-driven than project aid, was geared towards the construction of infrastructure and, in the industrial sector, towards a relatively small number of private firms and parastatals located in the main towns, especially the capital. This aid had little effect on rural areas where most of the poor are living.

These characteristics also apply to Dutch development aid to Tanzania, most of which was not directed towards direct poverty alleviation. Those activities that did focus on the reduction of poverty were characterised by low effectiveness. The change in the Dutch aid programme in the late-1990s towards a sector-wide approach, the selection of sectors with a good potential for poverty reduction (education, health and local governance), and the linking of sector aid to the objectives of the Poverty Reduction Strategy Paper, may enhance its effectiveness for poverty reduction. These sectors do not fully correspond with the priorities perceived by the population, however, and as yet there is no evidence of any increased effectiveness.

Initially, DRDPs supported by the Netherlands had as their main objective to increase farm incomes and to improve living conditions in rural areas. When they were incorporated into sector support to local governance, the focus shifted from the implementation of activities for rural development towards institution building of a wide range of stakeholders in local governance. Several evaluations undertaken during the 1990s mentioned the low effectiveness of DRDPs in poverty reduction, mainly because little effort was made to identify the poor, and to orient activities towards their main problems and the basic causes of their poverty. In addition, activities were often small in scale; consequently, there was low coverage of households and poor villages. The recent shift towards institution building for local governance and the attempt to enhance Tanzanian ownership may well have reduced further the attention given to income generation as a means for poverty reduction.



## 7 ECONOMIC CHANGE AND LOCAL GOVERNANCE IN MBULU DISTRICT

### 7.1 District profile

Mbulu District is located in the northern part of Tanzania, and covers an area of 4,352 square kilometres. Until 1998, Mbulu district used to accommodate the present Karatu district, and almost all available statistics include Karatu. In the census of 2002 the Mbulu population totalled 238,000, i.e. excluding Karatu with a population of some 160,000. Population growth was 3.2% and average population density in Mbulu increased from 60 persons per square kilometre in 1988 to around 90 in 2001. With 6.2 persons per household the average household size is higher than elsewhere in the region.

The Iraqw dominate the district with around 90% of the total population, practising crop cultivation and cattle husbandry. The Barbaig, pastoralists with minor (maize) cultivation, form only 8% of the district population, some 20,000 people. A few thousand hunters and gatherers, the Hadzabe, complete the ethnic picture. From Irqwar Da'aw, east of the present town of Mbulu, the Iraqw expanded in the past in all directions, stimulated by an inheritance system that handed over all parental land to the youngest son. Deviant social behaviour was punished by forced migration, with the aid of which tribal elders maintained the social and moral order. Out-migration led to the 'absorption' of other tribes, but without much violence.

Similar developments occurred in Karatu, the northern part of Mbulu District, but new migrants included German and South African colonial farmers, who started large-scale mechanised farming during the 1930s. These farmers later met with some resistance from pastoral Barbaig and Maasai who feared the loss of their lands and rights, and their farms were nationalised during the socialist period after 1967. The separation of Karatu from Mbulu in 1998 resulted from a political struggle within the Iraqw, with Karatu more wealthy than what remained of Mbulu district. Barbaig and Hadzabe have become marginalised in the area, being without political influence, and their traditional way of life has long been under serious threat.

Geographically, the district is characterised by extensive flat and gently undulating landscapes with hills and escarpments, and a high plateau in the East rising to 2200 metres. There are substantial differences in land quality. Whereas Mbulu plateau has high rainfall and good soil, the Lake Eyasi Basin is arid and rocky. Population density is consequently very high on most of the plateau, surpassing 150 (per sq. km.); in the drier Western zone near the Lake, unsuitable for crop cultivation, it is much lower. Temperatures vary with altitude, averaging 20 to 25 degrees, but with very cold nights between May and July right after the long rains. Rainfall ranges from 400 to over 1200 mm, with sharp annual variations, but almost half the district receives less than 600 mm, the limit for reliable agriculture.

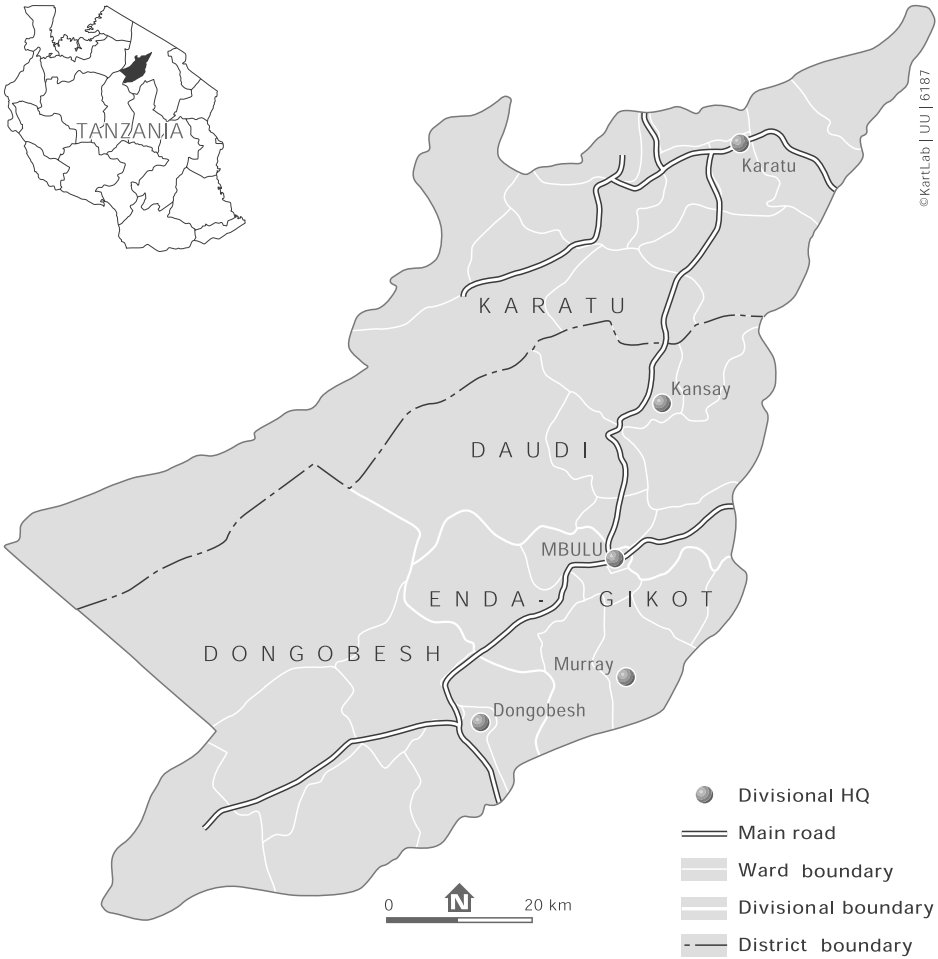
Less than half the land area is arable; rainfed agriculture now occupies almost all arable land and in many places there are signs of soil erosion. Protected forests cover about 72,000 ha or 10% of the district area. Apart from these reserves few forest resources remain and degradation seems to continue, despite an official ban on all exploitation since 1993. Illegal timber exploitation continues and a limited number of rural people gain some income from the sale of firewood and charcoal. As a result of afforestation campaigns in the 1980s, income from fruit (trees) and timber has increased.

Agriculture (and livestock) is the predominant source of income for 90% of the people. There are no formal industries and the service sector is small. Some informal non-agricultural activities include sorghum brewing, ghee making, mat making and tile and pottery making. The introduction of electricity in some major towns in the year 2000 encouraged non-agricultural activities, like welding, electrical contractors and shops for electrical appliances and related goods. Trade liberalisation since the mid-1980s has also stimulated various businesses.

Small subsistence farms characterise the agricultural sector. Average farm size was 1.4 ha in 1995, but closer to 1 ha if the large wheat and coffee estates in the North, which is now Karatu District, are excluded. Such estates vary in size between 80 and 1670 ha. with an average of 425 ha. In most parts of the present Mbulu District there is increasing land pressure; farmers and pastoralists compete for land, and landlessness and the out-migration of young people occur in several areas. Land rental – previously unknown – now occurs in parts of the district. Food crops include maize, beans, millet, wheat and potatoes.

Agriculture in Mbulu is a chancy business due to the heavy dependence on rains, wildlife damage and the frequency of disease. Consequently, land productivity is low and even declining, due to over-exploitation and lack of soil care (no fertiliser use). The people of Mbulu face periodic food shortages and child malnutrition is still prevalent. Only in the new Karatu district, with its good rains and soils, is the situation different and more promising as a result of cash crops (wheat and coffee), some irrigated horticulture and a good location near main roads and markets (Arusha). At present, Karatu is the second

Map 2 Mbulu District



largest wheat producing area in the country, and small farmers increasingly supplement the large output of commercial (and mechanised) farms in the area.

Livestock is also important in Mbulu/Karatu, with numbers of main types (cows, goats, chickens) remarkably similar to the population (400,000). Yet about a third of the population do not own cattle, usually a sign of absolute poverty. In relation to population pressure traditional livestock systems are under threat; the shortage of pastureland, increased livestock disease, frequent drought and inadequate veterinary services are all debilitating factors. Traditional livestock systems have only marginally been replaced by modern dairy farming.

## 7.2 Economic change

The economic dynamics of Mbulu/Karatu are linked primarily to the territorial expansion of the Iraqw and their role in wheat cultivation in Karatu. Up to the end of the German colonial period, the expansion did not cause any basic changes to the rural economy, which was characterised by an agro-pastoral production system and self-sufficient households. Before the 1920s, the staple crop in most villages was millet combined with sorghum, maize, beans and sweet potatoes. Thereafter, maize replaced millet as the staple food crop and Irish potatoes were also introduced. Cash income was obtained by the sale of livestock and incidental surpluses in crop production. After the 1940s, the British administration encouraged the production of coffee and pyrethrum as cash crops. In the early 1940s, Iraqw migrants followed the example of German and South African farmers and with their support and that of the British administration, started commercial wheat growing. After a temporary slow-down in the 1950s, migrant/farmers again showed a strong expansion in the first half of the 1960s. By the middle of that decade when all suitable land in Mbulu/Karatu had been occupied, the Tanzanian Government opened-up a new wheat-growing area in neighbouring Hanang district where most expansion occurred thereafter (supported by Canadian aid).

The production of coffee and pyrethrum in the eastern highlands was expanded from the late 1950s onwards. Maize surpluses were sold, initially through a Grain Storage Department established in 1949, but later through co-operatives. The 1960s was thus a period of increased cash crop production and rising incomes.

Villagisation policies in the 1970s had little impact in the densely-populated higher areas, where most habitat and land use remained as it was, but they frustrated life for the pastoralists and their animal husbandry systems in the Western zone.

Although the first years of *ujamaa* did not yield any improvement in agricultural production, rural living conditions did not deteriorate. The government abolished local taxes, and afterwards primary school fees (in 1973), and initiated generous programmes by which to expand the social infrastructure in rural areas, notably water supplies, schools and health centres. The peasants in Mbulu were also spared the heaviest burdens of socialist transformation; hiding behind the peculiarities of their area (land pressure), they were able to feed themselves and to earn some cash, although socialist rhetoric and talk of communal farming by the authorities complicated their work. The call to intensification with the manifesto *Siasa ni kilimo* (politics is agriculture) in 1972 met with limited response in Mbulu, nor was there any indication that peasants produced more in response to government generosity with social welfare measures (Chachage, 2001).

The situation changed during the 1970s, when low producer prices and the mishandling of produce by the local co-operative society caused coffee and pyrethrum production to decline. Prices for food crops were more favourable, however, and production grew with the expansion of the farming population. The area under cultivation increased, but at the expense of land of the pastoralists.

The marketing of agricultural produce was liberalised during the late 1980s. Initially, the Arusha Regional Co-operative Union and the Rift Valley Co-operative Union and their primary societies maintained a quasi-monopoly position, but their functioning was problematic due to liquidity problems, poor management and some corruption. Given their financial problems, the co-operatives were no longer considered credible customers by the banks and lending arrangements were no longer honoured. The co-operatives also faced strong competition for food crops from private buyers, who bought the crop at the farm gate and paid instant cash. Moreover, prices paid by private traders were often lower than the official indicative prices.

Although liberalisation created some benefits in freer trade and new private business, it did not help agriculture very much as the market by itself was unable to compensate for the loss of important public services in extension, input supply and marketing. Maize production, the main food crop, fluctuated strongly during the 1980s, i.e. between 60,000 and 100,000 tonnes with a slightly upward trend, but has fallen since the end of the decade. Other food crops also seem to have decreased during the 1990s, although available figures are only educated guesses and adverse weather conditions may have biased the annual comparisons.

Table 7.1 Production of main food crops 1991–1997, including Karatu (metric tonnes)

Crop	1991/1992	1996/97
Beans	12,000	7,000
Maize	65,000	55,000
Millet	12,000	5,000
Wheat	15,000	14,000

Source: District Office, Department of Agriculture and Livestock Development, 2000

In general, yields are stagnating or declining as a result of soil erosion and environmental degradation, and annual variations are high (NEI, 1997). Since 1989 in particular, declining maize yields have been compensated by increasing the area under cultivation. Yields depend very much on soil type and rainfall conditions, and thereby differ regionally as well. Maize yields, for example, varied from 0.7 to 3.7 ton/ha in the mid-1990s, with the highest yields being recorded in the North (now Karatu) and the lowest in the poorer East, although substantial differences in yield levels occurred among farmers even within these two areas (NEI, 1997).

Low yields can only be overcome on irrigated plots, doubling the above values on average, certainly when high yielding varieties and farm inputs are applied. The capital required for this type of agriculture usually restricts it to the better-off farmers. Only 1% of the area is at present under irrigation, mostly in Karatu, and there is little scope for expansion. For some villages irrigated plots provide a sizeable income through a marketable surplus, including horticultural crops such as onions and garlic. Marketing remains a bottleneck, however.

### 7.3 Social change

Social developments in Mbulu have more or less followed national trends, i.e. a rapid increase in social services during the 1970s, followed by a decline in the 1980s, and without many signs of recent improvement. The enrolment rate for primary education dropped from around 90% in the 1970s to a mere 67% in 1995, with equal numbers of girls and boys, only few of whom – 13% in 2000 – continue with secondary education. The infrastructure is inadequate and has been so for many years. There is an increasing lack of classrooms (15% short of required capacity), teachers' houses (48% short), as well

as desks and equipment. On average, 75 pupils occupy one classroom, and 13 have to share a book each (MDC, 2001).

Health care infrastructure is in accordance with national standards. There are two hospitals in the district, a public and a private one, 24 dispensaries, 4 primary health care units and 36 mobile clinics. This means that in general the population to be served by one facility comes close to national standards of 10,000 per dispensary and 50,000 per health centre. Facilities are unequally distributed over the district, however, and there is little information about the quality of the services and access to them on the part of the poor.

A little over 50% of the population has access to water schemes, chiefly shallow wells. Almost all shallow wells and boreholes are in working condition, but of the eight piped water schemes, only four are in operation. Safe and clean water is accessible to 43% of the population (MDC, 2001).

Social relations are also changing as a result of economic changes over recent decades and the apparent stagnation since the early 1980s. Land shortage has affected traditional family relations, undermining the authority of male elders. Increasingly, male heads of households are losing control over the affairs of their sons/daughters and wives. Male involvement in farming has declined, contributing to pronounced alcoholism amongst adult males. Younger men, women and girls increasingly work on their own individual economic ventures, including growing crops (fruits) on rented land, petty trade, pig raising, charcoal making/selling, brick making and stone crushing, and running shops. Some of the younger people leave home to seek work in the towns (Chachage, 2001).

Traditional society and its values have increasingly been eroded by contemporary forces, such as conversion to Christianity, modern education and 'development'. Associated with the outside world, such phenomena are viewed by older people as a potential threat to the community, to Iraqw culture and traditions. Younger people, on the other hand, regard them as a means to become a modern Tanzanian, gaining access to new knowledge and skills, and acquiring a superior status. To the young progress means breaking with the past, and thus also rejecting farming as an economic activity and a 'primitive' way of life. The economic possibilities of farming, at least those of subsistence farming, do not look very promising to the young, as it fails to provide the monetary surplus that could be used to acquire of what they see as symbols of development: western clothes, cooking utensils and corrugated iron roof sheets, radios, bicycles, cars and tractors. But there seems to be

no alternative: as a result there is a social crisis among the young, with much theft and drunkenness; rejection of farming and moving to towns, where they find few viable alternative income opportunities (Snyder, 1993).

#### 7.4 Local governance

Before the arrival of German colonial officials in 1905/06, the various ethnic groups in what is now Mbulu/Karatu were organised as separate socio-cultural and political entities, without any clear state structure. The Germans tried to co-opt some local leaders into their administration as headmen, but this failed due to conflicts over taxation. When the British Administration took over in 1916, they established a formal government structure and, through the Native Authorities Ordinance of 1926, a District Authority for Mbulu was created with an Iraqw chief. Gradually, three other ethnic groups had their chiefs formally appointed, presiding over an ethnic Native Council. The chief and sub-chiefs functioned both as political leaders and justice administrators, maintaining law and order, ensuring efficient tax collection, and mobilising people for public works.

In the 1950s, a district council was established with appointed members only. Although it was not a representative body, its creation provided an avenue for the growth of a local political elite, active in the nationalist movement of the late 1950s. On the attainment of Independence, Mbulu local authority was abolished and the District Council was re-organised to enhance the role of nationalists. Membership included elected individuals and appointees of central government. With the abolition of the multi-party system in 1965, the only political party (TANU; later CCM) became part of the administrative structure, acting as a shadow government in Mbulu as elsewhere in the country. The changes made to the system of local governance in 1972 were basically a further centralisation of power and authority. A hierarchy of administrators and planners ran from the regional level via district and ward down to the village level. At all levels, officials combined party and government authority. Local governance became a system by which to channel directives from the top downwards, an avenue for receiving directives from higher level authorities, such as the nation-wide villagisation campaign in 1974/75.

In practice, the centralised system continued in Mbulu up to the early 1990s. Although a process of renewed decentralisation began in 1982 and District Councils were re-introduced, no major structural alterations were effected, and at both the village and district level the government administrative structure remained tied to the single-party machinery. The re-introduction of the multi-party system in 1992 necessitated the separation of



party and government functions at the village, ward and district level. As long as CCM ruled, few difficulties arose, but when the opposition won in Karatu in 1999, the local government structure became part of the political struggle. Some civil servants were removed; both sides tried to control the area, taking advantage of the ill-defined responsibilities, rights and duties of the new local authorities vis-à-vis central government, at a time of structural reform. Although decentralisation and more local governance has officially been on the agenda since 1999, in practice little has changed, partly due to resistance to change by powerful elites and partly to lack of capacity of local government(s) to take advantage of the new opportunities. A new element is the growing influence of NGOs and other grassroots civil society organisations, in the wealthier Karatu more than in Mbulu. Thus far, such private initiatives have more or less been tolerated by the authorities but with little enthusiasm, and authorities and NGOs work alongside one another without much interaction or co-operation.

### 7.5 Perceptions and poverty

In the mid 1990s, i.e. when Mbulu included Karatu, average rural household incomes were estimated at around US\$ 1500, or almost US\$ 250 per capita (NEI, 1997). District variations were large, however, with farmers in (small) irrigated areas reaching almost double that average, and those in the Eastern Zone – including pastoralists – hardly a third. The averages were also based on reasonable rainfall, which has not occurred for a number of years in recent decades. On average, livestock generates one-third of total income in the district and non-agricultural activities only 5%. If poor peasants - mostly in the eastern Zone – are added to those households without any livestock, then 40 to 50% of the population is poor in an absolute sense, i.e. earning less than a minimum with which to satisfy basic needs.

Perceptions on progress and poverty differ among the three ethnic groups in the present Mbulu district. The small group of Hadzabe hunters and gatherers experience hardly any social or material differentiation and lack any material goods or livestock. They distinguish between those who own nothing (i.e. the Hadzabe themselves), and those who own complex things such as clothing, cattle, cars (i.e. all others). Property has no material meaning to them and they criticise those who want to possess more than is strictly necessary but do not want to share anything. The outside world, and development, typically represents this greed, which they consider as threatening to their potential wealth (game) and way of life (Stephenson, 2000).

The Barbaig link poverty with social independence: a poor person is someone who has to be helped by others and in turn is unable to help others. A poor person does not have any (dairy) cattle and therefore cannot feed or socially reproduce himself, thus making the person insignificant, also in social terms. A wealthy person has many cattle and is respected for his success and wealth. To be respected, however, also involves the social obligation to give or to lend cattle to the poor, so that they are helped or can help themselves. Wisdom and leadership are also expected from a rich man, to increase the well-being of the group.

In Wa-iraq, poverty refers to the lack of food. Having enough to eat and (as a result) ensuring harmony in society is associated with progress. From this point of view, periods of poverty regularly occur in Mbulu district, as in 2001 during the present study. Iraqw society has different mechanisms for lending cattle to families who suffer from lack of food, but those mechanisms are under pressure due to the declining number of cattle, which is partly caused by the practices of tax collectors. Among the Iraqw, poverty also has a social dimension, and deteriorating relations (within the family, between neighbours, in the community), associated with stagnating food production are perceived as poverty. The term development, on the other hand, is not really associated with food production, growing herds or material possessions, but rather with the mentality that is coupled with the modern (post-colonial) time: people who belong to a Western religious community and have a Western education, i.e. “people of the pen”. The young people believe that this category contrasts with illiterate farmers, who are associated with old-fashioned ideas and poverty. Development has now lost some of its appeal due to the negative connotation with the corruption of leaders, which has hampered the progress of ordinary people.

Irrespective of ethnicity, the people’s perceptions of poverty differ from those of the government staff and leadership of the district. The latter perceive poverty in economic terms, in the lack of agricultural output, food shortages and low food security, and low cash incomes.

Many villagers attribute increasing poverty to the fact that government seems to have relinquished its supervision over agricultural and livestock sectors. While government shaped the agricultural sector compulsorily in the past, it has neglected it in the recent years, particularly agricultural extension and veterinary services. Both farmers and herds-men state that crop and cattle diseases have increased of late, the market situation is deteriorating, and the private sector fails to take over the former role of government.

They complain about the lack of inputs (suitable seeds, fertiliser, pesticides). and they consider the ongoing privatisation process as a conspiracy between government and private investors.

*For example the cattle diseases. Our leaders said they are going to work on it. They know but they haven't done anything until now. Our cattle vanished. Nothing is left. The medicine that we buy is our own effort to cure the diseases, but it kills the cattle. They help us nothing actually. If any assistance would have been provided to cure at least half the cattle that would have been a starting point (video).*

Also perceptions about the quality of social services are quite unfavourable.

*Our dispensaries are a problem. They say treatment is for free if you pay 10,000 shilling. But when you pay they say there is no medicine for treatment. Some people don't pay and die at home, because if you pay, you only get aspirin and you will die anyhow. Our leaders tell us, this is the normal thing.*

And on education:

*Today everything is costing. Parents have to pay levy and school fees and if you cannot pay school fees you sell a goat. But in this land we depend on crops and if the crops fail we sell a goat for food.... We have been building schools for nothing. Children are staying outside, teachers are not teaching, they only look after their salaries. People's education has gone down. What is development? (video).*

Perceptions differ amongst local people about the quality of local governance. All note a lack of transparency in development planning and the flow of financial resources caused by the hierarchical top-down process, but many people (especially the older) state that:

*Planning is done by our village leaders, then the plan is explained to the villagers in a public meeting. Once the leaders have prepared a plan, it cannot be rejected by the villagers.*

The young increasingly seem to challenge such obedience. They complain about the corruption of leaders and associate corruption and paternalistic tendencies among present-day leaders with their literacy and ability to communicate in the bureaucratic language. They also complain about the functioning of courts of law, which they consider unpredictable and outside their influence, and about the lack of communication between leaders and ordinary citizens (Chachage, 2001).

## 7.6 Summary and conclusions

Mbulu District has an unfavourable resource position: in large areas only half the land is arable, soil fertility is low and rainfall erratic. Only the Mbulu plateau has good soils, high rainfall and a high population density. This formerly largely coincided with the Karatu Division and is the present Karatu District.

The district economy is dominated by agriculture; the main source of income for 90% of the population. There are no secondary industries and only a small service sector. Most farms are small in size and land productivity is low. Moreover, due to over-exploitation and low input use, land productivity shows a declining trend. Many farmers produce barely enough to feed their own households, and commercial crops are fairly insignificant. The exception is the new Karatu District, where farm incomes are substantially higher due to commercial wheat and coffee production and irrigated horticulture. Mbulu district has a large livestock population but the traditional animal husbandry system is characterised by low productivity and one-third of the households do not own any cattle. Moreover, farmers stated that recently they were forced to sell livestock in order to pay their development levy.

Rural economic change has been associated closely with the expansion of mechanised wheat farming and coffee growing. Since the 1940s and especially during the period 1950-1965 wheat production expanded spectacularly as local Iraqw migrants adopted the mechanised farming system. Outside Karatu, there was some commercialisation of agriculture (coffee and pyrethrum), but in the 1970s low producer prices and mishandling of produce by the co-operatives caused a decline in output and farm incomes. Economic reform did not bring any substantial improvements to production conditions as the market did not compensate for the loss of important public services.

Social change involved an increase in social differentiation in relation to wheat cultivation and a shift of powers to certain groups of Iraqw, and the marginalisation of other ethnic groups. As elsewhere in Tanzania, there was a rapid increase in social services during the 1970s, but these declined in magnitude and quality in the 1980s. The present situation in education is characterised by a serious shortage of classrooms, teachers' houses and teaching materials. Health care infrastructure compared to population is in accordance with national standards, but there is little information about the quality of health services.

Social relations are changing as a result of increasing economic differentiation and the stagnation of the rural economy since the 1980s: this has undermined the authority of the male elders and contributed to pronounced alcoholism among adult males. Most young people associate progress with breaking with tradition, and reject farming as a 'primitive' way of life. The lack of alternative economic opportunities, however, causes social crisis among them.

After Independence people in Mbulu experienced a short period of improved living conditions; with its present boundaries, however, Mbulu is a district with a high degree of poverty due to low incomes and deficient social services. An estimated 40-50% of the population is poor in an absolute sense, i.e. earning less than a minimum to satisfy basic needs. There are periodic famines and the majority of people express poverty in terms of food shortages and deteriorating social relations. They relate increasing poverty with government's neglect of agro-support services and the weak performance of the district administration. People's perceptions differ from those of government staff, who see poverty in narrow economic terms: low agricultural output, food security and incomes. Perception studies indicate little confidence that government will help to solve the problems. The young in particular complain about the corruption of leaders and the lack of communication between leaders and ordinary citizens. There seems to be deadlock between government and citizens, between leaders and ordinary people about the strategy for development and poverty reduction in an area with a low potential for agricultural growth, high dependence on agriculture and deteriorating social relations.



## 8 DISTRICT RURAL DEVELOPMENT PROGRAMME IN MBULU

### 8.1 Introduction

The Mbulu District Rural Development Project (MDRDP) was the first district programme supported by the Netherlands in Tanzania in 1987. After a pilot phase lasting two years, in which some starter activities were identified and initiated, a second phase took place in 1992-1996 and the programme is now in its third phase (1997-2003). When Karatu became a separate district in 1998, a DRDP was also set-up for the new district, becoming operational in 1999/2000.

During the pilot phase, a process approach was followed and a strategy developed on a trial-and-error basis using so-called starter activities (which included the rehabilitation of roads, agro-forestry, repair of buildings and training of government staff). Basic data were collected through a baseline survey, but was considered to be of doubtful quality and little use was made of it. While the emphasis in the district programme was on income-generating activities, no detailed poverty analysis was made, nor any distinction among various population groups apart from the gender differentiation. General development planning by various government levels, from District Council to Village Council, economic infrastructure (mainly roads), environmental issues and rural water supply were identified as key areas for subsequent intervention.

### 8.2 Objectives and strategy

The long-term objective of MDRDP has always been to improve the standards of living of the rural population in a sustainable or structural way, be it that incomes were central in the first years, For the second phase (1992-96) objectives were reformulated, allowing for a somewhat broader approach, emphasising standards of living rather than incomes alone. This made it possible to include social sector support from then onwards, explicitly excluded in the first phase. One of the reasons for this kind of support was to try to safeguard Tanzania's social achievements by increasing incomes and thereby facilitating tax collection for maintaining education and health services. Environmental concerns were also addressed from then onwards. During the third phase (1997-2003), good governance was explicitly added as a major concern, when the Netherlands re-oriented its assistance through sector support, whereby DRDPs became part of the sector 'local governance'.

Since the start of the third phase in 1997, the overall objective of MDRDP has been to improve the living standards of the rural population in a sustainable way, by topping-up the development budget of the District Council and by institutional strengthening of the public and private sectors (MDC, 2001).

This overall objective has been further specified in four so-called project purposes, i.e. to improve people's income; health status; educational standards; and to strengthen the management of development initiatives and projects through capacity building at all administrative levels (good governance).

Furthermore, each 'purpose' has its specific objective and priorities, from which clusters of activities have been derived (see 8.6). All objectives, purposes and activities have been brought together in a Logical Framework, which in principle allows for a proper monitoring of outputs and results, as well as a check on underlying assumptions. Additional criteria for the selection of activities were developed to do justice to the objectives of Dutch development co-operation, such as poverty alleviation, participatory planning, gender and environmental issues.

From the start, the main characteristic of the strategy has been strengthening of the District Council. Co-operating closely with the District Executive Director (DED), the head of all district council activities, and the Planning Office, technical and financial assistance was provided by the Netherlands to improve the planning process of the Council and its departments, at first mainly of its productive activities and then also of social sectors.

Planning at all levels including village and ward had early been identified as weak and top-down, with too much influence by the Council's technical staff, whose qualifications and work experience left much to be desired. Little attention had been given to people's priorities expressed through their official representatives in village, ward and district committees and councils. Major efforts were put into the training and capacity building of heads of departments and other civil servants, in order to improve the participatory nature of official development planning in rural Mbulu. A great deal of attention has also been given to improving the basic planning process at the village level, in particular financial monitoring. Village development facilitation teams have been deployed to reinforce the participatory development process in the villages. In 1999 ward level planning was introduced, replacing the time-consuming village planning exercise, while it was attempted to enhance popular participation. Recently, NGOs and the private sector have been approached to assist in implementation of the plans.



Some starter activities selected in the initial years continued throughout MDRDP's history to encourage the required changes in the planning process. Much training and technical assistance was organised around these activities, with a constant struggle with the political leaders to balance hardware (construction) and software (training). However, development planning and strengthening of the institutional planning framework became the central orientation of the programme from the early 1990s onwards, with efforts aimed at a qualitative improvement of plans, budgets and implementation, strictly supervised by the programme co-ordinator. Activities funded by the Netherlands were brought together in clusters, first land and water management, later followed by health and education.

At the end of the third phase, MDRDP is basically a financial contribution towards the District Development Fund, and towards audits at the Council level, with diminishing or completely disappearing technical assistance. How this will influence the planning process at district level, and the utilisation of Dutch funds, remains unclear.

### **8.3 Programme organisation and finances**

Institutionally, MDRDP functions through the District Council. The executive arm of the council, i.e. its civil service, designs all development plans and is headed by the District Executive Director (DED). The DED is in charge of the district team of 12 Heads of Department and experts engaged in the planning and implementation of activities. Although these departments formally fall under Mbulu District Council, a number also receive instructions and funds from Central Government. This means that they partially escape the supervision of the District Council and its elected Councillors. In 2001, Mbulu District Council had a staff of 1070, over 600 being primary school teachers.

The Dutch co-ordinator played an important role in shaping MDRDP, its strategy and budgetary allocations, in co-operation with the District Planning Office under the guidance of the DED. The DED and the Dutch co-ordinator were both to sign for all expenditure. In the early stages there was more technical assistance provided by a permanent (expatriate) water engineer and a part-time road engineer. Both functions were abolished in the second phase, and from then on only short-term consultants were hired from outside, usually Tanzanians, except for fairly intensive and recurring assistance from the Netherlands in shaping the land and water management programme component. The Dutch programme co-ordinator also maintained close contact with heads of department at district level and their staff, and with individual ward or village managers and

farmers. Relationships with councillors have always been somewhat marginal, reflecting some tension between politicians and executive branches.

During the third phase more integration of MDRDP into the District Council is aimed at, with the Dutch co-ordinator becoming more of an advisor, especially since Dutch funds are now directly channelled to the Council, be it surrounded by strict audit control.

During the period 1988-2002, the Dutch contribution to MDRDP totalled almost US\$ 8.5 million. Aid allocations gradually increased from US\$ 392,000 in 1988 to US\$ 855,000 in 1996. The subsequent decline was caused chiefly by the separation of Karatu into a new district, with its own DRDP. The new Karatu DRDP received US\$ 374,000 in 1999 and US\$ 369,000 in 2000. Disbursement levels were also influenced by the absorption capacity of the Council, and the ability of its staff and people to take care of it properly. Budgeted aid was never fully spent, and less so in the late 1990s when attention shifted more towards the maintenance of earlier investment in education, health, roads and water. Moreover, RNE released funds in accordance with the matching principle linking Dutch aid to council investment funds. This often meant that council had to increase revenue and intensify local tax collection.

Table 8.1 shows expenditure by the Netherlands on MDRDP throughout its lifetime.

Table 8.1 MDRDP expenditure 1988–2002 (in '000 US\$)\*

Year	Expenditure	Year	Expenditure
1988	392	1996	855
1989	315	1997	764
1990	546	1998	448
1991	572	1999	456
1992	410	2000	416
1993	421	2001	590
1994	822	2002	703
1995	784		

\* up to 1999 including Karatu

Source: Various Evaluation Reports (1990, 1994, 2000), RNE files

Not only disbursement levels but also the distribution of funds over the main sectors has varied considerably over the years. Unfortunately, no comparable sector allocation is available for the whole period. In the early years only domestic (local) expenditure by the Netherlands could be traced per sector; this excluded all foreign expenditure, imported road equipment, materials and foreign consultants, i.e. the majority of expenditure certainly in the early stages of the programme. With regard to local expenditure, a shift occurred between the period 1988-89 and 1991-93 as Table 8.2 shows.

Table 8.2 Sector Distribution Domestic Expenditure MDRDP, 1988-1993 (%)

Sector	1988-89	1991-93
Overheads	30	20
Agriculture	15	20
Roads	30	15
Go-Downs	15	5
Social services	10	40

Source: Evaluation Reports 1990 and 1994, CDP

It is clear that relative expenditure shifted mainly from economic infrastructure (roads, go-downs) to social sectors (health and water at first). In absolute terms, however, this caused little repercussion as total domestic expenditure by the Netherlands increased, from around US\$ 0.9 million (Tsh 110m) in 1988/89 to US\$ 2.1 million (Tsh 650m) in 1991/93.

The sector distribution of expenditure is only available from 1997 onwards, and is reflected for main sectors in Table 8.3.

After heavy investment in roads and agriculture at the start of the programme, in the mid-1990s attention shifted towards the social services sector, especially education. Recently, this sector has received about 40% of all expenditure. Renewed efforts to rehabilitate the economic infrastructure, especially roads, are again becoming visible, while the Council is spending much less on directly productive activities as in agriculture. This is in line with the new strategy explained above, even though expenditure alone can never tell the whole story. Still, it is remarkable that during the period 1997-2002 only 10% of all Dutch support went to agriculture (plus 3% to livestock), as compared to 60% to the social

Table 8.3 MDRDP sector distribution for development expenditure, 1997–2002 (%)

Sector	*1997	*1998	1999	2000	2001	2002	1997/2002
Education	35.9	22.7	34.6	49.0	40.7	46.6	38.8
Health	7.1	8.6	6.2	6.3	6.6	5.1	6.5
Water	13.2	22.3	5.2	5.2	26.6	13.4	14.6
Social services	56.2	53.6	46.0	60.5	73.9	65.1	59.9
Agriculture/ Land use	19.9	16.8	15.1	18.5	15.5	15.0	16.8
Roads/ transport	8.3	19.8	15.9	13.2	3.0	13.2	11.6
Supporting sector	15.3	9.3	22.4	7.1	6.8	5.4	10.9
Other	0.3	0.7	0.6	0.7	0.8	1.3	0.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

\* including Karatu

Source: Annual Reports RECO

sectors (mainly education). In 1999 a large investment was made in the participatory planning process, i.e. 22% of the Dutch contribution in the ‘supporting sector’ (administration), but this percentage has decreased substantially again in later years.

Similarly, since the start of the new DRDP in Karatu in 1999, only 6% of expenditure has been devoted to agriculture and livestock, and 54% to the social sectors (Annual Report 2001, RECO).

It is possible to reconstruct broadly the long-term trend in DRDP development expenditure over main sectors on the basis of tables 8.2 and 8.3. This trend is presented in table 8.4 and clearly reflects the shift from productive activities to social services.

The financial contribution by the Netherlands is only part of the total (development and recurrent) budget for the district. About half the total district budget comes from central government (nearly all recurrent costs, mainly salaries, and a minor part of development costs). Only 8% of the total district budget comes from tax revenues. The picture changes if the analysis is limited to the development budget, which largely indicates investments. In the late 1990s MDRDP represented about 80% of the development budget without

Table 8.4 Trends in financial assistance, Mbulu DRDP, 1988-2002 (%)

Sector	1988/1989	1991/1993	1997/2002
Agriculture	40	30	17
Roads / Transport	45	20	12
Social services	15	50	60
Supporting sector	–	–	11
<b>TOTAL</b>	<b>100</b>	<b>100</b>	<b>100</b>

counting the own contribution of the population. In principle, the people were supposed to contribute 25% of the development cost of their village projects. Such self-help (in cash and kind) is often considerable, e.g. when investing in roads, schools and clinics; including such help might reduce the overall Dutch contribution to the Mbulu development process to around 60%.

In the third phase of DRDP a formal matching principle was introduced, linking Dutch investment cost to total council revenue. As a result, tax collection by Mbulu Council increased from 1998 onwards and, apart from its regular contributions to recurrent cost (mainly staff salaries), its contribution to the development budget increased from US\$ 33,000 in 1998 to US\$ 44,000 in 2000. This is remarkable in view of its zero contribution in 1997 and US\$ 8,000 in 1996 (MDC, 2001).

Villagers are also supposed to contribute more to projects as a result of the matching principle, in some cases up to 50% of development cost. This target has proved hard to achieve in addition to the maintenance of schools, health units, roads, bridges and water systems which also has to be taken care of by the people.

#### 8.4 Activities and output

Since 1987 MDRDP has supported and financed a great number of activities. In spite of broad shifts towards social sectors and subsequently to strengthening local governance, many activities started in the initial period of the programme still continue in some form or other. The 2001 Plan lists 66 activities for the period 1998-2000, combined into nine clusters, of which five under income generation (26 activities), two under health (15 activities), one under education (11 activities) and one under institutional capacity building (14 activities). Table 3.2 in Annex 3 summarises major activities.

Activities under income generation have dealt with the promotion of crop production and livestock, environmental protection, group formation amongst farmers (savings, credit) and road rehabilitation. Improved health services are aimed at through the training of government staff at district and village levels, while the reduction and/or prevention of disease is promoted through health education and awareness campaigns amongst the village people, as well as some improved infrastructure, like a cold chain for drugs, water wells and tanks. Education is being improved through teacher training, in common subjects like languages and mathematics, as well as in specific topics such as gender, environment, health education and accounting. Infrastructural improvement is also part of the programme, including new or rehabilitated classrooms, schools and/or teacher houses.

Finally, the capacity of the District Council is being improved through much training of its staff at district, ward and village levels and in various subjects (accounting, computer, planning, gender, land use and maintenance), and the sensitisation of communities in participatory planning, extension and development.

The number of activities per sector indicates that the allocation of (aid) funds over sectors does not always provide an accurate picture of activities supported by Dutch assistance. The income-generation cluster still includes most activities. With the exception of road rehabilitation, many are apparently small-scale and labour-intensive, less capital-intensive than the rehabilitation of schools and clinics.

It is only in the third phase that MDRDP *output* has started to be recorded systematically. The District Plan 2001 provides comprehensive information on output during the period 1998-2000 in relation to the activities discussed above. A summary of output for that period is provided in table 3.3 in Annex 3. In addition, there is some indication of output prior to 1994 (CDP, 1994). Despite the gap (1994-1998) in output data, the continuity in types of activities and output throughout the 1990s is considerable, with some increase in numbers of people reached towards the end of the decade, but not in all activities.

In agriculture the focus continued to be on training farmers in new production methods (improved seeds, disease control), new technology (oxen, irrigation, storage), new crops (sunflower, pyrethrum, fruits, vegetables), and encouraging some group formation in order to bargain collectively for inputs and credit. The most prominent improvement was that of the adoption of high-yielding maize varieties. This adoption increased to half of all

farmers in two villages, with a yield difference of at least 50% between project and non-project farmers, and the introduction of coffee growing by 10% of farmers. In livestock improved dairy cows were introduced to boost milk output, some training in pig husbandry has been provided, and attention given to the improvement of traditional herds (dipping, disease control, spraying). Many of these activities were not new in themselves, and were undertaken by government staff, but DRDP aimed at improving the performance and success of such public services to farmers and thus funded their implementation. The programme also financed the provision of a limited number of water and storage structures and oxcarts, and thousands of new (fruit) seedlings. New savings and credit societies replaced the earlier co-operatives. The various agricultural programmes reached an estimated 7500 farm households throughout Mbulu District.

In natural resources protection, an intensive land and water management programme was introduced in 1993, including village land-use planning, conservation of farmland and protection of water sources, distribution of seedlings for agro-forestry, and farmers' training in soil management.

Support to education started in 1991 with the construction and rehabilitation of classrooms (about 225), teacher houses (140) and pit latrines at schools (33). Since 1994 the training of teachers (over 500) and other methods to improve the quality of education (pupils pass marks, school inspection) have received more attention. A health programme had also started in 1991, since when about 1000 staff had received training, mainly traditional birth attendants in villages. In addition, dispensaries have been renovated and newly equipped (radios, refrigerators, water tanks/wells), and small groups of local people trained in preventive health care.

In the area of institutional changes and capacity building, DRDP reports an increase of revenue collection by the District Council, more job training for government staff, more community facilities, positive changes in attitude towards participatory development and knowledge on gender among government staff, and improved accounting systems.

Despite the numbers of villages and people supported by DRDP activities, the proportion of the population included in the programme is rather low. Five types of activities reached a *coverage* of 25% of all villages in Mbulu in 2000 after some 10 years of intervention. These include soil conservation and agro-forestry, agricultural extension, dairy development, land and water management and forestry/energy. In Karatu, natural forest conservation and indigenous cattle husbandry also covered more than 25% of the villages.

However, coverage in terms of numbers of villages gives a wrong impression of the proportion of population actually reached. Several activities involved only a few farmers per village. All in all, the total farm households covered in the various agricultural sector activities do not exceed 5% of all farm households in Mbulu and even less in Karatu. In environmental conservation, figures seem impressive at first sight: e.g. more than 60% of farmers have been trained, although only 3% of the acreage under regular cultivation has been affected. The proportion of teachers included in up-grading courses was also high (85%), but no information is available on the effects of the training of either farmers or teachers.

### 8.5 Impact on poverty

Obviously, one would like to know what all this output over a 15-year period has meant for the well-being of the local population. Have standards of living been improved in accordance with MDRDP's main objective ?

Relevant information in this regard is very limited. The programme itself only started to record data on impact in conjunction with the better monitoring of activities and output. These are no more than impressions, based on limited observations, and are not related to other factors that might have contributed to the observed changes in, for example, agricultural yields and/or school attendance. Only the impact of the productive activities of MDRDP has been more thoroughly assessed in a limited number of villages but often without comparing project and non-project farmers. Based on the observed improvements in soil and water conservation, improved land management, increased yields and milk production as a result of better input use and crop and animal husbandry, an impact study concluded that living standards in Mbulu district had improved as a result of MDRDP (ETC, 2000)

The Mbulu District Development Plan for 2001 gives some indication of the effects of social expenditure in the period 1998-2000, although without reasoning or analysis to justify the claim that changes were the result of DRDP interventions. In the health sector effects included an increase in ante-natal clinic attendance (from 70 to 80%), immunisation of infants (from 60 to 84%), family planning acceptance rate (from 1 to 2%), and a decrease in the maternal mortality rate from (300 to 290 per 100,000) and in the incidence of malaria and diarrhoea. In education, effects included improvements in pupil performance in national examinations (from an average of 70 to 90 marks out of 150), and an increase in the primary school enrolment rate (from 75 to 90%). However, various sets of figures are in circulation but their reliability is not known.



The stakeholders involved in the programme show different perceptions of the role and impact of MDRDP. A distinction can be made between the views and opinions of civil service employees (Heads of Departments), elected Councillors, including the Mbulu Council Chairman, village leaders and villagers (Chachage et al., 2001).

#### *Government personnel*

Senior government staff involved in the district largely share the view of donors. The majority feel that the lack of financial means and expertise in the district necessitates development aid. They support the need for “development engineering” through formal planning and expert intervention. This category is inclined to assess positively the fruits of interventions, attributing shortcomings mainly to annual delays in the release of donor funds and to conservative views held by the farmers. To demonstrate their success, they refer to the scale or number of activities that are conducted under the various projects.

#### *Village leaders*

Village leaders generally share the enthusiasm and optimism of government staff about the role of development intervention. Their main concern is about the consistency and equity of its distribution, because their credibility among their supporters depends on such aid. They operate as brokers between the village and the outside world, and are often elected because of their knowledge of government and donors. Their complaints involve promises that were not kept, agreements that were not fulfilled, and terms that were exceeded by government and donors alike. The following quote is relevant in this respect: “... a white man came here and talked about development ... we agreed with him ... But it has been a long time since we last saw him. He has left us high in the air ...” (Chachage et. al., 2001)

#### *Councillors*

Elected members of the District Council also lobby to gain as much available aid as possible to benefit their constituents. They want to show tangible results of their efforts to their supporters (schools, bridges, wells, clinics), and complain that too much money is spent on meetings, seminars and training courses. Some councillors put the question of donor intervention in a wider perspective. They consider development intervention as a tripartite relationship involving donors, the District Council and the target populations. In the process each of these parties has a role to play. With regard to the donor, the Council expressed concern about unilateral actions by the donor, namely, the extremely strict requirements (unilateral) laid down for planning and programming, so that particular funds only become available a few months before the end of the budget year, and

about the sudden decision by the donor to restrict the role of the Dutch co-ordinator to a purely advisory one. Some councillors articulated several shortcomings of the council, including conservatism resulting from lack of exposure and of formal education. They also mentioned the problems of the Council in taking over tasks because of acute staff shortages, and the lack of experience and dedication on the part of available staff. In their opinion, Mbulu still lacks the staff and organisation to support and manage a programme of the present scale and intensity on its own, as is foreseen for the near future.

### *Rural population*

The group for which MDRDP is intended, i.e. the rural population, seems to have different expectations of development programmes than do the district authorities. Most ordinary villagers do not distinguish between donor and government interventions, also because all aid is channelled through government departments. When they do distinguish between donor and government, they see government personnel as an obstacle to an appropriate flow of development resources to the population. They mention intervention by district officials in the distribution of development resources at the village level and complain about the mishandling of food aid in times of drought and famine (Chachage et al. 2001). The opinion of the population may be illustrated by the following quote: *If intervention comes from the top, it never reaches the target group. And the group is waiting but the thing vanishes We get clouds instead of rain* (video).

Three major concerns of the population have been distinguished (Chachage et al, 2001):

#### *(i) The top-down planning process*

There is a lack of transparency about the nature and scope of development projects and the financial resources committed to these projects. Interviews with villagers show that they rarely participate in development planning, also because meetings are held in KiSwahili. Although many get the opportunity to express their opinion regarding development priorities, it is unclear what is done with those opinions. All decisions are taken by government officials who consider participation by villagers a compulsory but pointless exercise.

This lack of transparency creates suspicions of corruption and distrust of leaders. Respondents repeatedly narrated confirmed or alleged cases of the embezzlement of funds or materials intended for village development. *“If the donors want to help us, they should give it (the aid) directly to the village, since then everybody knows how much money is concerned ... we must shorten (the lines of) communication”*.

### *(ii) Neglect of the productive sector*

Villagers expressed growing concern about MRDP's neglect of the productive sector and limited attention for the improvement of agricultural and livestock services. They also referred to soil erosion, and environmental degradation and complained that the District Council/MDRDP hardly seems to address this problem. This perception does not correspond with the attention and level of expenditure in MDRDP for environmental conservation. The disparity is probably due to the dissatisfaction felt by the vast majority of villagers regarding the performance of the district management in general, and the departments involved in particular. In the final analysis, many rural people see the district management team not only as negligent of their needs but also as colluding with the emerging stream of business people in exploiting them.

### *(iii) Taxes*

MDRDP has greatly emphasised the contribution to development activities to be made by the population and district. The central and decentralised Governments of Tanzania are making efforts to improve proceeds from taxation as part of its support to "good governance", to increase the financial strength of the district and to make it less dependent on donor aid. For the Netherlands support to the district is linked directly to the Council's investments in the respective areas, which in turn depends on council revenues and taxation. The population, although traditionally used to tributes, feels that the multitude of taxes, dues and fines that are currently imposed, and the harsh way in which these are collected, are out of all reasonable proportion. Taxes, which are not differentiated by income, are a heavy burden, especially for poor farmers. They do not feel that they benefit from the activities for which the development levy is intended, nor do the interventions result in any production or income increase. To them, the result of the taxation is increased poverty or, as some say, government exploitation. In 2002, the development levy has been abolished.

## **8.6 Summary and conclusions**

The Mbulu DRDP is characterised by a very broad range of activities of a rather fragmented nature, and shifts in focus over the fifteen years of its operation. These shifts from support to production-oriented activities, to community services in the mid-1990s were caused by a learning process within the programme, the priorities of politicians and government staff, and changes in Dutch aid policies. They did not result from any long-term strategy towards poverty alleviation or from a thorough monitoring and evaluation that would measure progress towards achievement of the main objective of the

programme. Over time, the number of projects and activities per project increased and resulted in a fragmented programme. There have been improvements in terms of better soil and water conservation, improved land management, higher yields, more improved varieties, and better dairy farming with higher milk output. The concrete effects of a particular intervention are not known. Firstly, the programme itself started only very recently to record some information on impact in conjunction with the better monitoring of activities and output. These are still more or less impressions based on limited observations and are not related to other factors that might have contributed to the observed changes. Benefits have not been related to cost per intervention or per farmer; for many interventions, however, these costs may be expected to be quite high in view of the low coverage for several activities. Moreover, evaluations and especially the recent mid-term review have added little to the understanding of impact, despite an elaborate system of self-assessment that preceded the actual exercise. Second, other factors than DRDP-supported interventions may have influenced the outcome. For example, it is not justifiable to attribute to MDRDP a doubling of yield and income as a result of irrigation improvements, if a substantial part of the acreage was already under irrigation before the project started.

Employment and incomes do not seem to have improved during the last 10-15 years, nor does food security. Coverage and outreach remained small and there has been no major breakthrough in technology or production methods. Under the circumstances, few farmers can afford to adopt modern inputs and few have been successful in re-introducing cash crops. Even successful farmers continue to face serious constraints such as disease and marketing deficiencies. Support has apparently been given in an environment where production and incomes suffered from negative climatic and institutional arrangements. National agricultural and livestock research institutes failed to come up with appropriate improved technologies and field staff faced retrenchment. Crucial functions of a withdrawing state were not replaced by a well-functioning market. In general, yields declined, and existing levels of extension, input supply and marketing were negatively affected by the decline of public services. Although primarily a national policy issue, the concrete effects of this phenomenon at district level have hardly been addressed by DRDP.

In the social services sectors also, the programme has resulted in improvements in infrastructure and staff training but little is known about how these affected the quality of services. Nor is it known how sustainable the social improvements may prove to be in terms of financial and institutional maintenance arrangements.

In the area of institutional changes there are no clear indications that local government has been strengthened during the last 15 years as a result of DRDP, although it is at present the major justification for the programme. The self-assessment of 2000 was even somewhat negative in this respect, noting the downward accountability of councillors as questionable, little participation in planning, and the fact that most departments did not meet their targets in capacity building.

Concrete information is not available about the overall effect of DRDP on poverty reduction; in view of the low coverage for income-generating activities, the unknown effects of improvements concerning social services, and the absence of targeting on the poor in DRDP interventions, however, it is not likely to be positive. The assumption of a poverty reduction effect from the strengthening of local government is still to be proven. Moreover, the introduction of the matching principle between the volume of Dutch aid and council investment funds intensified local tax collection and may have resulted in an increase in poverty for certain segments of the population. Therefore, the conclusion of the recent impact assessment that living standards in Mbulu District have improved as a result of DRDP, remains doubtful.

Finally, it is somewhat ironic that DRDP seems to do exactly what it wanted to prevent in the first place, i.e. to bring about social improvements without the necessary increases in income with which to fund the provision of social services in the long run. In that respect, the improvement in tax collection may prove to be a questionable success, as many people complain about a higher tax burden without an improved income. The result could be increased poverty for those concerned or, at least, a disincentive to improve one's own economic situation.



## 9 ECONOMIC CHANGE AND LOCAL GOVERNANCE IN SONGEA DISTRICT

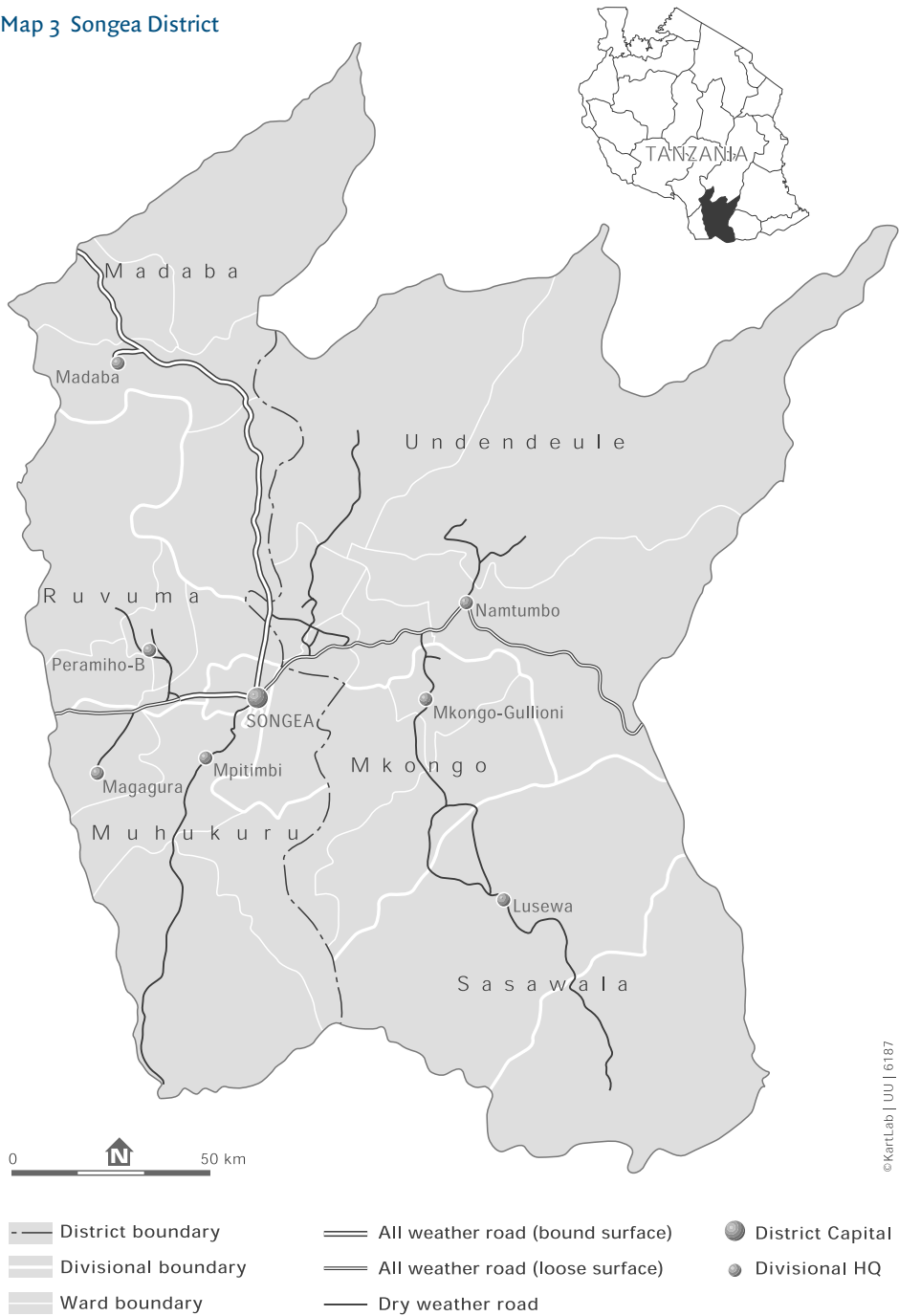
### 9.1 District profile

Songea is one of three districts in the Ruvuma Region. It covers an area of 33,925 square kilometres, which is slightly more than half the total area of the region. According to the 1988 census, it had a population of 253,367, rising to 333,055 according to the 2002 census. Since July 2003 Songea District is divided into two new districts: Songea and Namtumbo.

The main ethnic groups in Songea are the Ndendeule, the Ngoni and the Yao. The Wandendeule were a stateless people with a strong egalitarian culture and ideology, organised along several hundreds of matrilineal kinship groupings. They lived in the area when, in the mid-19th century, two groups of Wangoni invaded the region from South Africa. These had a strongly hierarchical and military organisation and established their control over the Wandendeule and related peoples, who were incorporated in their states under Ngoni chiefs. The Wayao crossed the Ruvuma river from Mozambique in the late 19th and early 20th century as hunters and traders. As former slave and ivory traders, they had well-armed bands and established chiefdoms in a zone along the coast and the long-distance caravan routes. Their different origin, history and culture can still be recognised in present-day Songea. For example, religion and ethnicity are closely connected: the majority of the Wayao and Wandendeule are Moslems, the Wangoni are mostly Christians.

Geographically, the district shows considerable variety. It has three altitude zones: a lowland area below 600 metres along the Ruvuma river basin (30% of the district), an intermediate zone between 600 and 1200 metres (about 60%) and the highlands zone between 1200 and 1800 metres (10%). Temperatures vary with altitude and average between 20 and 25 degrees Centigrade in the daytime and 15-17 degrees at night. The district experiences one long rainy season between November and May. Annual rainfall averages between 800 and 1200 mm. but increases with altitude; hence, the lowland is drier than the highland. Soils are poor in nutrients; almost two-thirds of the area has soils with very low fertility, and less than 10% has medium to high fertility soils.

Map 3 Songea District



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Road conditions in the district were poor, but have improved greatly over recent years. About three-quarters of the road network is now passable all year round. In the rainy season, the earthen roads are in poor condition, which is generally considered a serious constraint on the marketing of agricultural produce, particularly in relation to the district's peripheral position. For example, although in 2002 the Government of Tanzania opened the boundaries to neighbouring states for trade in food crops in response to the famine in Southern Africa, this trade is still severely hampered by the poor communications network.

The economy of Songea District depends almost entirely on agriculture, which provides employment to 95% of the population. The production of food and cash crops accounts for more than 90% of the district's Gross Domestic Product. Yet only about 10-20% of the 3.2 million hectares of arable land are currently under cultivation. The proportion differs between one year and the next, the traditional farming system being shifting cultivation with long fallow periods, and with cultivation mainly by hoe. The villagisation policy of the late 1960s resulted in a more permanent agricultural system around relatively large villages of approximately 300 households.

Smallholders cultivate an average of 3-4 ha. per household, dependent on available labour. Women provide more than half the farm labour input. In the maize and tobacco-growing zones, up to 45% of households use hired labour during peak periods. The main food crops are maize and rice. Maize was introduced in the 1950s and strongly expanded in the 1970s as a result of heavily subsidised fertiliser inputs. It is now the main food/cash crop and is grown by all households. Tobacco is the second cash crop, cultivated by half of all households. Paddy becomes increasingly important as a second grain crop, and small quantities of cashew nuts, beans, simsim, and coffee are also produced. Livestock production is insignificant compared to arable agriculture, but dairy farming has been introduced and expanded since the late 1980s.

There are substantial differences in cultivated area, yield levels, degree of agricultural commercialisation, and income, among farmers. Labour availability is the main determinant for farm size and cropping pattern. Although income figures are not available, it is evident that the highest agricultural incomes are found in the maize and tobacco-growing areas of Hanga and Udendeule divisions. Although with generally sandy soils that are poor in nutrients, these areas are quite suitable for tobacco growing. The areas are sparsely populated and show an unstable settlement pattern. The forests provide

abundant land for a 'shifting-cultivation' type of tobacco growing, which makes it easy to avoid various pests and crop diseases and deterioration of the soil structure. The forests also supply the firewood needed for tobacco curing.

## 9.2 Economic change

Subsistence agriculture characterised Songea's rural economy up to the early 1930s, when tobacco was introduced but this was only produced in small quantities in the 1930s and 1940s. During the German colonial period and up to the early 1950s, labour migration was the main source of cash income and the means with which to pay taxes. Sisal plantations elsewhere in the country were the principal destination for migrants; in the late 1940s, no less than one-third of the adult male population was away at any time of the year (Gulliver, 1955). As tobacco growing expanded in the 1950s, labour migration was replaced by cash crop cultivation, especially after the British administration founded the Songea Native Tobacco Board and established a seed farm in the area. At the same time, moreover, the Ngoni-Matengo Co-operative Union (NGOMAT) started to operate a tobacco-processing factory.

The Ndendeule in particular benefited from the new opportunities; their egalitarian social structure and the new methods of collective action made them the keenest members of the co-operatives. At the time of Independence, therefore, conditions for further agricultural commercialisation and economic development in Songea were quite favourable.

The Government of Tanzania approved that tobacco should become the main cash crop for Songea, and attempted to stimulate expansion by legal means. In 1965, it introduced a by-law that compelled every household to grow a minimum of one acre of tobacco. Although most villagers resented the law, tobacco production increased by some 13% per annum between 1964 and 1971. Due to the compulsion, growth was caused by an expansion in cultivated area rather than by yield increases induced by technological innovation. Tobacco production fell from an average of 4000 tonnes in the early 1970s to less than 2500 tonnes in the early 1980s, and further to a mere 400 tonnes in 1985. Production was affected unfavourably by the dissolution of the co-operatives, the decline in use of hired labour, considered to be an exploitative relationship, and farmers' preference for maize.

In spite of tobacco cultivation, Songea was one of the least developed parts of Tanzania until the early 1970s. From then, the economic situation improved as a result of the promotion of maize cultivation, stimulated by heavily-subsidised fertilisers made available by donor grants. Maize prices improved over the years due to subsidies on inputs and an

assured market. Moreover, fertiliser use almost doubled yield levels between 1977 and 1986, i.e. from 1.4 tonnes to 2.5 tonnes per hectare. Songea became one of the main maize producing areas for the domestic market.

By the end of the 1970s, however, the disadvantages of the system had become increasingly visible. There was an over-supply of fertiliser, tonnes of which lay unused in village stores because villagers had withdrawn from cash crop production, and maize rotted in Songea stadium due to the government's inability to arrange transport. Simultaneously, the country had to import maize to meet food shortages elsewhere. Not only did agricultural production decline in Songea, consumer goods were also hardly available to the rural population, which in turn discouraged farmers from growing crops for sale.

The economic reform policy became noticeable in rural Songea in 1981/82 when in addition to village co-operatives also private traders were allowed to buy food crops. Pan-territorial producer prices were then abandoned in 1982/83, and co-operative societies in the form of regional co-operatives and as affiliates of CCM (the only political party) were re-introduced in 1984. The Ruvuma Co-operative Union (RCU) started to buy crops from farmers in 1985; it sold its maize to the National Milling Corporation (NMC), and tobacco to the Tobacco Authority of Tanzania (TAT). By 1988/89, the marketing of all food crops had been decontrolled and a competitive, multi-channelled marketing system, including private traders, introduced.

The abandonment of the pan-territorial price system and subsidies on inputs was highly unfavourable for peripheral areas, such as Songea with its infrastructure impediments and high transport costs, although accessibility improved in the late 1980s with the construction of the Njombe-Songea road. The discontinuation of subsidies in 1986 reduced the use of inputs, with an unfavourably effect on yield levels and quality of produce. The NMC refused to purchase RCU maize or bought only part of it, because of its alleged low quality. RCU incurred enormous losses and, by the end of the 1980s, was in serious debt to the banks and government. It stopped purchasing food crops in 1991 and concentrated instead on tobacco.

Despite the abolition of subsidies and continuous problems in marketing, official statistics state a maize production fluctuating between 150,000 and 200,000 tons between 1988 and 1998 with a sixfold increase in value during the first half of the 1990s. A recent report mentions a fall in yields to 0.7 tonnes per ha on an average 1.1 ha per household. However, these figures do not tally with output levels (see Table 9.1): either households

cultivate a larger area or yield levels did not decline so dramatically. Even now it seems that fertiliser use is considerable: survey results indicate its use by 80% of farm households (ETC, 2001a).

The decline in real producer prices for maize stimulated farmers to focus on tobacco cultivation again. Tobacco production increased strongly, although figures differ substantially among the various sources. The most conservative indicate a volume increasing from some 400 tonnes in 1985/86 to 3500 tonnes in 1989/90 and further to almost 7200 tonnes in 1999/2000.

Marketing continued to create problems for farmers. Private traders began to operate legally in tobacco purchasing in 1996. They provided inputs on credit, deducting the cost when purchasing the crop. There was considerable distrust between farmers, private buyers and leaders of the co-operatives, however, especially about the grading practices used by private buyers. Nevertheless, the initial effect of increased competition between private traders and the Songea Agricultural Marketing Co-operative Union (SAMCU), operating at the level of Songea District, seems to have been beneficial to farmers. SAMCU paid a slightly higher price than the average indicative one set by the Tobacco Council. Politicians intervened when the district administration claimed that private buyers did not pay the tobacco cess to the district coffers and court cases followed to press the buyers to pay, and in 2000 SAMCU was granted sole rights to buy tobacco. SAMCU did not distribute inputs, however, was criticised by growers for incorrectly grading the crop and handling the funds, proved unable to find buyers for the tobacco and, in the end, did not pay or only partly paid the tobacco growers. Subsequently, many farmers stopped growing tobacco or reduced their area substantially. In 2002 two private buyers were allowed to buy tobacco again, receiving a monopoly position in the area allocated to them and reaching agreement with the district about the payment of cess. Farmers still complain about the grading of the crop, however.

Paddy production has increased during the last decade as a result of improvements in irrigation and crop husbandry techniques. It now covers some 10,000 to 16,000 ha, on which 20-25,000 tonnes of paddy are produced annually.

Table 9.1 presents production figures for the two principal marketed crops.

Table 9.1 Production and value of main crops, Songea District 1988–2000\*

Year	<i>Maize</i>		<i>Tobacco</i>		Total Value
	Volume	Value	Volume	Value	
1988/89	178.7	1.07	3.5	-	-
1989/90	147.2	1.32	3.2	-	-
1990/91	134.9	1.62	5.3	-	-
1991/92	199.6	5.99	3.4	1.56	7.55
1992/93	195.8	5.87	3.5	1.71	7.58
1993/94	206.0	8.24	4.3	2.14	10.38
1994/95	154.8	6.97	4.8	2.64	9.61
1995/96	156.2	7.03	8.0	4.40	11.43
1996/97	79.6	4.62	9.2	4.60	9.22
1997/98	176.2	12.33	4.6	2.5	14.3
1998/99	-	-	7.4	4.2	-
1999/00	-	-	7.2	4.4	-

\* Volume in 000 tonnes, value in billion Tshs, - = no data

Source: District Development Plan, 2001

If measured by the value of marketed output, the incidence of mechanisation and the level of input use, Songea has a relatively low level of agricultural commercialisation, especially if compared with potential and available land resources. A comparison of actual and potential yield levels, as established through research trials, shows ample potential for output increases. Gross margin calculations based on actual prices received by farmers indicate interesting prospects for tobacco, irrigated paddy, coffee and groundnuts. Conversely, maize proves to be the least remunerative crop. One of the main factors responsible for low gross margins is low productivity (ETC, 2001a).

### 9.3 Social change

Economic change also affected the social system in Songea District. Labour migration to the sisal estates and the cultivation of cash crops for the market expanded the monetary economy. This increased socio-economic differentiation and changed the relative position of the three main ethnic groups, chiefly in favour of the Ndendeule. In addition, missionary organisations and the state started to provide education and health services.

Education started in Songea with the coming of the missions, mainly the Roman Catholic Church, which became established in Peramiho in 1898. Even now, Peramiho schools are well-known in Tanzania for good quality education. The number of mission schools and their high standards had a positive influence on the education level in Songea. The district has always had a high percentage of school-attending children. After Independence and especially in the early 1970s, schools increased in number, but accurate data on the magnitude of that increase are lacking.

Since the 1980s, however, there has been a decrease in enrolment from about 90% to 70% in 1996, subsequently increasing again to 81% in 2000/01. Enrolment rates in primary education fluctuated in relation to population growth, availability of classrooms and the accessibility of schools in terms of distance and the level of school fees. During the last decade, more girls than boys have entered education; boys, moreover, show a higher drop-out rate. At present, enrolments and the quality of education are both affected by a shortage of qualified teachers, classrooms and school materials, particularly in the more isolated villages.

Compared to national standards, the number of health facilities in Songea is rather favourable. Since the 1970s the number of dispensaries has more than doubled (from 26 to 64), and the number of health centres has increased (from 1 to 7). About half of all dispensaries and health centres are private (mission). There are two hospitals, located close to one another. This complicates access to hospital care for rural areas, especially during the rainy season. Although facilities have increased and are more evenly distributed throughout the district, the quality of health care has fallen since the early 1980s. The health referral system is reported to have collapsed and village dispensaries face shortages of staff and medicines.

Since Independence the construction of water supply facilities has increased, facilitated by donor aid and self-help contributions of the local population. Maintenance has often been a serious problem, especially since the mid-1980s when the Tanzanian economy declined and public expenditure had to be reduced. Consequently, clean and safe water coverage decreased from 54% of the population in 1988 to 47% in 1996. Subsequently, it improved again with the support of donors; at present it is claimed to be in the order of 70%.

#### 9.4 Local governance

Before the German occupation, Ngoni invaders controlled most of the area of what is now Songea District. This was facilitated by their hierarchical socio-political structure and their military capabilities and strength. The system of administration adopted during the German colonial period affected the position of ethnic groups in several ways. Firstly, it reduced the powers of the Ngoni vis-à-vis other ethnic groups. The Germans prohibited slave raids and the slave trade, i.e. the main source of income for the Ngoni and Yao. The Ngoni reacted in two ways: some tried to co-operate with the Germans and sent their children to mission schools, others refused to adjust to the rules and regulations of colonial administration and ultimately revolted against the Germans, in what became known as the Maji Maji rebellion (1905/06). The crushing of the rebellion meant the end of the military power of the Ngoni and resulted in the migration of large groups. Famine, malnourishment and disease depopulated parts of the area. The Ngoni had converted to Christianity at an early stage and many trained tribal members were later accepted by the British in their administration.

The British administration introduced Native Authorities in 1926 under the principle of Indirect Rule. Songea became then a separate district with four native authorities. The policy of Indirect Rule favoured ethnic groups with a hierarchical socio-political structure, such as the Ngoni and Yao. As late as 1953, also a Ndendeule native authority was established. Decentralisation policies under British administration gradually transferred powers to the Ndendeule, numerically the largest ethnic group in Songea, at the lower administrative levels, particularly the division and village. During the struggle for Independence, Ngoni and Yao chiefs became more loyal to the British administration, whereas the demand for a fully representative District Council arose among the Ndendeule, whose political position strengthened when chiefs were abolished by the independent Government of Tanzania. The Ndendeule had already strengthened their economic position during the 1950s by taking a leading role in tobacco cultivation and marketing.

The situation again changed with the re-centralisation of political power after the adoption of socialist policies, particularly after 1972 when local government and its elected officials were abolished and replaced by a de-concentrated government bureaucracy from the centre down to the village level. From 1973/74 onwards, Songea faced a massive villagisation programme, because of the vast area of uncultivated land, scattered population, the low level of social services and poor communication. Therefore, most of the population were forcefully moved into new villages. Villagisation had different effects on

the various ethnic groups. It strongly affected the Ndendeule, who used to live in small and dispersed groups, but brought little change to the Ngoni and Yao, who already lived in villages. Under the new regulations, villages were to have elected councils, with several committees to manage, regulate and co-ordinate development affairs and to mobilise villagers for social and economic development. The village was transformed into a co-operative society, a production unit rather than a site of governance.

During this period, the co-operative system was also re-organised, implying a reduction of farmers' influence. The centralisation tendencies already became apparent during the late 1960s with the dissolution of the Ruvuma Development Association (RDA), a group of 17 communal villages, that had been established in 1963 and turned into a co-operative body in 1965. Villages were successful in their development efforts in terms of improving food security, establishing village industries and improving social services, such as education, health and drinking water facilities. RDA activities had become a threat to the co-operatives and were weakening the position of politicians. Thus, in 1969, the Minister for Rural Development and Regional Administration announced that RDA was dissolved; its assets were confiscated with the aid of the police.

The decentralisation of local administration was re-introduced in Songea in the early 1980s and co-operatives were re-established. Local government elections were integrated into the one-party structure, and co-operatives also operated within the party framework. Radical changes to this structure were to take place in 1992 with the abolition of the one-party system and the introduction of multi-party democracy. Formally, government and party structures were separated at the village, district and regional level. In practice, in Songea, 99% of village governments continued to be controlled effectively by CCM. According to the Election Monitoring Committee, it was not uncommon that village governments worked together with CCM to harass those who joined other parties. The situation does not seem to have changed up to the present day. In most villages, CCM is still firmly in control and dominates leadership and other issues (Chachage et al., 2001).

The main elected body, the District Council, is composed of 38 councillors. Out of these 26 represent wards (one is a woman) and two are Members of Parliament. In addition, there are 10 nominated female councillors. However, women tend to play a passive role in the various organs.



According to recent reports, the Council does not have a clear view on the development of the district or on its own role in the development process. Councillors lack facilities, such as an office and adequate means of transport to visit their electorates and do not represent the people in the way envisaged. The District Management Team, although strongly committed to change, is plagued by frequent transfers, unclear job descriptions, the lack of incentives to motivate staff, and promotions that are not based on performance. At the village level, cases of poor leadership, malpractice and corruption have been observed, and it was reported that problems were not solved because villagers fear their leaders. Regarding financial management, an audit by Price Waterhouse Coopers concluded that “the Finance Department appears to have no strategies on how to manage the finances it collects or how to better collect and co-ordinate the collection of revenue” (SDC, 1998). Village studies show that weak financial management at the village level is a serious problem: it discourages the population from participating in communal activities and hampers the development process. Respondents report embezzlement of funds, and the use of people’s contributions by village leaders and civil servants for allowances, festivities and other types of private consumption (Chachage et. al., 2001).

### 9.5 Perceptions and poverty

The economic history of Songea District has been determined by the agricultural sector, which was and still is the dominant sector of the rural economy. In the first half of the 20th century, agriculture was limited to self-sufficient food production and cash incomes originated from the labour migration of adult males to sisal and other plantations elsewhere in the country.

The second half of the 20th century shows the replacement of labour migration by the cultivation of tobacco and maize as main sources of household income. During this period, there were sharp fluctuations in the levels of agricultural production and monetary incomes of farmers. In the years preceding Independence, there was a strong expansion of tobacco growing which continued up to the early 1970s. Incomes of tobacco growers rose and their living conditions improved. Yet, in those days the area was considered as one of the least developed in Tanzania due to its remoteness, inaccessibility and low population density. From the early 1970s onwards maize production rose dramatically, the economic situation improved and incomes increased, particularly as farmers profited from subsidised fertiliser inputs. Economic reforms, the abolition of subsidies on fertilisers in particular, affected farmers’ incomes unfavourably from the mid-1980s onwards. If the aggregate value of major crops is used as a main indicator, average per capita

incomes fluctuated from about US\$ 50 in 1995 to US\$ 90 in 1999/2000. Other sources refer to estimated incomes of US\$ 100 and US\$ 250 per capita. These averages conceal income differences between various parts of the district, and among farmers, i.e. especially those with or without hired labour. Moreover, price fluctuations throughout the year may affect farmers differently. Most low-income farmers have to sell their farm produce immediately after harvesting (when prices are low), because of a need for cash and lack of adequate storage.

Although reliable data on incomes are lacking, it is obvious that per capita incomes are considerably below the poverty line and that incomes have decreased since the 1980s. The improved housing conditions for a majority of households, mentioned in the village profiles, are the effect of higher incomes in the past, especially in the 1970s (Chachage, 2001; ETC, 2001a).

There is general agreement among the various stakeholders in the district that poverty has been increasing in recent years. In the villagers' perception, poverty manifests itself in terms of low income or no income at all, the inability to have good modern houses, the inability to feed and clothe members of the household, to send people to school or to afford school fees and medical services. According to one of the farmers:

*Lack of seriousness in the buying of tobacco has made people stop cultivating the crop. There is no hope. Most of the villagers are now growing maize, but maize is no longer a cash crop since there is a surplus at the local level and marketing to other areas of Tanzania is too costly (Chachage et. al., 2001).*

A recent community assessment of agricultural production, income and livelihood presented a similar picture. In 1998/99 half the respondents assessed their situation as bad, and this increased to three-quarters in 2000 (ETC, 2001a).

The reasons given for the recent increase in poverty differ. At the regional and district levels, authorities attribute further impoverishment to the under-development of industrial and commercial sectors. Crop yields are low because of the inadequate supply and use of inputs and low technology of production. The business community is of the opinion that investment in non-agricultural activities is not possible because of insufficient power supply, whereas the power company states that there are no activities to justify investments to increase the capacity. Consequently, tobacco buyers find it more convenient to process tobacco elsewhere. At another level, district authorities and the District Rural Development Project (DRDP) regard the question of poverty as being caused by the lack of alternative cash crops to tobacco, given that the market for tobacco is not secure.

Villagers claim that if any real development and improvement of their lives occurred at all, it was in the second half of the 1970s. That period was marked by good leadership, and they were able to sell all their produce. Although co-operatives delayed payments, they were assured of being paid eventually. Moreover, social services were expanded and improved in the 1970s, and therefore the people perceived that period as one of decreasing poverty. Furthermore, re-centralisation was seen at the village level as positive: villagers claim that during this initial period villages were able to develop, “because leaders used to listen and deal with people’s problems” (Chachage et.al., 2001).

In the perception of the village population, present poverty is mainly caused by the lack of access to inputs and the absence of a reliable market for whatever they produce, since there are no organisations to look after their interests. Moreover, they feel that district and regional governments are apathetic towards addressing their marketing problems seriously. Their criticisms about the quality of present leadership include those who have been elected, such as Members of Parliament and Councillors who, in their view, behave like government officers. This is illustrated by the following quote from an interview in one of the villages:

*The honeymoon with the MP ended with our having elected him. He says he was not elected for the purpose of solving minor problems- those at the village level.... He deals with national issues. He says we are making a lot of noise to him, wowowowo. But we are adults. He better tells us, who is our MP?... All that we told him was, a tobacco farmer is treated unfairly when marketing the crop. It is not fair that a farmer is not allowed to witness and instead is represented, when tobacco is being weighed and graded. What kind of trade is this, when one is not allowed to keep an eye on his property?*

These opinions are confirmed by the ‘green sector’ study which recorded the complaints of farmers about their perceived ill-treatment in tobacco marketing, the ineffective or lack of action by district authorities, and the numerous taxes levied on their crops. According to that study, farmers reacted with a survival strategy, including defaulting on inputs, rather than by adopting better farming methods (ETC, 2001a).

## 9.6 Summary and conclusions

Songea District has a rather favourable resource position in terms of land resources, but suffers from a peripheral location vis-à-vis the main population centres in the country and from a poor communications network. The district’s economy is dominated by the agricultural sector, which provides employment for 95% of the population and represents

90% of production. The growing population has gradually expanded the area under crops, but there is still ample land available.

Rural economic change resulted primarily from agricultural commercialisation which started during the colonial period but was vigorously pursued by government after independence. The principal instruments of government policy up to the mid-1980s were legal regulations regarding minimum areas for crops, subsidies on inputs, a pan-territorial pricing system that favoured peripheral areas such as Songea, and heavy state intervention in input supply and marketing. This policy resulted in income increases and decreased poverty in Songea, but was disastrous for the country's economy and therefore non-sustainable.

Economic reforms introduced after the mid-1980s brought the termination of subsidies and the pan-territorial pricing system, and a decrease in real producer prices. The consequence of these changes was a reduced use of inputs, lower yield levels and lower real net farm incomes. In addition, the entry of private traders did not lead to greater competition and higher efficiency of the marketing system. When marketing problems for tobacco intensified at the end of the century, farmers lost interest and reduced their cropping area. In general, economic reforms have not given rise to the expected increase in agricultural production and farm incomes.

Social change involved a shift in power among the main ethnic groups, increased social differentiation in relation to expansion of the monetary economy and the creation of new economic opportunities, the spread of new religions (Christianity and Islam), and the expansion of social services such as education and health care systems. A sharp expansion of these facilities occurred during the 1970s and early 1980s, but their magnitude and quality declined after the mid-1980s. During the 1970s, moreover, large groups of dispersed households were pressed to start living in villages in order to facilitate the supply of these services.

After Independence the population of Songea experienced an improvement of living conditions due to higher monetary incomes, the construction of better houses, and the expansion of social services. There was thus an obvious reduction of poverty, although improvements were concentrated in selected parts of the district, more especially Hanga and Udendeule divisions. After the mid-1980s and the introduction of economic reforms, the output of main crops continued to increase but, because of higher costs and inefficiencies in marketing due to lack of competition, net farm income stagnated or even

decreased. Although average incomes in the region, and in all probability also in the better-off parts of Songea, are above the national average, people experienced this period of reform as one of increasing poverty.

There is a sharp difference of opinion about the main causes of the present crisis and the appropriate strategy to improve the situation between the authorities on the one hand, and the ordinary people on the other. The authorities emphasise the need to diversify the rural economy through the expansion of non-agricultural activities and the introduction of alternative crops. The local people consider the deficiencies in agro-support services to be their main problem, especially those in the marketing system. Also, they stress the need for substantial improvement in the quality of leadership at the local and district levels.



# 10 DISTRICT RURAL DEVELOPMENT PROGRAMME IN SONGEA

## 10.1 Introduction

The Songea Integrated Rural Development Programme, later named Songea Development Action (SODA), is a joint programme between the Songea District Council and the Netherlands Development Organisation (SNV). The contents and set-up of the district programme in Songea were formulated in 1991 on the basis of a fairly general initial survey in the district. The programme officially started with the signing of an Administrative Agreement by representatives of the District Council, SNV and the Office of the Prime Minister in October 1993. The agreement covered the period 1993-1997, for the first phase of the programme. The year 1998 was a preparatory year for the second phase, which started in 1999 and is now ending in 2003.

## 10.2 Objectives and strategy

The general objective of the SODA programme for the first phase was formulated as follows: to support and promote a community based development process in geographical areas of intervention in Songea Rural District, which will lead to sustainable improvement of the living conditions of the rural population.

The specific objectives included (i) strengthening of government planning and implementation, (ii) creation and strengthening of people's organisations at village level, (iii) improvement of the agricultural production system to ensure food security and increase cash income, and (iv) implementation of a health care and nutrition programme.

For the second phase the overall aim was "to structurally improve the well-being of men and women by enhancing food security, rural income and improving social services in a sustainable, efficient and equal way." This general aim was worked out into three more specific objectives, phrased as follows:

1. To further develop the participatory planning and management approach of community-based projects, and to embed it successfully into the regular council planning cycles in order to increase local ownership, stimulate local institutional development, enhance project sustainability and enlarge the participation of women in planning and management.

2. To enhance the management, planning, implementation and monitoring capacity of the District Council in order to fully hand over all project responsibilities to this council.
3. To design and implement strategies for (i) creating an enabling environment for the emergence of NGOs, CBOs and the private sector at district and local level; (ii) improving of household income, food security and living conditions of the district population; and (iii) strengthening the relative position of women in the development process.

SODA adopted a strategy leading to short term tangible results. This meant the implementation of activities on the basis of a rapid rural appraisal, and a focus on local communities and people's participation in problem identification, priority setting for improvements, development of action plans and implementation of activities in accordance with these plans. Simultaneously, further studies were undertaken to identify structural development constraints and potentials. To this end, the programme started in 39 villages in three of the seven divisions of the district. Divisions were sub-divided into agro-ecological zones for which profiles were made, specifying resources, population and farming system characteristics and information on basic services and gender. The profiles also indicated the viability of interventions in the fields of agriculture, agro-forestry, economic activities, accessibility and basic needs, compared to the priorities identified through the local communities.

The programme had an explicit focus on poverty alleviation. According to the formulation report, the determining factor for successful impact in terms of poverty reduction was "the building of capacity of the target group to tackle in a concerted way the problems that keep them in a situation of poverty". The main instrument through which to achieve this was village level planning, which started with facilitating the village population in analysing their problems and felt needs, followed by setting their priorities and developing action plans to solve the problems. The villages requested financial support from SODA for plan implementation via the district planning officer. District departments were usually involved in implementation.

In the second phase, the coverage of the programme was expanded to include the whole district, while emphasis shifted from strengthening the local communities to enhancing the capabilities of the district administration. This meant the incorporation of village and ward plans into district planning, more attention for the training of local government



personnel, and increased implementation through sector departments at district level. Moreover, project funding was replaced by direct funding of the district administration for the implementation of the district plan, and a separate contract for SNV's advisory services.

### 10.3 Programme organisation and finances

Organisationally, the programme operates through Songea District Council. The District Executive Director (DED) is in charge of a team of Heads of Department, responsible for drafting a district development plan, which has to be approved by the Council prior to submission to the Ministry of Regional Administration and Local Government. After approval, the various departments implement the plan. In 2001 Songea District Council had a staff of 2341 of whom 1654, or two-thirds were employed in education, mostly primary school teachers.

During the first phase, the programme had a parallel structure with separate project funding and technical assistance through the deployment of expatriate personnel. At the district level SNV was represented by a programme co-ordinator. The Dutch co-ordinator played a key role in shaping the programme, i.e. in the design of the strategy, in the selection and implementation of activities and in the approval of budgetary allocations. The DED and SNV co-ordinator both signed for expenditure. Apart from the co-ordinator, SNV had a staff of five (two area co-ordinators, a specialist on women and development, a farming expert, and a part-time project administrator). The various advisors were attached to relevant departments of the district council.

The organisational structure changed during the second phase. The programme became embedded wholly into the regular administrative structure of the district, technical assistance personnel started to operate more as advisors and facilitators and were reduced to one person in 2002. Most responsibilities were handed over to council staff, who made the final decisions about financial allocations on the basis of proposals of the departments. The SNV co-ordinator attends council meetings for questions and advice.

Although SODA formally joined the DRDP programme supported by the Netherlands in 1991, actual implementation started in 1994, some three years after its formulation. Project expenditure for the period 1994-1996 totalled US\$ 2.20 million, including 0.75 million for SNV staff. Of the US\$ 2.20 million of project expenditure, about one-third was spent on administration and office management. During the next three years (1997-1999) project expenditure increased slightly to US\$ 2.5 million, while the proportion for admin-

istrative overheads gradually fell to 15%. This means that the share of development investments increased from 65% in the initial years of the programme to 85% in 1999 and further to almost 90% in 2001.

Expenditure for the whole programme period (1994-present) totalled an estimated US \$ 6.3 million, including expenditure on SNV staff input.

Table 10.1 Total expenditure SODA/DRP 1994–2002 (US\$ 000)

Year	Development expenditure*	Total expenditure	Development expenditure as % of total
1994-96	1445.0	2200.0	65.6
1997	684.9	878.8	77.9
1998	543.1	665.6	81.2
1999	771.8	909.4	84.9
2000	488.9	568.0	86.0
2001	493.5	550.9	89.6
2002	488.1	558.3	87.4
<b>Total</b>	<b>4,915.3</b>	<b>6,331.0</b>	<b>77.6</b>

\* includes capacity building

Source: SNV records

The distribution of expenditure over the various sectors changed in the course of the programme. During the initial period, i.e. 1994-1996, no less than 42% went to the rehabilitation of feeder roads and bridges, followed by 21% for the improvement of drinking water supplies, 10% for agriculture and natural resources and 8% for education. Together with the 5% for health, combined expenditure on the social sectors represented about one-third of the total. This was maintained during subsequent years, but there was a drastic reduction in expenditure on roads and bridges and fairly sharp increases on agriculture and livestock, and on capacity building in the district administration. The latter more than doubled in the period 2000-2002 and became the most important cluster of activities. Expenditure on agriculture/livestock and land use was maintained at the same level, whereas those for the social sectors and road infrastructure further decreased. This shift from social services towards strengthening the district administration formed the main deviation from the 2001/2003 budget.

Table 10.2 SODA/DRDP - Sector distribution of development expenditure 1994–2002 (%)

Sector	1994/96	1997/99	2000/02	Budget 2001/03
1. Capacity building / Strengthening district administration	2.6	10.9	25.3	6.0
2. Roads / bridges	42.3	20.1	15.7	12.0
3. Agriculture / land use	9.7	21.9	23.6	29.0
4. Education	7.8	12.1	9.8	12.0
5. Health	4.9	7.8	5.5	9.0
6. Water	21.1	11.0	9.3	12.0
7. Community development	– *	8.7	4.7	–
8. Other	11.6	7.5	6.1	10.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

\* Not separately mentioned

Source: SNV records

The trend for sectors is aggregated in table 10.3 for the four main categories of expenditure.

Table 10.3 Main categories of development expenditure SODA/DRDP 1994–2002 (%)

	1994/96	1997/99	2000/02
1. Basic needs / community services	34	31	25
2. Infrastructure / communications	42	20	16
3. Income generation / economic base	16	33	33
4. Capacity building / district administration	3	11	25

The sector distribution and trends of DRDP expenditure do not provide a complete picture of development expenditure in Songea. Firstly, other donors support projects in the district, for example for drinking water improvements and dairy farming propagation. Second, sector support by donors, including the Netherlands, provided for national level programmes, may become available to the district. For Songea this applies to road con-

struction through the road rehabilitation fund and to health and education. Priorities for sector funding at national level may differ from district priorities, however; at present, district plans do not form part of the framework for national level planning and funding in Tanzania. The planning system at district level is complicated further by planning activities under the Local Government Reform Programme. The District Planning Department, therefore, has to take account of several planning frames, each with its own time schedule, methodology and set of rules and regulations (ETC, 2001a).

DRDP progress reports indicate substantial differences among projects in budget realisation, but for most years during the second phase and for most activities 80 to 90% of the SODA/DRDP budget was spent. The contribution by the Songea District Council has been substantially lower than arranged in the agreement between it and the donor. Initially, SNV support towards strengthening the council was based on a 1:3 matching principle, lowered for SDC gradually to 1:5, or from 33% to 20%. Even this lower target has never been realised, however: for example, SDC contributed only 12% in 2002. The low contributions by SDC were largely due to deficiencies in revenue collection, more especially a long lasting dispute between the council, and the agricultural marketing co-operative (SAMCU) about the transfer of produce cess to the council's coffers. In 2000 SNV, consequently withheld outstanding funds for investments, including those for the rehabilitation of post-primary schools, the improvement of traditional wells, and the propagation of new crops.

#### 10.4 Activities and output

The distribution of funding provides some indication of the relative importance of sectors. Support to sectors comprised clusters of activities or projects, however, which differed strongly in magnitude and complexity. In 1998 the programme comprised no less than 72 activities under 16 projects, grouped into 5 clusters. For detailed information, see Annex 3, table 3.4.

The most complex clusters were those of agriculture and natural resources, and the organisational strengthening of the district administration. The former included, among other things, the propagation of new crops (coffee, coconut and cashew), the introduction of animal draught power and irrigation techniques, the improvement of agricultural extension services, the introduction of improved animal husbandry (dairy farming, piggery and chicken farming), the propagation of agro-forestry and timber production, the revitalisation of co-operatives including the establishment of Saving and Credit Co-operative Organisations (SACCOs), and small-scale enterprise promotion.

Strengthening the district administration comprised, among other things, such diverse projects as improving district planning skills (5 activities), strengthening the revenue collecting system (14 activities), the budgeting and income administration (3 activities), policies and procedures (5 activities), and the establishment of a district development monitoring system. Also, the drafting of a District Development Plan for 2000-2002 was a separate project in this cluster.

The village planning exercise covered all 128 villages in Songea District. According to an internal evaluation report of 1997, all stakeholders agreed that this planning exercise proved to be an effective tool for participatory planning and contributed to empowerment of the people because of the short planning cycle, its capacity building elements, its transparent procedures and its adherence to village-level priorities. Later reports state, however, that participation in planning was still low and needed to be streamlined “in accordance with existing democratic institutions”. And implementation of village plans was hampered by shortage of funds and the lack of capabilities among government staff. Finally, an assessment of the cost-effectiveness of the exercise pointed towards a more pronounced role for ward level planning. Subsequently, village level planning was terminated and replaced by the preparation of ward level plans. By 2001 all 26 wards were covered by Ward Development Plans, which were integrated in 2002 into the District Plan (SNV, 2000).

Improvement of the physical infrastructure concentrated on the construction of bridges, spot improvements of roads and the setting-up of maintenance groups. By 2002 three-quarters of council roads were passable throughout the year against one-quarter in 1994. In the support for the agricultural sector, the emphasis was on the introduction of new crops, new types of animal husbandry, improved farming and animal husbandry techniques, and strengthening of the extension service. Relevant for sustainable agricultural development were also the land use planning activities. Land use plans were prepared for some 20-25% of all villages, which resulted in the re-afforestation of erosion-prone areas and a reduction of boundary conflicts between villages.

The acreage covered and number of farmers involved differed strongly for the various projects; for example, between 11,000 farmers for cashew nut tree planting to 90 farmers for improved paddy, but such figures do not always provide a realistic picture of the importance and impact of the projects.

For the propagation of cashew nuts, seed was distributed to numerous farmers in one division, but the acreage that was planted and the number of plants that survived are not accurately known. Seed distribution was influenced by the relatively high prices for cashew nuts in 1998/99 and by strong support of local politicians because of the parliamentary elections of 2000. Total output did not exceed 50 tonnes in 2002; this is expected to increase slowly together with the expansion of buying points by private traders. So far, the cashew nut project had little impact.

In 2000 DRDP started a project to improve rice production through better irrigation techniques, the introduction of new varieties and improved planning methods. In total 90 farmers in 19 villages were covered. Activities included the demarcation of areas suitable for irrigation, the construction or rehabilitation of small dams and channels, a survey of farm plots, and the preparation of nurseries and demonstration plots. In addition, in 2002 government started to support improvements in paddy cultivation, which were rapidly adopted by an estimated 5000 farmers in the area with advice by the extension service. Reportedly, yields have increased threefold from 8 to 25 bags per acre/harvest and irrigation now allows for two harvests per annum. Paddy is marketed through local channels, and prices have been influenced favourably by recent food shortages in Malawi and by the liberalisation of trade to neighbouring countries. In sum, improvements in paddy cultivation had considerable impact on farmers' incomes.

In the social sectors, improvements of health facilities, primary education and drinking water supply were supported. Community health workers were trained in all villages of the district, and a number of dispensaries and rural health centres (18), and staff houses (14), were constructed or rehabilitated. Every ward now has at least one dispensary. In primary education, efforts until 1997 were concentrated in the most remote and neglected division of the district. From 1998 onwards the whole district was covered. Activities included the construction or rehabilitation of schools or individual classrooms (some 200), latrines and teachers' houses, the up-grading of teachers' capabilities, and the supply of teaching materials. In addition, a school inspection system was established and almost all schools in the district were inspected, and school committees were set-up and trained. In the drinking water sector, emphasis was on the rehabilitation of traditional wells (over 400 serving some 20,000 people), but hand pumps were also provided to about 40 villages (serving another 18,000 people), i.e. to about 8% of the district population. At present, some 70% of the population of rural Songea is provided with safe water, largely due to the combined efforts of a Danish project, that has recently been termina-

ted, and DRDP. DRDP estimated that about 60% of all achievements can be attributed to Danish support and the remaining 40% to DRDP.

The broad range of the cluster of projects aimed at strengthening government administration reflects the shift to good governance characteristic of Dutch support to DRDPs in Tanzania. In the initial phase, SODA placed most emphasis on the village level, although some training of district staff was included in the programme and the district administration was involved in plan implementation. Several evaluation reports nevertheless stated that more capacity building at district level was needed and that activities lacked a coherent council capacity building plan.

Since the late 1990s strengthening the district administration has been the principal objective. Activities have focused on improving planning capacity and financial management. This included such diverse projects as setting-up a gender task force, overhauling the carpool system, training councillors and staff in participatory planning, improving the revenue collecting system and various types of computer training for regular and financial administration. The district council was also supported in its implementation of the Local Government Reform Programme, for which Songea was a pilot district. Although it is difficult to measure the impact of these activities, an indication of the improved performance in financial management is the higher proportion of actual revenue collection against budget estimates. By sharply reducing budget estimates and by a moderate increase in the efficiency of revenue collection, performance improved from 51% in 2000 to 92% in 2002.

The programme introduced some innovative approaches in agricultural credit, health care and education. With regard to the former, the district signed contracts with village governments whereby the latter agreed to act as administrator and guarantor for credits for seedlings and other inputs provided to individual farmers. In health care the programme supported the introduction of a Community Health Fund, which is a district/ward based insurance system. Members of the Fund contribute a certain amount per year, for which they will be entitled to a minimum package of preventive and curative out-patient services at dispensary and health centre level. The system was introduced in 1999 in all 22 wards of the district, but no data are yet available on participation in the system or on its functioning. The programme also introduced an integrated approach towards educational improvement, combining the rehabilitation of infrastructure, teacher upgrading, the establishment of school committees and improvement of the

school inspection system. Finally, the programme started a pilot in one of the wards with sub-contracting development activities to a ward-level Development Association. The Association acts as a intermediary between the villages in the ward and the council, including the financial management of funds made available by the Council (Songea DRDP, Annual Progress Reports 1999; 2000; 2002). Not all these approaches have been successful. The credit system is not functioning due to a very poor loan recovery rate and attempts to rectify this have so far not been effective. Also, the pilot on sub-contracting activities to a Development Association failed due to financial mismanagement.

Available information indicates that coverage of the various activities supported under SODA/DRDP differs substantially. If judged by the number and percentage of villages, coverage is sometimes high. For village and ward level planning, full coverage was achieved, but for land use planning only 20% of villages have been covered. At the farm household level, a relatively high proportion of farmers were involved in cashew tree planting and, due to the spillover effect, also in improved irrigation techniques for paddy growing. Substantially lower are the numbers involved in dairy, mechanisation through animal draught power, and coffee growing. For income-generating activities an estimated 15,000-20,000 farm households have been reached, equal to about 20-25% of all households, but this includes the 11,000 farmers who received seeds for cashew nuts, the effects of which are not yet known. Therefore, a more realistic figure is a coverage of 10-12%. With regard to community services, DRDP ensured a 10% increase in water supply coverage, rehabilitated 40% of dispensaries and some 10% of available classrooms. However, little is known of the effects of the programme in terms of increases in yield levels and farm incomes, school enrolment, performance of teachers and quality of education, and improvements in health status and nutrition of the population.

### 10.5 Impact on poverty

Progress and evaluation reports on Songea DRDP contain little information with regard to its contribution towards poverty reduction. Only in the annual report for 2002 is reference made briefly to this principal objective: "Despite efforts for more than 10 years to reduce poverty in Songea Rural, it is widely assumed that poverty of farmers in general did not become less. Although some of the reasons for this are clear, like long transport lines from Songea to the main population centres in Tanzania and a poor marketing system, other factors were not so clear to the district." The internal evaluation report on SNV support to three districts also briefly touches on the issue. It concludes (i) that it remains difficult to judge whether the support contributed sufficiently towards improving the living



conditions of the rural population, and (ii) that a sustainable improvement of those living conditions is not achieved through better social services but as a result of growth of the local economy (SNV, 1997).

Available statistics indicate an increase in the number of schools and classrooms, but this improvement of infrastructure was not accompanied by a higher gross enrolment rate, chiefly due to an increase in population and a decline in the proportion of girls attending. The sharply increased number of pupils selected for secondary schools (well-balanced between boys and girls), however, shows an improvement of the quality of education. Relevant figures for changes in the health situation could not be obtained. Moreover, it is not possible to attribute improvements directly to the DRDP.

Perceptions about the interventions of DRDP in Songea differ among the various stakeholders. The authorities view the question of poverty reduction in terms of improving production, including the introduction of alternative crops, and acknowledge the seriousness of the marketing problem. Therefore, income-generating activities are perceived favourably. The goals of poverty reduction are regarded by authorities and donors in terms of targeting particular groups on the assumption that the market will take care of the rest. Hence, the view that what is required is a partnership between government, the private sector and NGOs. In reality, there is an extremely weak relationship and great suspicion between the District Council, the private sector and NGOs. They not only compete for the same sources of funding, but neither the private sector nor the NGOs have sufficiently well-established organisations to allow for structural co-operation. While support to the private sector resulted in the establishment of a Chamber of Commerce, nothing similar happened with the NGOs. In addition, they suspect one another with regard to technical capabilities, commitment and corruption. The perceptions of government staff and elected leaders have been recorded also in the self-assessment that preceded the mid-term review of 2000. Government staff mentioned the positive contribution of DRDP to the development of the district. According to the report, they stressed the departments' commitment to the objectives of social and economic improvement for the well-being of the population, in spite of inadequate funding, inadequate and unmotivated staff, lack of reliable transport and lack of working facilities (ETC, 2001a).

The District Council agrees with the support given to income-generating activities, as is shown by by-laws that the council introduced on minimum areas of certain crops and the

introduction of alternative crops. At the level of the council and district officials, DRDP is criticised for creating an invisible parallel structure rather than integrating its activities and democratising local structures. According to a district official:

*Most donors who come here have their own interests. They are willing to invest in things that they are interested in. But if you make a proposal that you think is needed, you are told that the programme is not ready to shoulder that. They came and said they were assisting the district council in the process; they mostly dealt with those issues which they considered to be important from their point of view... If they are not interested in a project, it dies a natural death.... When things are not going well, their usual threat is they will withdraw their funding (Chachage et al, 2001)*

In the view of the population, the projects aimed at improving social services and physical infrastructure addressed the questions of poverty alleviation. They mentioned that these services have greatly improved over the years, but that they did not necessarily solve the problems of poverty. In their opinion, the serious problems are those in the sphere of production and income.

*There is no problem with the provision of water services... There are, however, serious economic problems. People are poor. The (Tobacco)Board has made the people poor... The classifiers of the Board want to be bribed Tshs. 2000,- per bale.... If one complains about this, he is told that you do not want good economy (Chachage et al, 2001).*

In the villagers' opinion, DRDP's support for income-generating activities does not address the real problems. For example, credit facilities do not reduce poverty as the amount provided is too small to have any impact and the costs are too high. Also, they consider the dairy development project as not relevant for poor households because of the high costs and risk involved, the long initial period in which it does not provide income and the high labour input required. For the villagers it is not the projects that can help to reduce poverty but the creation of conditions that could enable them to engage in production and market their produce at fair prices.

There is also widespread criticism of the Village Level Planning effort, on the part of villagers and council. It is seen as a bureaucratic exercise and a method of executing projects rather than as a means to democratise village structures. The Village Assembly, the main democratic institution is seen as being by-passed in decision-making, while the committees created as a result of the introduction of projects essentially remained out-

side the village structures. Participation levels are also considered low, with some 25 to 30% of households attending meetings.

## 10.6 Summary and conclusions

SODA/DRDP has undertaken a wide range of activities in four main fields: the improvement of physical infrastructure, strengthening of the economic base in agriculture and livestock, up-grading of social services for the provision of basic needs, and strengthening of the district administration. In the initial years most expenditure was on physical infrastructure and social services, but in the second phase the emphasis shifted to improving the performance of the district administration and strengthening the economic base, while maintaining the expenditure level for community services. Quite a number of activities in the sphere of agricultural production were directed towards diversification of the farming system and increase of productivity, and as such addressed crucial rural development problems.

The programme introduced innovative approaches in agricultural credit through contracts with village governments instead of individual farmers, in health care by establishing a community health insurance system, and in education by introducing an integrated improvement approach coupled with an effective school inspection system. Not all attempts to introduce these innovations were successful, mainly due to weaknesses in financial management and corruption.

Over time, the number of projects and project activities increased, resulting in a fragmented programme. Each of these may be relevant to a specific group or area, but it also results in a relatively low number of beneficiaries per activity. This fragmentation is caused by lack of analysis in the formulation stage of the programme to identify the crucial bottlenecks in rural development in the district. The approach in village level planning, whereby communities were asked to list their development problems and priorities, has contributed to this fragmentation. A thorough analysis would have revealed serious deficiencies in agricultural services, marketing and input supply in particular. Moreover, the apparent deficiency in genuine participation in village level planning may explain the absence of marketing and input supply issues for main crops in a priority setting.

This led to the propagation of new crops such as coffee, cashew nuts and coconut instead of tackling the crucial bottlenecks in dominant sources of agricultural income: maize and tobacco. The zonal resource profiles were useful for appraising the feasibility of new

crops, but were apparently less adequate for identifying the main causes of low land and labour productivity, the potential for technological innovations (except in paddy growing), and solutions to crucial problems in maize and tobacco production. Consequently, the main issue in the perception of the population, i.e. deficiencies in the marketing of maize and tobacco, has not been addressed by SODA/DRDP.

A crucial reason for not doing so may well be the limited scope for solving such problems at the district level. Supervision of the marketing process to prevent bribery and corruption and achieve more transparency about prices and grading systems can be addressed at the district level. However, general policy issues concerning effective liberalisation, increased competition among marketing organisations and the reduction of political interference, must be dealt with primarily at the national level. Embedding the district development programmes in a sector-wide approach provides a link with the Ministry of Regional Administration and Local Government, which does not have any authority over agricultural marketing. The sector approach, therefore, is ineffective for addressing the crucial causes of poverty at the macro level.

In spite of these problems and conflicts in agricultural marketing, production figures indicate a fluctuating but gradually growing output of main crops and even increasing gross returns. How does this relate to the people's perception of declining farm and household incomes and increasing poverty? Several factors may be responsible for the difference: the limited reliability of production figures, the higher production costs for farmers as inputs are no longer subsidised, and higher levels of taxation on crops. This may have reduced farmers' net incomes. Moreover, the perception study was carried out in 2000/01, a year when a serious conflict in tobacco marketing occurred. For other reasons, too, perceptions may not reflect the actual situation: the criticism on the dairy project and the strong demand by people to be included in the project is a case in point.

In the absence of sufficient concrete and reliable information, the effectiveness of the programme is hard to establish. It is not known whether road rehabilitation led to the opening-up of new areas for agricultural production. It is not clear whether the propagation of new crops such as coffee, coconut and cashew resulted in higher net farm incomes. Also, the profitability of innovations in animal husbandry has not been presented in progress reports. It is only mentioned that improved irrigation in rice cultivation brought a six-fold increase in paddy output. In view of the spontaneous adoption of the

new technology by a substantial number of farmers, noticeable increases in farm income may be expected

It may be assumed also that the support to social services resulted in better living conditions in terms of better health and education facilities, and safer drinking water at shorter distances for a larger proportion of the population. Apart from drinking water supply, however, there is little concrete evidence on better quality of services.

In terms of capacity building and institutional development, the information is somewhat contradictory. On the one hand, progress reports refer to large numbers of council and departmental staff that have been trained and the good performance of the district in the local government reform programme. On the other hand, perceptions of the population, the District Development Plan and several evaluation reports refer to serious deficiencies in leadership, in participation of the population in the planning process and, especially, in financial management.



# 11 ASSESSMENT OF DRDP'S CONTRIBUTION TO POVERTY ALLEVIATION

## 11.1 Socio-economic change in rural Tanzania

What were the essential processes of change in Mbulu and Songea that were relevant to the present poverty situation? At the beginning of the twentieth century, the areas that are now Mbulu and Songea Districts were characterised by self-sufficient agricultural systems with incidental sales of surpluses. In Mbulu livestock keeping was important next to arable agriculture; in Songea arable agriculture was dominant. The commercialisation of agriculture started in the 1940s. In Mbulu, Iraqw migrants embarked upon mechanised wheat cultivation following the example of white settlers, in the 1950s followed by coffee and pyrethrum growing. In Songea, farmers started to cultivate tobacco in the late 1940s. However, agricultural commercialisation expanded in earnest after Independence: in Mbulu in the early 1960s (wheat in particular) and in Songea in the 1970s (maize and to a lesser extent tobacco). The principal factors responsible for that expansion were initiatives taken by entrepreneur-farmers and a stimulating government policy, the subsidised provision of fertilisers, and compulsory minimum acreages for tobacco cultivation. This process of change occurred in those parts of the districts with good soils and a favourable climate.

The main effects of this agricultural commercialisation were an increase in farm income and a growing social and geographic differentiation. Farmers used their higher incomes for the improvement of their houses and for buying consumer goods. In general, and with the exception of mechanised wheat farming, there was little investment intended to increase productivity in farming. The growth of agricultural output was chiefly the result of expansion of the cultivated area.

This process of output growth started to stagnate in the late 1970s and early 1980s, when farmers were increasingly confronted with deficiencies in the state-controlled marketing system and an over-valued currency. The economic crisis forced the Government of Tanzania, among other measures, to devalue its currency and to liberalise the marke-

ting system, including termination of the pan-territorial pricing system that favoured marginal areas such as Mbulu and Songea. Agricultural production increases following economic reforms were of short duration: in the early 1990s, subsidies on inputs were gradually abolished and input supply deteriorated. The market did not compensate for declining public services, as there was no genuine competition among providers of such services. The effect was a decrease in land productivity and net farm incomes.

The decline of the rural economy was most serious in Mbulu District (in its present boundaries), where a high rate of population growth in combination with marginal climatic conditions led to land pressure, deteriorating soil fertility and periodic famine. In Songea, where the natural resource position is more favourable (higher rainfall, a low population density, a higher average farm size and only 10-20% of the land under cultivation, but with soils of rather low fertility), total output stagnated. Both areas suffered from inadequate supporting services for the agricultural sector, input supply and marketing in particular. This caused uncertainty among farmers about the prospects for long-term agricultural growth and discouraged investments. With the exception of wheat growing in Karatu and the recent innovations in paddy cultivation in Songea, there was hardly any technological breakthrough resulting in higher land and labour productivity.

This history of economic change fits well into the overall picture for Tanzania. After the country became independent in the early 1960s, the government initiated a rural development policy which aimed at agricultural commercialisation with wide participation of the population, intensive state intervention in, and control over, production, and heavy subsidies on inputs. The latter was facilitated by fertiliser grants of donors. Several internal and external factors caused the decline of the Tanzanian economy. Donors pressed for economic reforms that were implemented from the mid-1980s onwards. These implied, among other things, a reduction of state intervention, reform of the public sector, abolition of subsidies, and a return to a market-oriented economy with a prominent role for private enterprise. Initially, economic reforms brought an increase in agricultural output, that of food crops for domestic consumption in particular. However, further output growth was hampered by low world market prices for export crops, inefficient marketing systems and other supporting services, and stagnant productivity levels of land and labour.

Social services in Mbulu and Songea improved after Independence, more or less in conformity with the national pattern, but started to decline in the 1980s. Expansion in



services lagged behind population growth and their quality declined due to lack of maintenance and shortages of staff and equipment. The decline was serious in Mbulu, especially in terms of drinking water supply. In Songea, where the decline in social services was less dramatic, there have also been more visible improvements since the early 1990s. The question is: how did these socio-economic changes affect the present poverty situation?

### 11.2 Poverty and perceptions of poverty

There are no accurate and reliable figures on household income and poverty in Mbulu and Songea. For Mbulu the average per capita income was estimated at US\$ 250 per annum in the mid-1990s (i.e. including the present Karatu District), when an estimated 40-50% of the population earned less than required to satisfy basic needs. Moreover, the area suffers from periodic famine. The average per capita income reported for Songea, US\$ 100-250 in the late 1990s, is much higher than the per capita value of main crops. Improvements in real income after Independence, have stagnated since the late 1970s and declined after the mid-1980s.

In the people's perception there has been increasing poverty in Mbulu since the mid-1980s, mainly manifested in low food security and deteriorating social relations. They consider government's neglect of agro-support services, weak local leadership and the inadequate performance of the district administration as the basic causes of their present situation. In Songea also, there is general agreement among the population about the deterioration of their living conditions. In their opinion, poverty is manifest in low incomes and the inability of households to afford social services, which are no longer free, and to improve their houses. As the main causes of their present situation they see the lack of access to agricultural inputs and the absence of reliable markets for their produce, and weaknesses in leadership and organisation to address the people's basic development constraints.

National-level income data for Tanzania also point at persistent poverty and a decline in living conditions since the mid-1970s. Present real incomes are below those of 1975. Low world market prices for the main export crops and ineffective government policies have been identified as the principal causes for the lack of economic growth and the stagnation of incomes. As the production of food crops for domestic consumption (and exports to neighbouring countries) prevails in Mbulu and Songea, deficiencies in government policy seem primarily to be responsible for stagnant and declining levels of agricultural

output. Moreover, high levels of productivity would make farmers more competitive in the market and therefore less vulnerable for price fluctuations. It is striking that, during periods of higher prices in the past, farmers invested little in mechanisation and other means with which to increase land and labour productivity.

The stagnation and decline in income in Tanzania is reflected in the people's perception of the basic causes of poverty. In two participatory poverty assessments during the late 1990s, the poor did not define the basic causes in terms of income. Instead, they emphasised socio-political factors as responsible for rural poverty and focused on their sources of income and the services required to make effective use of those sources: access to and control over land, social insecurity, and deficiencies in productive and social services. These perceptions largely correspond with those in Mbulu and Songea: here also, deficiencies in productive services (inputs and marketing) and deteriorating social security were stressed. People in these districts also referred to weak leadership, low quality of government administration, and deficiencies in the functioning of the legal system to the detriment of the poor.

With the benefit of hindsight, it must be concluded that Tanzania's policies for poverty reduction have not been successful. After Independence, the Government of Tanzania put high priority on poverty alleviation: poverty was labelled as one of the three "enemies of development". Up to the 1980s these policies were characterised by heavy state intervention in economic and social life and a strong focus on the expansion of freely-provided social services, such as education, health and water supply. As state control over the economy did not bring the expected benefits in economic growth and income increases, social services could no longer be maintained and living conditions started to deteriorate. The subsequent economic reform policies lacked any explicit poverty focus and the presumed advantages of economic liberalisation did not materialise for large segments of the population. Only since the mid-1990s, and encouraged by donor incentives for debt reduction, has the Government of Tanzania formulated a comprehensive poverty reduction strategy. This has been worked out in detail for rural areas and the agricultural sector, and underlines the importance of increases in productivity and profitability in the agricultural sector and the need for decentralised development planning. These are crucial steps compared to earlier policies for rural development. Policy implementation has hardly started, however, it confronts institutional weaknesses at lower levels of administration, and is almost wholly dependent on donor funding. Its effectiveness for poverty reduction therefore remains to be seen.

### 11.3 Local governance and poverty reduction

The assumption that decentralisation contributes to rural development is based on considerations of better adjustment of development plans to the resource potential of the district and greater influence of the local population in priority setting. This would stimulate local participation in implementation of the plans and thus reduce costs for government. How did decentralisation and local governance policies influence poverty alleviation in Tanzania?

Tanzania's socialist development policies of the late 1960s and the related concentration of powers in the state brought an end to a gradual expansion of local governance which had started in the 1950s. Characteristic for this period of socialist policies was the integration of the political and administrative systems. At all levels, the function of party chairman and head of administration was in the hands of one person. And the party was organised down to the households grouped into Ten-House Cells, each with its own chairman. A rather limited form of decentralisation was introduced in 1982, including the formal devolution of powers to elected bodies, although under strict supervision of the ruling party. As it was widely acknowledged that institutional weaknesses at lower levels of the administration might hamper effective decentralisation, capacity building was considered an urgent requirement.

After introduction of the multi-party state in 1992, a more substantial reform programme for Local Government started. Central Government committed itself to supply adequate funding for the appropriate functioning of local administration, and created a basket fund to facilitate donor support. In practice, the former socialist party continued to control the decentralisation process and it still dominates the district council in almost all districts. In the sphere of local governance, Tanzania still appears to be a one-party state.

In Mbulu and Songea the people's perception of local leadership and district government reflects the institutional weaknesses. They consider the present leadership not to be interested in their main problems, and accuse them of a paternalistic attitude, misuse of funds and corruption. Villagers claim that if any real improvement occurred in their lives, it was in the second half of the 1970s. Despite the centralist system, they see that period as one of good leadership.

These perceptions are confirmed by recent reports which point to councillors lacking facilities to visit their electorates, the absence of women among elected members of the council, and councillors who do not represent the people as envisaged. These reports also

refer to cases of malpractice and corruption and state that problems are not solved because villagers fear their leaders. Finally, the reports mention that the effectiveness of departmental staff is hampered by frequent transfers, unclear job descriptions, promotions not based on performance, and serious deficiencies in financial management.

It must be concluded that, ten years after introduction of the multi-party system in Tanzania, local government reforms have not yet resulted in the democratisation of local structures in Mbulu and Songea, the generation of countervailing power in particular, nor in structural improvements of district administration and the creation of an enabling environment for the reduction of poverty.

#### **11.4 Principal characteristics of district development programmes**

The district development programmes in Mbulu and Songea are characterised by long-term support of the Netherlands: since 1987 in Mbulu and since 1993 in Songea. Assistance has been provided to a broad range of activities. Moreover, both programmes have expanded support to increasing numbers of activities during the 10-15 years of their existence. This has emanated in a complex and rather fragmented programme.

Both programmes had rather long periods of preparation, and Mbulu also a pilot period with starter activities, but they lacked a baseline study which included a poverty analysis, the identification of main obstacles for rural development, and the potential and required strategy for improvement of living conditions and the alleviation of poverty. Implicitly, it was assumed that the selected activities would contribute towards improving living conditions in the districts; until recently, however, the correctness of that assumption has not been tested by effective monitoring and evaluation.

During the preparation stage little or no attention was given to the policy environment in Tanzania for the support of decentralised development activities. In retrospect, it may be concluded that when the DRDPs started in the mid-1980s, Tanzania neither had a poverty alleviation strategy nor a genuine decentralisation policy. Consequently, the policy environment for such support was unfavourable. Over time, that policy environment has improved, at least insofar as policy formulation is concerned, but concrete changes at the local level are implemented only slowly.

Improvements in decentralisation policy have affected project organisation. Initially, the programme was characterised by parallel structures, separate funding arrangements, and

the preparation of activities by a project office with a team of expatriate technical staff. Recently, the programmes have been integrated wholly into the district administration, and technical assistance has been reduced to a single advisor. Funds provided by the Netherlands are earmarked for individual districts and provided on the basis of approved district plans and arrangements about contributions from local revenue. This organisational change reflects a transfer of responsibilities to Tanzanian government staff and councillors with the intention to contribute to more local ownership.

The two DRDPs had a low level of expenditure in per capita terms, i.e. 1-1.5 US\$ per annum. It is doubtful whether a serious reduction of poverty may be expected from such a level of expenditure. Conversely, given the present institutional bottlenecks, higher levels of aid could in all probability not have been absorbed. Moreover, the programmes did not make an appropriate analysis of poverty and its underlying causes in the districts, supported a broad range of activities spread over the district instead of focusing on strategic interventions, and changed priorities in the course of implementation. This reduced their potential impact on poverty reduction.

The distribution of expenditure over types of activity reflects the changes in priorities and strategy, although somewhat differently for the two districts. In Mbulu DRDP, rather high levels of expenditure for physical infrastructure and agriculture in the initial period decreased to the benefit of social services. Throughout the programme, various types of training focused on capacity building at different levels of local government, but there was no visible increase in expenditure for this cluster of activities. Also in Songea, expenditure on the physical infrastructure such as roads and bridges was dramatically reduced, but expenditure on social services also fell. In contrast to Mbulu, Songea DRDP showed an upwards trend in funding for income generating activities in agriculture and livestock, and recently also for capacity building for good governance. It is difficult to assess the relevance and meaning for the districts of these trends in expenditures, without taking account of support given by other donors and of contributions by the Netherlands via sector programmes for education and health. It is clear, however, that the changes were the effect of a shift in priorities in Dutch development co-operation policy and of the preferences of local politicians and district departments, rather than that they were based on any analysis of needs and priorities on the part of the population of the two districts or on a long-term strategy towards poverty alleviation.

Why did the Netherlands shift the emphasis in its support to DRDPs from strengthening the economic base (increased incomes through higher agricultural production) to social services and subsequently to capacity building of local government?

Several factors played a role. In the early 1990s, Dutch development co-operation placed more emphasis on the social sectors and on ownership by the recipient country, and gradually also on institutional development and good governance. The tendency towards more ownership offered favourable opportunities to local politicians and district staff to press for support to social services, which they considered tangible signs of progress. Moreover, economic reforms encouraged bilateral aid to support those sectors which remained in the public domain, i.e. health and education, a process facilitated by the presence of sector specialists in the Netherlands Embassy. The priority for a sector-wide approach in Dutch development co-operation strengthened the position of social sectors and facilitated the incorporation of DRDPs into sector support for local governance. In this way, a programme initiated for supporting the increase and sustainability of agricultural production and productivity as a means to raise rural incomes, gradually turned into a programme to stimulate decentralisation and strengthen district administration, on the assumption that this would contribute to poverty alleviation.

### 11.5 Activities and output

The programmes supported four broad types of activity:

- (i) construction and rehabilitation of physical infrastructure (roads, bridges, go-downs);
- (ii) up-grading of social services by means of the rehabilitation of facilities and training of staff to improve the functioning and operations of facilities;
- (iii) strengthening of the economic base by the propagation of new crops and livestock improvements, combined with environmental conservation and land use planning, and some technological innovations in production (high yielding maize varieties and improved irrigation in paddy growing); and
- (iv) general capacity building and organisational strengthening, both in the public sector, the district administration in particular, and the private sector (new type of co-operatives, farmers' organisations).

Direct output of the supported activities has been reported for both districts in terms of passability of roads, number of schools and classrooms rehabilitated, percentage of teachers trained, number of farmers provided with planting material, etcetera. The most prominent improvements in Mbulu were the adoption of better land and water management including the use of high yielding maize varieties, the planting of fruit and coffee

trees, and the introduction of improved dairy farming. In Songea there was a spectacular improvement of irrigated paddy growing and drinking water supply through the rehabilitation of traditional wells. Songea DRDP also introduced interesting organisational innovations in the social sectors (Community Health Fund, renewed School Inspection system). Improvements cannot always be attributed directly or exclusively to DRDPs, however; they sometimes supported on-going government programmes and other donors were also active in the two districts (e.g. Denmark in water supply improvements in Songea).

There is little or no information on the impact of improvements, such as increased agricultural production due to road improvements, the propagation of new crops, and better health status and quality of education because of support to the social sectors. Moreover, there seems to have been little effect on the capacity building of local government/district administration staff or on performance of the public sector in the districts. In Mbulu a recent self-assessment showed a negative outcome of fifteen years of DRDP support: little or no downward accountability of councillors, low participation in planning, and most departments do not meet their targets in capacity building. Moreover, villagers reported several examples of misuse of DRDP funds. In Songea recent reports also indicate serious deficiencies in the functioning of government staff, little confidence of the people in the leadership at all levels and, despite some improvements, continuous weaknesses in financial management. Finally, the village planning exercise did not lead to genuine participation of the local population, and had to be terminated due to its low efficiency. It has been replaced by ward level planning, which is expected to raise efficiency but will make participation even more challenging.

Despite the number of villages and households that have been included in the support of DRDPs, the percentage of the population covered by the programmes is rather low, especially for activities directed towards strengthening the economic base and increasing income. In Mbulu this was estimated at less than 5% of all farm households, in Songea about 10-12%. Coverage in the social sectors was usually higher. The main reasons for the low coverage were the broad range of activities supported, the institutional weaknesses in local government and, more district-specific, the low potential of productive resources in Mbulu and the necessarily time-consuming innovative approaches in Songea. The low coverage, of course, reduced the impact of the programme: spontaneous adoption of the improvements by the population was the exception rather than the rule. Irrigation improvement in Songea is an interesting case in point: a level of technology which could

be adopted by farmers without much external support, a substantial increase in land productivity and a high return to family labour.

It is striking that several priority areas perceived by the population have been given little if any attention in the programmes. This applies especially to deficiencies in input supply and marketing for main crops, and the increase of land and labour productivity through technological innovations. Also, they include the lack of social security due to the absence of employment opportunities for youngsters in Mbulu and weaknesses in the functioning of courts of law. There are two principal reasons for not addressing these perceived priorities: the absence of any analysis to identify the main obstacles for rural development in the preparation phase of the programmes, and the limited possibilities to solve such problems at the district level. Several main obstacles to district development fall outside the authority of district administrations and can only effectively be addressed and solved at national level. The sector-wide approach and the incorporation of DRDPs in sector support to local governance does not create the appropriate national framework for problems of partial marketing liberalisation and ineffective marketing structures.

### 11.6 Impact on poverty

Stakeholders involved in the programme have different opinions about the impact of the programmes with regard to improvement of living conditions and the reduction of poverty. Government staff involved in the programmes are inclined to assess positively the fruits of intervention; they attribute shortcomings to annual delays in the release of donor funds, and to the conservative views and attitudes of farmers. Village leaders and councillors share the optimism of government staff about the role of development interventions. Their main concerns are consistency and equity in the distribution of funds and the tangible results of the support to enhance their credibility among their electorate. Therefore, they give priority to the construction of physical infrastructure, and other visible structures such as classrooms, water supply systems and health units; they complain about money spent on training courses and seminars and about DRDP's strict requirements for planning and programming.

Most ordinary villagers do not distinguish between donor and government interventions, also because all funding is channelled through government departments. When they do, they see government personnel as hampering the flow of development resources to the population. The rural population appreciated projects that improve social services, but claimed that these improvements did not solve their poverty problem. In their opinion,



the serious problems are those in the sphere of production and income. DRDP support does not address their real problems, i.e. the creation of conditions that would enable them to engage in production and to market their produce at fair prices. There is also wide-spread criticism of village level planning, which they see as a bureaucratic exercise with all decisions taken by government officials. They consider it a method of project preparation and implementation rather than a means to democratise village structures. The critical attitude of the population was undoubtedly influenced by specific conditions at the time of the interviews: famine in parts of Mbulu and a crisis in tobacco marketing in Songea. Moreover, criticisms ventured in the perception study did not always correspond with the interest shown by farmers in agricultural programmes, such as dairy and paddy improvements. Nevertheless, opinions about DRDP support and the role of government in the planning and implementation of development policy point to fundamental differences between the people and their leaders about the types of intervention required.

The overview of activities and output shows that the two programmes contributed to improvements of the road system, the propagation of new crops and new systems of animal husbandry, the rehabilitation of facilities for social services and the training of their personnel, and the introduction of new forms of social organisation to serve the interests of the local population. Achievements in Songea seem to have been better than in Mbulu, partly due to the better resource potential, but also because of greater attention for strengthening the economic base. Diversification of the cropping pattern as pursued in Songea, and exploring the possibilities for technological innovation and raising the profitability of farming, are in line with the perceptions of the population: creating an enabling environment for agricultural production increases. The weakness of both programmes was that they did not address the deficiencies in support services for main crops as a pre-condition for any further improvement in the agricultural sector. To what extent did these activities result in a structural alleviation of poverty?

Progress and evaluation reports of the two district programmes contain little concrete information about their contribution to poverty alleviation. For Mbulu, the low coverage of households for income-generating activities and the absence of targeting on the poor in DRDP interventions indicate little impact on poverty reduction. For Songea, the most recent progress reports states that the poverty of farmers has not been reduced in spite of ten years of effort to that end. This corresponds with the perception of all parties in the districts that poverty has been increasing since the 1980s. Moreover, the assumption of a poverty reduction effect from the strengthening of local government has yet to be proven.

In the perception of the population the increase in poverty is partly the effect of a rigorous taxation scheme the Council is implementing in relation to DRDP policy of enhancing the council's financial capacity. Paradoxically, the attempts to increase ownership and sustainability of Dutch support to DRDP have had an unfavourable effect on poverty reduction. Similar observations have been made for fiscal decentralisation in Uganda. In the early 1990s, however, the World Bank emphasised the importance of lower taxation of agriculture as a means to encourage rural development and successfully reduce poverty.

It must be concluded, therefore, that the two DRDPs have not yet achieved their main long term objective, structural poverty alleviation, nor their short-term objective of strengthening local governance. If DRDPs continue in the present way, their contribution to poverty reduction will be negligible also in future.

The question is to what extent these conclusions are relevant for the overall Dutch support to district rural development in Tanzania. Available information does not permit a straightforward answer to that question. Although the programmes have been evaluated several times, these evaluations either covered only some of the fourteen districts included under Dutch support or, if all districts were covered, as in the mid-term review in 2000, did not contain any information about the impact on poverty reduction. Those evaluations that did refer to poverty reduction mention the absence of a poverty analysis, the little attention for productivity increases in agriculture, and the marginal contribution to direct poverty alleviation. Furthermore, it has been observed that the shift to capacity building in local governance may conflict with the now secondary objective of creating a conducive environment for increasing rural incomes.

The two districts included in the present evaluation are to some degree representative of several others, i.e. those with adequate productive resources, providing that attention is given to maintaining soil fertility (Songea), and those with low potential and relatively high population pressure (Mbulu). The DRDPs in these districts have about the same level of expenditure, operate under similar conditions with regard to the macro-economic and policy environment, face the same institutional weaknesses in local governance and are also confronted with production conditions, whereby the crucial functions of a withdrawing state have not been replaced by a well-functioning market. Taking account of available evaluation findings, it may therefore be expected that the conclusions of the present evaluation have wider applicability for Dutch support to district rural development.

Finally, how are the conclusions of the present evaluation related to other evaluations of support to decentralisation, local governance and poverty alleviation? A recent study on decentralisation, commissioned by the OECD/DAC network on aid evaluation pointed towards the weak poverty focus of many donor programmes, the little evidence that donor interventions contributed significantly towards poverty reduction, and the lack of commitment on the part of governments of recipient countries. The findings of the present evaluation in Mbulu and Songea correspond largely with those of other evaluations. The findings of the Bosuyt and Gould study in three countries in Sub-Saharan Africa are particularly relevant as they analysed the effects of donor programmes in a similar socio-political environment as that of Tanzania. Dutch support to district rural development programmes corresponded with some of their recommendations, such as incorporation of the programme in statutory structures in Tanzania and support to central agencies in charge of decentralisation. Others were clearly not addressed, however. The main deficiencies were: (i) support for decentralisation was linked insufficiently to poverty reduction, (ii) there was little effort for political empowerment and strengthening of civil society, in combination with attempts to improve public administration, or these efforts were ineffective, and (iii) inadequate attention was given to resource mobilisation as an instrument for income growth.



## ANNEX 1 THE POLICY AND OPERATIONS EVALUATION DEPARTMENT

The Policy and Operations Evaluation Department, in Dutch the *Inspectie Ontwikkelings-samenwerking en Beleidsevaluatie (IOB)*, is responsible for conducting evaluations of Netherlands foreign policy.

IOB is part of the Ministry of Foreign Affairs. It is an independent unit, which reports directly to the Minister of Foreign Affairs or the Minister for Development Co-operation. The Minister concerned submits IOB reports accompanied by a letter with his/her policy reactions, to Parliament, where they are discussed by the Permanent Committee on Foreign Affairs with respect to follow up actions.

IOB was established in 1977 with a mandate that was restricted to the evaluation of aid programmes. Following the reassessment of Netherlands foreign policy in 1996, IOB's mandate was broadened to include other fields of foreign policy.

From 1977 to the mid 1980s, IOB's emphasis was on individual project evaluations, the status of which was then confidential. Since the mid 1980s, emphasis has shifted to comprehensive thematic studies, focusing on policies and modalities of implementation and covering sectors, themes or programmes. External independent experts participate in the various phases of the research, under the responsibility of IOB. Where relevant, institutions or experts in recipient countries are invited to participate in the fieldwork. In some cases reference groups consisting of independent experts and Ministry staff are appointed for the evaluations, to advise on the methodology, approach or subjects under review. The final reports, based on various field and desk studies, are published under the responsibility of IOB.

In addition to its own evaluations, IOB also participates in multi-donor evaluations.



## ANNEX 2 TERMS OF REFERENCE LOCATION

### SPECIFIC POVERTY STUDY

#### 1. Reasons

During the departmental theme meeting of 20 April 1998, discussions were held with the Minister for Development Co-operation regarding the internal memorandum on poverty and development. Fundamental questions were asked about the effectiveness of activities intended to reduce poverty. It was said that the Ministry's capacity to learn should be given greater focus and that a general approach should be adopted to ensure effective co-ordination with national authorities, other donors and non-governmental organisations on the issue of poverty reduction. Parties were dissatisfied about the relationship between policy and implementation, feeling that there was a tendency to lose sight of the objective.

Evaluations have devoted little specific attention towards establishing whether activities funded by donor money have had any impact on poverty, neither has the matter been a focal issue in evaluations conducted by the Ministry's own Policy and Operations Evaluation Department (IOB).

Country studies conducted by IOB in the recent past have included perception studies to examine how Dutch projects have been experienced by target population groups. Few conclusions were reached, however, about the relevance of the activities to poverty reduction and it was only partly established what target population groups were truly interested in.

This evaluation will take as its point of departure not only the problem of poverty but also its causes and trends, and poor people's own perceptions. The aim is to assess the relevance, effectiveness and efficiency of interventions. In the long run, the evaluation services of recipient countries and other donors could be asked to participate in follow-up studies.

#### 2. Introduction

Poverty is a relative term, and degrees of poverty are measured against indicators that have been developed by governments of developing countries and by donors. Although these indicators are used to justify interventions and the funding of activities, they do not

necessarily reflect the views of the target groups towards whom support is to be oriented, nor are they sufficiently based on analysis of poverty problems.

Poverty reduction has been the main objective of development co-operation efforts for the past 50 years. Some interesting results have been achieved in the economic and social sectors of developing countries. In the last three decades life expectancy has increased by more than 20 years, child mortality has been halved, and twice as many people now receive primary education. Average income, health status and literacy rates have improved faster in developing countries in the past century than in the OECD countries (DAC Guidelines on Poverty Reduction, Vol. 1, June 2000 Draft).

The World Bank's 1990 prognosis of a 3.9% annual reduction in poverty has not been fulfilled. Instead, it has averaged only 1.5% a year in the last decade. In the years between 1990 and 1998 the proportion of the population in developing and transition countries living on less than US\$ 1 (in 1990, and US\$ 1.08 in 1993) fell from 29% to 24%. If China is disregarded, however, the number of poor people in these countries increased in absolute terms by 70 million. Global income inequality rose accordingly. In all low-income countries, with the exception of China and India, income per capita dropped by 1.4% a year between 1985 and 1995 and by 0.7% a year in medium-income countries (OED World Bank 1999). National figures sometimes disguise internal differences. In a number of countries, (e.g. Burkina Faso and Zambia) inequalities between certain population groups – particularly women, rural populations and minorities – and the rest have increased, despite national economic growth. Poverty is not static. Over a period, more people's incomes fluctuate above and below the poverty line than stay permanently below it (Baulch Hoddinott 1999).

Apart from its effects on income, there are other reasons to conclude that the results of donor support are inadequate. There has been a major shift in the definition of poverty itself over the years. At first, comparisons were mainly based on per capita income. By the early 1980s, meeting basic needs was already an accepted notion (P. Streeten et al. 1981). UNDP developed a series of indicators by which to define poverty in the Human Development Reports (UNDP 1996), the ILO adopted the social exclusion approach, and Chambers involved the population itself in determining the indicators (R. Chambers 1995). To Amartya Sen (1999) development was linked to freedom of the individual. Development thus implied the removal of all constraints on that freedom. This notion dovetails with that developed by IDS, in which a pentagon is used to represent the



development of the various types of capacity (D. Carney 1998), and with DFID's livelihood strategy, which allocates a central role to resources and services.

Expanding the notion of poverty has led to greater understanding of what it entails, so that more and more objectives, criteria and norms are gaining international acceptance.<sup>1</sup> The donor community is now seeking ways of measuring whether its objectives are being achieved. The close interaction between activities and priorities on the one hand, and developments at local level on the other, is often underestimated. As a result, evaluations of poverty are often complicated.

The way in which people perceive their own situation is an important factor in any intervention. Some of the changes that take place in families' immediate environment are autonomous in nature. Others are produced by all sorts of interventions, some of which may be supported by donors. Individual family members respond in their own way to these changes, which are location-specific and dependent on how the population expects their situation to improve. These responses then influence the effectiveness of changes envisaged in the situation of authorities and donors and the efficiency of efforts made. This evaluation takes the problem of poverty and the people's own perception of it as the twofold basis of its assessments. This means that the study has to be conducted from the reverse angle. It will thus encroach on virgin territory, adding a second complication.

### 3. Aims and set-up of the location-specific poverty study

IOB intends to carry out an evaluation of changes taking place in a specific area, and to do so from the viewpoint of the population. The aim is to examine what these changes mean to people, and to gauge the response to them of individuals and civil society organisations. This applies not only to autonomous changes, but also to those induced by the authorities, local organisations and donors. The evaluation will also examine the relevance of funded activities to the target group, to the policy of the country concerned, and to donors. It will also assess the effectiveness and efficiency of activities that received Dutch funding.

<sup>1</sup> Seven International Development Goals (IDGs) have been formulated for the year 2015: (1) to reduce the percentage of the world's population living in extreme poverty by half; (2) universal primary education; (3) to eliminate gender disparity in primary and secondary education; (4) to reduce infant and child mortality by two-thirds; (5) to reduce maternal mortality by three-quarters; (6) universal access to reproductive health services; (7) to implement national strategies for sustainable development. An 8<sup>th</sup> item was added during the 1995 World Food Summit: to reduce the number of undernourished people by half (DAC Guidelines on Poverty Reduction, Vol. 1, June 2000 Draft).

These terms of reference set out the locations, the set-up of the various studies and the methodology.

### 3.1 Locations

A number of options were considered in the preparatory study. Locations have been selected for their relevance to current policy, and to enable comparisons to be made within a similar socio-economic context. An effort has also been made to minimise the risk that coincidental circumstances at the location will influence or determine the findings of the study.

Eligible for selection were:

- Countries with which the Netherlands implements a regular development programme (18+ countries);
- Countries in which poverty reduction plays a dominant role;
- Locations that form an administrative entity, which have not been hit by recent disasters and whose population is not nomadic;
- Countries where two locations are eligible for selection, having received Dutch support over a long period;
- Locations where the Netherlands has funded several activities.

Three African countries were eligible for selection on the basis of these criteria: Mali, Burkina Faso and Tanzania. A number of evaluations have recently been carried out in Mali, however leaving Burkina Faso and Tanzania as possibilities. The Tanzanian government exerts considerable influence in rural areas, and decentralisation has strengthened its influence at the local level. Tanzania was therefore selected. The Operations Evaluation Unit (IOV) carried out a country study here in 1994, and much of the information collected then will be useful now.

The Netherlands supports 14 districts in Tanzania. A number of these are populated by nomadic peoples, while others provide shelter for refugees from neighbouring countries. Mbulu district in the north and Songea district in the south were selected. A major reason for selecting Mbulu was the extensive documentation that has been published on the area. In addition, it has received Dutch bilateral aid for some considerable period. This also applies to Songea, which was selected partly because the Dutch aid effort is in the hands of the Netherlands Development Organisation (SNV). Information may therefore be forthcoming from SNV's other planning systems.

In Asia, Sri Lanka is an attractive choice because two well-documented programmes are being implemented there in similar socio-economic environments. Local research institutes in Sri Lanka have done extensive studies into the results of integrated rural development programmes. The next location could be sought in Latin America. Experience with the first two location-specific studies will determine whether more should be carried out.

The Tanzanian evaluation does not particularly seek to be representative. It is the first study of its kind of the position occupied by induced changes in a society and uses methods not previously applied by IOB to achieve this objective. A few constant factors may possibly be identified once this study has been conducted at two locations. Future studies could devote specific attention to the representative nature of the findings.

### 3.2 Study structure

Documentation will first be collected on the locations, including general information on the socio-economic background and more specific information on regional development. These data will then be analysed and the main trends and poverty indicators identified. The main determinants that influence the processes decisive for development of the districts will be identified.

Video interviews will be used to map out the main features of poverty from the point of view of people living in the districts: how do they experience their own situation, what are their main needs and what changes do they want to be brought about? Do people feel that activities are relevant and, if so, how do they assess them? The video evaluation method will be used in the study at the first location. In the light of the experience thus gained, a decision will be made regarding use of this medium at the second location.

At the same time, a source study will be carried out into Dutch support over the entire period. The principal elements will be planning processes, the reasons for setting priorities, and related funding. The funding provided by the national government and by other donors will also be analysed. This study should give rise to a list of the main objectives envisaged by interventions in the district, and show how existing evaluation reports have rated the success achieved.

During the field studies, the target population group will be asked to talk about changes that have taken place in the past decades, and to give their opinion of them. The results

will be compared with those of the source study and the regional analysis. The main aim is to be able to draw conclusions about the relevance of interventions from the analysis of poverty problems and from the viewpoint of the people involved. Where they are considered relevant, further studies will be carried out to examine the effectiveness of the changes. Where possible, efficiency will also be assessed.

### 3.3. Methodology

The regional study method will be applied to the districts on the basis of existing documentation. The system to be used in conducting this study will depend on the physical and socio-economic development trends identified in the districts

Video will be used on an experimental basis in a local study of the population of the district, who will be asked to help produce the film. They will be given questions to be asked in interviews which they will also record. The recordings will then be shown to other people living in the same area for their comments and to verify the opinions expressed in the interviews. From all this recorded material, a short video film will be produced containing the results that are most relevant to the objectives of the study.

The source study will comprise various components. Material filed at the ministry will be used to examine how Dutch support for the district has proceeded, and on what basis funding has been allocated. Some of the documentation collected since 1996 has been filed at the embassies, and will have to be analysed there. In addition, funding has gone to a great many interventions for which the national government was not responsible. Documentation on other donors will be collected and analysed in the country itself. The information will be collated, and subjects that have an important bearing on induced changes will be sifted-out.

The methods to be applied in the field studies will largely depend on the results of the source study, needs identification and regional studies. The more information that is acquired on the relevance of induced changes, the greater will be the chance of formulating specific core questions for the field studies. These core questions will be defined, and the methodology for the field studies worked out, in the course of the first studies, and will depend on the progress made with them. The method that springs directly to mind is that of participatory rapid appraisal in its various guises, but household studies and incident observation and analysis are also worth considering. A seminar on methodology will be held before the field studies are carried out.

#### 4. Stepwise evaluation

The three studies referred to under 3.2 (regional, needs identification and source study), which will be carried out at the preliminary stage, should lead to the formulation of core questions for the field studies and the evaluation as a whole. They will be identified by comparing the population's perception of their position and their priorities for poverty reduction to the priorities set by government and donors for their interventions and to analyses of regional development in the districts.

The first questions to be answered have to do with relevance. What were the main needs and issues identified by the people in order to improve their own situation? What regional development processes are essential to poverty reduction? What role do induced changes play?

A second set of questions has to do with the effectiveness of induced changes in strengthening or possibly impeding poverty reduction processes. How can that be assessed? Can any identified effects be explained partly by interventions' differing relevance to the various parties involved?

A third question has to do with the people's perception of resource deployment and its efficiency. Do the activities dovetail with regional development trends? Are the resources allocated proportionate to the results expected?

For this part of the evaluation, field study methods will be developed to ensure an efficient response to the questions. These methods will depend partly on the core questions for this part of the study.

#### 5. Evaluation, products and planning

##### 5.1 The studies

A consultant will be commissioned to do the first study, i.e. the regional analysis. The consultant will be responsible for collecting documentation on the macro- level socio-economic and political development of the country on the district, and on the activities of other donors and NGOs, and will produce a regional analysis on their basis. Finally, the consultant will produce poverty indicators based on the trends and processes unfolding in the districts.

A specialist experienced in the use of video in carrying out local perception studies will be contracted to do the second study, identifying the needs of the target group. It will be the specialist's job to establish which issues and priorities are relevant to poverty reduction from the viewpoint of the people. Selected passages from the video recordings in which local people pinpoint the issues they feel require attention will be used to make a video film lasting no longer than one hour. The specialist will also produce a short written report describing the process and results. The contract will cover the study in the first location. If the results are satisfactory, it will be extended to cover the second.

The third component comprises a source study to analyse Dutch funding in the districts. A researcher has already been commissioned for this work, which entails collecting relevant information from the ministry's records. These are proving to be incomplete, and decisions about funding appear to have been taken without any kind of written justification. Since the foreign policy review in 1996, a large number of records have been filed at the embassies and the ministry knows little about them. The consultant responsible for the regional studies will analyse the material now being collected by the researcher. Other documents that need to be retrieved are those in the hands of the national government, of other donors, and non-governmental organisations in the districts.

The results of these studies will form the basis of the field studies. It is vital that these results are supported by the various stakeholders involved. A workshop will therefore be organised in Tanzania to present and discuss the results obtained to date. The selection of stakeholders and the methods to be used in the field studies will also be discussed.

It is difficult to give already now precise definition of the main features of the fourth component, i.e. the field studies. The core questions to be asked here will depend on the results of the previous studies. The main point at issue is the relevance and effectiveness of induced changes. The target population is diverse, comprising men and women, young and old, city and country dwellers, and people of varying ethnic origins, so that any field study will involve considerable time and money. Both, however, are crucial in ensuring the quality of the study.

*Note: As explained in chapter 2 on the methodology applied in this evaluation, the objectives of the Terms of Reference could only partially be executed due to shortcomings with respect to data-gathering and the registration of perceptions on poverty of the local population.*

## ANNEX 3 TABLES

Table 3.1 Expenditure on DRDP 1987-2002 (000c)

Year	Bilateral	SNV	Total	LGRP	Alat	Grand total
1987-92	1.320	–	1.320			1.320
1993	2.903	204	3.107			3.107
1994	3.536	269	3.805			3.805
1995	4.343	1.411	5.754			5.757
1996	6.214	1.570	7.784			7.784
1997	8.560	1.855	10.415	371		10.786
1998	8.747	2.020	10.767	727		11.494
1999	7.444	2.642	10.086	635		10.721
2000	7.110	1.236	8.346	1773		10.119
2001	5.290	1.184	6.474	392	122	6.988
2002	6.756	2.125	8.881	346	85	9.312
<b>Total</b>	<b>62.223</b>	<b>14.516</b>	<b>76.739</b>	<b>4244</b>	<b>207</b>	<b>82.190</b>

Total NLG 182.500.000

Table 3.2 Major Activities Mbulu DRDP

**Income Generation**

Crop promotion: training, demo plots, seedlings, sunflower, pyrethrum, irrigation, horticulture, oxen, storage, extension, research

Livestock promotion: indigenous, dairy

Natural resources protection: soil fertility, agroforestry, seedlings, tree planting, training, wild life conservation, village boundaries, urban master plan

Group formation: savings/credit societies, village management

Feeder road rehabilitation

**Health**

Improved health services: staff training, renovation, radio communication

Disease reduction: health education, cold chain, immunisation, water wells and tanks, user groups, training

Source: Mbulu DRDP Plan 2001



**Education**

Improved education standards: teacher training, monitoring framework, methodology, gender, manuals, accounting, planning, inspection, upgrade teachers, rehabilitate class rooms

**Capacity Building**

Training of ward executive officers, planning, computer training, accounting

Community Participation: participatory planning workshops, extension workers and village development facilitation teams

Land use planning: gender balance

Maintenance: fund, training,

District maintenance policy: plan, training, monitoring

Table 3.3 Major Output MDRDP during 1998-2000

Income Generation	Health
<p>Crop Promotion: 250,000 seedlings distributed, 40 plots sunflower, 20 plots groundnuts, 500 kg pyrethrum sold to farmers, 441 members irrigation committees trained, 7 irrigation structures built, 160 farmers trained in horticulture, 50,000 fruit seedlings surviving, 1800 pairs of oxen trained, 120 pairs of donkeys trained, 80 oxcarts constructed, 60 farmer groups established, 120 cutworm trials, 11 storage structures built, 578 farmers trained, 15,000 farmers trained in new technology, 179 adoption plots established, 10 demo plots, 20 stockist operating.</p>	<p>Health Services: 700 staff trained (mainly traditional birth attendants), new prevention approach in 2 wards, 7 dispensaries renovated, 10 radios.</p>
<p>Livestock Promotion: 171 heifers procured, 37 bulls, 220 acres pasture, 171 sprayers, 210 farmers trained, 72 pig farmers trained, 3 dip committees formed, 9 paravets trained.</p>	<p>Disease Incidence: improved sanitation skills in 9 wards, 3 refrigerators, mobile clinics, 22 water wells, 7 water tanks, 30 water user groups trained.</p>
<p>Natural Resources: on soil management 1550 farmers trained, 270 acres conserved, 40 km planted grass, 150 oxen users trained, 16 km gully controlled, 13 villages involved; 150,000 seedlings raised, 55 demo farms, 1m tree seedlings planted, joint forest management in 10 villages, 141 water sources protected, poaching reduced in 9 villages, 124 village leaders trained in boundary survey.</p>	
<p>Group Formation: 10 SACCOs operating, capital increase from Tsh 8m to Tsh 22m, members from 400 to 2500, 6 bookkeepers trained,</p>	
<p>Feeder Road rehabilitation: 14 villages more accessible, 13 new culverts, 39 people trained in maintenance</p>	

Source: Mbulu DRDP Plan 2001

**Education**

Education Standards: 556 teachers trained, pupils pass marks improved, 33 health education trainers trained, 32 teachers trained in environmental issues, methodology manual, 31 teachers trained in gender, 171 headmasters trained in accounting, 52 schools inspected, 78 teachers upgrading, 173 improved class rooms, 111 teacher houses,

**Capacity Building**

First steps bottom-up planning in 71 villages, 16 ward executive officers trained, 24 staff computer trained, new national accounting system introduced, 13 village meetings on community participation, 13 extension staff trained, 2 meetings on gender balance in land use planning, 28 extension workers trained in maintenance, 15 school committees formed, 9 water user groups, 5 maintenance funds, 20 villagers trained in maintenance, 5 maintenance accounts.

Table 3.4. Activities and output SODA/DRDP, 1994 - 2002

DEPARTMENT	DESCRIPTION	OUTPUT ACHIEVED			
		1994	1995	1996	1997
COMMUNITY DEVELOPM.	Empowerment of villages	39 villages trained on village level planning (VLP)	Same 39 villages facilitated in VLP and preparation of VAP	facilitated in VLP and preparation of VAP in same 39 villages	7 additional villages trained in VLP and facilitated to prepare VAP
WORKS	Construction of bridges		5 bridges constructed	12 km Lusewa – Ligera road rehabilitated	16 bridges constructed
	Construction of roads		60 km spot improvement		12 km spot improvement
LANDS	Participatory Land Use Planning (PLUM) in villages		3 villages (LUP)		11 villages (LUP)

1998	1999	2000	2001	2002	OUTCOME
17 additional villages trained in VLP and facilitated to prepare VAP	53 additional villages trained in VLP and facilitated to prepare VAP	PRA in all 116 villages, covering: - Evaluation of VLP - Ward Development Plans (WDP) designed	Ward Plans developed in all 26 wards	128 Village Govt. members trained on District Planning Cycle.	- by 1999, all villages in the district covered by VLP and VAP - by 2001 all wards covered by WDP - Village Govt. and Ward Dev. Committees trained - participatory planning process introduced and established - by 2002 first integrated district development plan
4 bridges constructed	8 bridges constructed	6 bridges constructed	2 bridges constructed	3 bridges / culvert constructed	Three quarters of SDC roads are passable throughout the year as opposed to 25% in 1994
12 km spot improvement	12 km spot improvement	12 km spot improvement	21 maintenance group formed	28km improved and - 10 maintenance group formed	Maintenance groups contracted by SDC
- PLUM team formed - Materials/Equipment purchased	PLUM facilitated in 4 villages	PLUM conducted in 4 villages	PLUM conducted in 5 villages - SDC fixed assets valued	3 villages conducted PLUM	Reduced numbers of boundary conflicts

Table 3.4. Activities and output SODA/DRDP, 1994 - 2002

DEPARTMENT	DESCRIPTION	OUTPUT ACHIEVED			
		1994	1995	1996	1997
AGRICULTURE & LIVESTOCK	Cashewnut Propagation				
	Coconut Propagation				5,612 seedlings distributed to farmers 12,000 seedlings distributed to schools
	Cockerel Project		5 villages provided with cockerel	Additional 5 villages provided with cockerel	Additional 10 villages provided with cockerel
	Piggery				110 pigs distributed to farmers in 4 Villages
	Coffee Propagation				33,360 seedlings to selected farmers
	Oxanization				

1998	1999	2000	2001	2002	OUTCOME
32 acres planted	Additional 400 acres planted 20,000 seedlings distributed to farmers	10 villages received cashew seeds, 210 hectares planted	Additional 10 villages with 210 hectares planted	Cashew study started and presented to the Council	- total of 595 hectares planted - recommendations of study in process of implementation
6,000 seedlings purchased and distributed to farmers	12,000 seedlings purchased and distributed to schools	12,000 seedlings purchased and distributed to farmers	12,000 seedlings purchased and distributed to farmers		Schools sell coconuts for school funds
Additional 2 villages provided with cockerel	Additional 9 villages provided with 500 cockerel	Additional 16 villages provided with cockerels	Additional 3 villages provided with cockerel		Improved chicken stock in 50 villages Increased income for the farmers
27 boars distributed to farmers in 3 villages	22 boars distributed to farmers in 3 villages	100 piglets distributed in 4 villages	40 piglets distributed in 1 village		299 farmers received pigs/boars, directly benefiting about 1,350 people
60,000 seedlings distributed to selected farmers	20,000 seedlings distributed to selected farmers	20,000 seedlings distributed to selected farmers	80,000 seedlings distributed to selected farmers	80,000 seedlings distributed to selected farmers	Increased income to the farmers
20 farmers trained in 3 villages	20 farmers trained in 7 villages	20 farmers trained in 3 villages	604 farmers trained in 4 villages	1104 farmers trained in 3 villages	Increase acreage being cultivated, generating more income

Table 3.4. Activities and output SODA/DRDP, 1994 - 2002

DEPARTMENT	DESCRIPTION	OUTPUT ACHIEVED			
		1994	1995	1996	1997
	Introduction of Irrigation Techniques for paddy production				
	Heifer Intrust Scheme		50 heifers and 5 bulls distributed to 50 families in 3 villages		50 heifers and 5 bulls distributed to 50 families in 5 villages
TRADE	Establishment of Village and Mobile Markets				
WATER	Water Hand Pumps	—	—	10 villages provided with hand- pumps	24 pumps purchased for 4 villages
	Construction of Traditional Water Wells				105 Traditional Water Wells improved 6 villages



1998	1999	2000	2001	2002	OUTCOME
	20 farmers from 3 villages identified and trained in Irrigation Tech. Introduced	20 additional farmers from 5 villages identified and trained in Irrigation Techn.	20 additional farmers from 7 villages identified and trained in Irrigation Techn.	30 additional farmers from 4 villages identified and trained in Irrigation Techn.	90 farmers in 19 villages trained in irrig. techniques other farmers adopted same technology without DRDP support
50 heifers and 5 bulls distributed to 50 families in 5 villages	110 Heifers and 11 Bulls distributed to 110 families in 11 villages	81 heifers and 8 bulls distributed to 80 families in 8 villages	Introduction of 29 Dairy Goats to 5 villages 20 heifers and 2 bulls distributed to 20 families in 5 villages.	20 heifers and 2 bulls distributed to 20 families in 5 villages	380 families in 42 villages supplied with heifer/bulls 29 families supplied with dairy goats increased income and nutrition
	2 markets constructed at Peramiho A & B	4 market started in 4 villages	5 markets established in 5 villages	10 open markets started -Construction of 5 markets proceeding.	increase income and improved supply due to markets
21 handpumps in 5 villages	32 handpumps to 8 villages	28 handpumps to 4 villages	30 hand-pumps in 7 villages	9 hand-pumps in 3 villages	69% of population now provided with safe water by hand pumps and/or wells
55 Traditional wells improved in 3 villages	109 traditional wells improved at 19 villages	- improvement of Liganga Water Tanks	106 Traditional wells in 16 villages	37 traditional wells in 7 villages	See above

Table 3.4. Activities and output SODA/DRDP, 1994 - 2002

DEPARTMENT	DESCRIPTION	OUTPUT ACHIEVED			
		1994	1995	1996	1997
HEALTH	Primary Health Care (distinct training packages for community health workers, traditional birth attendants and traditional healers)	39 villages covered	40 villages covered	Continuation with villages of previous year	20 villages covered
	Rehabilitation of Dispensaries & Rural Health Centres (RHC)				Mputa RHC rehabilitated
EDUCATION	Construction of School Buildings				3 schools completed at WIDA
	Integral Education Programme		Run at Lusewa division	6 schools were rehabilitated in Lusewa	- Lusew Wards - Magazini Ward 53 classrooms rehabilitated and 8 teacher houses constructed

1998	1999	2000	2001	2002	OUTCOME
6 villages covered - Community Health Fund established for Songea district	6 villages covered -Community Health Fund inaugurated	6 villages covered	Malaria control Programme established		All villages throughout the district covered with training Community Health Fund and Malaria Control Programme established
Gumbiro Dispensary constructed	8 Dispensaries constructed	3 dispensaries and 6 staff houses constructed	3 dispensaries & 2 staff houses constructed	2 dispensaries & 4 staff houses constructed	Every ward has a dispensary
17 classrooms constructed & rehabilitated	28 classrooms 14 Teachers House & 28 pit latrines constructed	21 classrooms, 11 Teachers house constructed / rehabilitated.	34 classrooms and 3 Teachers house constructed	54 classrooms and 20 toilets maintained.	See below
Inspection done for 21 schools 8 schools committee/ Teachers trained.	- Teaching materials provided to 8 schools  - 62 schools inspected	- 3 Post Primary schools rehabilitated - Teaching materials provided to 21 classrooms - 38 Teachers trained	- 60 schools inspected - Teaching materials provided - 34 classrooms rehabilitated - 3 posts primary rehabilitated	53 schools inspected  172 school committee received training on Basic Financial Management.	Until 1997 the programme covered only Lusewa division, the most neglected division in education From 1998 onwards the whole district was covered

Table 3.4. Activities and output SODA/DRDP, 1994 - 2002

DEPARTMENT	DESCRIPTION	OUTPUT ACHIEVED			
		1994	1995	1996	1997
CULTURE	Mobile Information Centre				17 remote villages serviced
	Theatre Youth Groups				4 villages formed Theatre Groups
	Sports				4 villages provided with Sports gears
COOPERATIVE	Formation of SACCOs	–	Leaders and members of 1 SACCO trained	Follow-up training	3 SACCOs formed & training of leaders
	Women Economic Groups	–	2 groups formed	7 groups formed	13 groups formed

1998	1999	2000	2001	2002	OUTCOME
3 editions of AMKA newsletter (6000 copies) produced & distributed -14 Rural Reporters trained	4 editions, 8,000 copies of AMKA newsletter produced & distributed	4 editions, 8,000 copies of AMKA newsletter produced & distributed	3 editions, 6,000 copies of AMKA newsletter produced & distributed	2 editions, 4,000 copies of AMKA newsletter produced & distributed	Newsletter distributed to VEO for sale Whole district covered by AMKA newsletter
6 villages formed Theatre Groups	4 villages formed Theatre Groups	2 villages formed Theatre Groups	–	–	Educative plays are performed (HIV/AIDS, Culture & Values)
4 villages provided with Sports gears	4 villages provided with Sports gears	4 villages provided with Sports gears	2 villages provided with Sports gears	2 villages provided with Sports gears	Youth engaged in productive activities
1 SACCOs formed & training of leaders	Training of 501 SACCO members (of the 4 SACCOs formed)	Follow-up training conducted for 1,000 Primary Society members  Further strengthening of the 4 SACCOs	Consultant from FISEDA to advise on formation of strong Rural Financial Institution	6 Wards selected, and Rural Financial Institutions established	5 SACCOs formed and trained 6 Rural Financial Institutions formed Primary Societies strengthened
4 Women Leaders of 4 groups trained	–	–	–	–	22 groups formed

Table 3.4. Activities and output SODA/DRDP, 1994 - 2002

DEPARTMENT	DESCRIPTION	OUTPUT ACHIEVED			
		1994	1995	1996	1997
THIRD PARTY FUND	Collaboration with NGOs / CBOs	–	–	- joint primary health care pro- gramme with Peramiho Mission - joint primary edu- cation programme and support to SACCOs with WIDA	- continuation with Peramiho - continuation with WIDA - collaboration with Chamber of Commerce on business training
NATURAL RESOURCES	Tree Planting				50,000 seedlings distributed to 12 villages  125,000 seedlings of timber trees for income generation
	Combating Deforestation				
	Bee-keeping				18 groups formed in 7 villages
	Fish Farming				10 Key farmers in 5 villages provided with fingerlet fish for raising

1998	1999	2000	2001	2002	OUTCOME
- continuation with Peramiho	Quarterly review meeting	Quarterly review meeting	Quarterly review meeting	Quarterly review meeting	Collaboration between SDC and NGO's initiated and continued as discussion forum
- continuation with WIDA	conducted	conducted	conducted	conducted	
- continuation with Chamber of Commerce					
50,000 seedlings distributed to 12 villages	46,503 seedlings produced in 19 school nurseries	47,000 trees raised (timber)	140,967 trees planted	140,967 trees planted	Areas reforested threatened by erosion or as identified during VLP
125,000 seedlings of timber trees for income generation					
	6 villages selected to combat deforestation	10 villages produced tree seedlings	10 villages sensitised 70000 seedlings raised	40,000 seedlings raised	As above
18 groups formed in 7 villages	20 groups formed in 11 villages	20 bee-keepers trained in 2 villages	20 Bee-keepers trained in 5 villages		Increased honey production and income
10 key farmers in 5 villages provided with fingerlet fish	70 farmers in 2 villages provided with fingerlet fish	113 farmers in 2 villages provided with fingerlet fish	57 fish farmers in 3 villages provided with fingerlet fish		260 farmers in 15 villages provided with fish for own consumption and for selling

Table 3.4. Activities and output SODA/DRDP, 1994 - 2002

DEPARTMENT	DESCRIPTION	OUTPUT ACHIEVED			
		1994	1995	1996	1997
STRENGTHENING DISTRICT COUNCIL	Capacity Building				Inception of DRDP

District  
Management



1998	1999	2000	2001	2002	OUTCOME
<ul style="list-style-type: none"> <li>Planning Capacity in SDC established</li> <li>- Gender Task Force established</li> <li>- District Private Sector Support established</li> <li>- 2 Car pool system introduced</li> </ul>	<ul style="list-style-type: none"> <li>- Training HoDs on Log-Frame, linked to the preparation of a DDP</li> <li>- introduction of benchmark system to strengthen Revenue Collection system and Internal Control</li> <li>- review of Organisation and Management arrangements</li> </ul>	<ul style="list-style-type: none"> <li>- Training of Councillors on Basic Principle of Planning, Finance Management</li> <li>- Training for Finance Staff</li> </ul>	<ul style="list-style-type: none"> <li>- Continuing with Handing Over process</li> <li>- Local Government Reform Programme (LGRP) continued to Step No.6</li> </ul>	<ul style="list-style-type: none"> <li>- Continuing with Handing Over process</li> <li>- Reform continued to Step No.6</li> <li>- No. 8 and 11</li> <li>- Car Pool systems integrated and strengthened</li> </ul>	<ul style="list-style-type: none"> <li>- Participatory planning system developed and implemented.</li> <li>- Integrated DDP prepared and approved</li> <li>- All Councillors in district are trained</li> <li>- Increased capacity in SDC, resulting in: SDC is nationally the second best performing council in implementing the LGPR</li> </ul>
<ul style="list-style-type: none"> <li>Comprehensive study of Council Capacity</li> </ul>	<ul style="list-style-type: none"> <li>- District Monitoring System introduced</li> <li>- Introduction of Gender Task Force</li> <li>- Introduction of Computers</li> <li>- Handing over DRDP Admin. functions. to SDC</li> </ul>	<ul style="list-style-type: none"> <li>- Purchase of computers, Copier, Motorcycle.</li> <li>- 27 staff trained in computer skills</li> <li>- Study visit to Kondo, Monduli and Same to HoDs and CRT Team</li> <li>- Council Reform Programme started to implement step No.1 – 3</li> </ul>	<ul style="list-style-type: none"> <li>- DDP Focused on Result and Realistic Budget</li> <li>- Green Sector Study conducted.</li> <li>- Refresher course to HoDs on Planning</li> </ul>	<ul style="list-style-type: none"> <li>- DDP Focused on Result and Realistic Budget</li> <li>- Gender Mainstreaming Plan developed</li> <li>- Green Sector Study conducted.</li> <li>- Integrated DDP prepared</li> <li>- Management Course for HoDs</li> </ul>	



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## ANNEX 5 EXCHANGE RATES 1986 –2001

## Exchange rates 1986 –2001

Year	US\$= €	US\$= Tsh	€ = Tsh	US\$ = Dfl
1986		32.7		2.45
1987		64.3		2.03
1988		99.3		1.98
1989		143.4		2.12
1990		195.1		1.89
1991		219.2		1.87
1992		297.7		1.75
1993		410.0		1.86
1994	0.828	588.2	487.0	
1995	0.731	769.2	562.3	
1996	0.767	769.2	590.0	
1997	0.887	714.3	633.6	
1998	0.901	725.7	653.9	
1999	0.937	792.4	742.5	
2000	1.085	738.0	800.1	
2001	1.089	729.7	794.6	



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