Budget Analysis for ASDP and DADP Funds in Tanzania

Final Report

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Acronyms

ASDP	The Agriculture Sector Development Programme
ACBG	Agricultural Capacity Building Grant
AEBG	Agricultural Extension Block Grant
ANSAF	Agriculture Non-state Actors Forum
ASLMs	Agriculture Sector Lead Ministries
BF	Basket Funding
DADG	District Agriculture Development Grant
DADPs	District Agricultural Development Plans
DASIP	District Agricultural Sector Investment Plans
DDP	District Development Plan
DIDF	District Irrigation Development Fund
GBS	General Budget Support
HDI	Human development index
HPI	Human poverty index
LAAC	Local Government Authority Accounting Committee reports
LGAs	Local Government Authority
MAFC	Agriculture Food Security and Cooperative
MITM	Ministry of Industry Trade and Marketing
MLDF	Ministry of Livestock Development and Fishery
MTEF	Medium Term Expenditure Framework
MWI	Ministry of Water and Irrigation
NBS	National Bureau of Statistics
O&OD	Opportunities and Obstacles to Development
PADEP	Participatory Agricultural Development and Empowerment Plan () and other donations.
PMORALG	Prime Minister's Office Regional Administration and Local Government
SUA	Sokoine University of Agriculture
TAMISEMI	Tawala za Mikoa na Serikali za Mitaa
ToR	The Terms of Reference

Executive Summary

The Agriculture Sector Development Programme (ASDP) is a Sector Programme largely implemented at the district level through the District Agricultural Development Plans (DADPs) as an integral part of the District Development Plan (DDP). The government also works at the national level through the Agriculture Sector Lead Ministries (ASLMs) to deal with issues such as fertiliser subsidies, large irrigation schemes, research and development, regulation and coordination as well as quality assurance. Grants from central government are released on quarterly bases depending on established grant allocation formulae.

Under the Basket Fund (BF) system, 75% of ASDP allocations are expected to be transferred to local level, whereas the remaining 25% is retained at national level to cover overhead costs and other interventions implemented at national level. Of the 75% of the funds received at the LGAs, at least 80-85% is expected to support community projects through the District Agriculture Development Grant (DADG), the Agricultural Capacity Building Grant (ACBG) and the Agricultural Extension Block Grant (AEBG). Traditionally, interventions through the development grants – which should be used only for investment – receive over 65% of the total, while the remaining 35% is shared between capacity-building grants and extensions grants.

In order to give fact-based advice to the government, ANSAF analysed budgets for selected LGAs[1] and at national level with the aim of: indicating direct and indirect costs from DADP for selected LGAs; identifying LGA priority spending; establishing trends for budget allocations to investments and facilitation costs; examining the extent to which LGAs use their own sources of funds for in agriculture ; and examining whether allocation at national level is based on the potential for agricultural production and the poverty level of regions.

The key conclusions of this analysis are as follows:

- The poorest regions receive the least help. This mean that; if plans are not well articulate and well managed, the approach bears implications on equity and poverty reduction among regions
- The current level of investment across Tanzania is not enough to transform agriculture as recommended by African Union Member State on 10% national budget to support the sector
- The government's aim of putting 65% of agricultural funding into development grants for investment is being thwarted by the operation of the LGA structure and the timing of grants, which means that a significant proportion of development funds for investment go into "indirect costs" rather than to help for farmers.

[1] This is an ongoing work which started in 2009 focusing on 14 districts with greater emphasis on 'local actors' participation in agricultural sector planning'.

BACKGROUND

With publicly available documents it was possible to carry out analysis at the required level of detail in for 5 districts: **Bukombe, Lindi, Tandahimba, Kibondo**, and **Kahama**. In this analysis, **direct costs** are expenditures that implement activities directly related to the farm activities such as buying equipment and machinery, construction of feeder roads, buying inputs, and expenditures of investment nature. **Indirect costs** include expenditures such as per-diems, allowances for project staff, fuel, computer, office refurbishment, and other expenses to facilitate the implement of projects.

Results indicated that with exception of Bukombe district council, where DADG accounted for only 21.9% of the DADP budget, DADG normally received the highest proportion of DADP funds, varying from 54% to 84.5% for the other councils. Using 65% as a benchmark for the appropriate proportion going to investment, only Kibondo and Kahama LGAs fulfilled the requirements during the reference period. Detailed analysis of direct and indirect costs within each component of DADP revealed that indirect costs were higher than direct costs for both the ACBG and the AEBG components in all the five district councils studied. .

Are allocations commensurate with LGA priorities? It should be noted that priorities varied across LGAs. For example, agricultural mechanisation was prioritised by Bukombe and Kahama. Improvement of crop production was a priority for Tandahimba and Lindi. Market infrastructure was prioritised by Kibondo only. No LGA prioritised the improvement of livestock production, irrigation or cooperatives. While not prioritising livestock production is understandable in those LGAs where livestock is a small sector, the failure to prioritise irrigation is a serious oversight, for without water no any output will be realised, especially now when weather is unreliable. Examination of allocation trends revealed a positive trend in investment expenditure and negative trend for indirect costs. For example, allocation to investment increased by 36% for Kahama and 39% for Tandahimba. On the other hand, indirect costs decreased by 36% and 44% for Kahama and Tandahimba respectively. However, for Lindi, investment allocations declined by 15% while indirect costs increased by 6%. Analysis also indicated that only Kahama district council allocated funds from its own sources to agriculture in two consecutive financial years, accounting for 7.2% and 7.6% of Kahama’s budget for 2009/2010 and 2010/2011 respectively. The general unwillingness by LGAs to allocate funds to agriculture from their own sources is contrary to the central aim of the Kilimo Kwanza policy.

At national level the picture was similar to LGAs. With the exceptions of Mwanza, Shinyanga, Kagera and Mara, the DADG component received between 54.1% (in Tanga and Kilimanjaro) and 66.4% in Rukwa region. The national average for this component was 56.7%, still some way below the 65% benchmark. The relationship between budget allocation and agricultural production potential revealed that the traditional “Big Four” regions in maize production – namely Iringa, Mbeya, Rukwa and Ruvuma – received the highest allocations of the TAMISEMI budget. Similarly, the newly- introduced region in this group, Morogoro, also received a significant allocation. However, another candidate in the list, Kigoma, received the lowest portion of the TAMISEMI budget (3.7%). On whether allocations are based on poverty level for the sake of regional balance, results indicated that that there is an inverse relationship between the budget allocation and the poverty levels. For example, very poor regions received only 15.1% of the budget, whereas economically better regions received 44.3%.

There are some limitations to the analysis, partly due to the varied quality of the information which is available and partly because of the lack of a strictly uniform method for preparing LGA budgets. Taking all issues into consideration, ANSAF makes the following recommendations:

- LGAs should ensure that they allocate at least 65% of DADP fund to DADG, and that the DADG component should not contain elements of indirect expenses; associated indirect cost for each investment should be reflected in the ACBG & AEBG
- In order to give increased impetus to the Kilimo Kwanza resolve, LGAs should allocate a significant portion of funds from their own sources to agricultural interventions;
- For the sake of regional balance, there is a need to consider the poverty level of regions in the allocation of TAMISEMI funds;
- A uniform method for preparing budgets should be adopted by all LGAs to make budget tracking easier; and
- Detailed budget allocations at LGA and national level should be public good documents, accessible for stakeholders interested in budget tracking.

1. Introduction

The Agriculture Sector Development Programme (ASDP) is a Sector Programme largely implemented at the district level through the District Agricultural Development Plans (DADPs) as an integral part of the District Development Plan (DDP).

The government started implementing the Agriculture Sector Development Programme from 2006/2007 onwards via donor-provided Basket Funding (BF) through the Agriculture Sector Lead Ministries (ASLMs), namely:

- the Ministry of Agriculture Food Security and Cooperative (MAFC);
- Ministry of Industry Trade and Marketing (MITM);
- Ministry of Livestock Development and Fishery (MLDF);
- Ministry of Water and Irrigation (MWI); and
- Prime Minister's Office Regional Administration and Local Government (PMORALG)

The agricultural sector is publicly funded through donor-provided General Budget Support (GBS) and also through specific projects. The government prefers the GBS and BF funding approaches to the use of project-funding.

It is vital that agricultural sector funds are mainly spent at district level (community) where agriculture activities take place, whereas the national level deals with issues such as fertiliser subsidies, large irrigation schemes, regulation and coordination, as well as quality assurance. Thus, the district Councils are responsible for preparing and implementing DADPs while the Agriculture Sector Lead Ministries are responsible for ensuring the quality of DADPs' design and implementation.

DADP grants are meant to support participatory and community projects focusing on agriculture. Projects funded by DADP funds can be either community and/or group-owned. These projects are supposed to be informed by Opportunities and Obstacles to Development (O&OD is a consultative exercise which is assumed to involve a wide range of stakeholders including institutional and gender representation). The types of interventions which DADP funds are expected to contribute to increases in production and productivity, thereby reducing hunger and poverty while addressing food insecurity. .

Such projects are expected to consider the issues of **availability and access to productive resources** (such as seeds, extension services/advisory, agro-chemicals, farming implements), **infrastructures** (irrigation, rural roads, electricity, market structures), **value addition facilities** and **marketing systems**. These are among the main motivators for small and large scale producers to continue in the farming business.

Grants from central government are released on monthly, bimonthly and quarterly bases, depending on the plans submitted by respective LGAs. Despite this, there has been a mismatch because during the first quarter funds are only released for investment, whereas the capacity building and extension grants are released later in the year. 75% of ASDP allocations are expected to be transferred to local level, while the remaining 25% is retained at national level to cover overhead costs and other interventions implemented at national level. Of the 75% of the funds received at the LGAs, at least 80-85% is expected to support grants for community projects through the District Agriculture Development Grant (DADG), the Agricultural Capacity Building Grant (ACBG) and the Agricultural Extension Block Grant (AEBG). And of the total grant money, traditionally and as a matter of practice, 65% is spent on interventions via the District Agriculture Development Grant, which is purely for investment, while the remaining 35% is shared between capacity-building grants and extensions grants.[2].

2. Rationale and Objectives of the Study

2.1 Scope of Work

Agriculture Non-state Actors Forum (ANSAF) wishes to find out how much money goes to which interventions, and with what outcomes, in order to offer better advice to the government. Despite renewed interest by central government in allocating more funds in nominal terms to the agricultural sector, the sector's performance has remained low. Establishing outcomes remains difficult, but one can link allocations with interventions and give recommendations on whether interventions are well-planned with all necessary synergies throughout the value chain to transform agriculture – and the position of smallholder farmers in particular - while addressing issues of rural poverty and gender exclusion.

2.2 Objectives of the Study

The main objective of the study was to carry out budget analysis for selected districts and at national level, under the following specific headings:

i. **Analysing the budget in terms of indirect costs and direct costs** from the District Agricultural Development Plans for each of the districts of Lindi, Masasi, Tandahimba, Iringa, Mtwara rural, Kongwa, Bukombe, Kondoa, Chamwino, Singida, Kahama and Kibondo.

ii. **Identifying district priorities**, assuming that the more the funds allocated to a particular intervention, the higher the priority

iii. **Establishing budget trends** (if any), including whether there is increased budget and increased focus of allocations to investments versus indirect costs

iv. Establishing whether funds from LGAs' own sources are invested in the agricultural sector

v. **Analysing national level information** – if the allocation is based on the agricultural production potential and on the poverty level.

[2] The details about this can be found in ANSAF's background, key objectives, and its past work on budget allocations and priorities at district level.

3. Methodology

3.1 Data and Limitations

To accomplish the objectives of this assignment a desk review of district agricultural plans (DADPS) and budgets was undertaken. The Terms of Reference (ToR) (Appendix 1) suggested that progress reports would provide actual expenditures for each local government. However, these reports were not available for most Local Government Authorities (LGA). But the saving grace is that, for all LGAs in the country, the planned and actual expenditures are the same. This is probably because of the need to fulfil accounting requirements. Therefore in this assignment analysis was based on the Medium Term Expenditure Framework (MTEF) of the DADPs. To enhance comparison across LGAs, analysis was to be performed on one selected year common for all LGAs under consideration. As pointed out earlier, DADPs are divided into three components of DADG, ACBG, and AEBG. Direct and indirect expenditures under these components were examined. Throughout the exercise, the consultant liaised with the ANSAF Coordinator.

The client, ANSAF provided a set of documents from some LGAs to be analysed. The documents included quarterly progress reports, action plans, MTEF/Planning and Reporting (PlanRep), and Local Government Authority Accounting Committee reports (LAAC). ANSAF had assumed that these documents would contain adequate information required to address all the specific objectives of this study. Unfortunately, examination of the documents revealed a number of shortcomings including the following:

- The information provided was fragmented in terms of not being uniform for all LGAs; some LGA submitted DADPs without detailed breakdowns of expenditure.
- Some LGAs submitted incomplete reports in the sense that not all quarterly reports were available.
- The reference years differed across LGAs
- Some LGAs were missing information altogether
- In some LGAs only fund from treasury was accounted for without indicating funds from other sources such as District Agricultural Sector Investment Plans (DASIP), District Irrigation Development Fund (DIDF), and Participatory Agricultural Development and Empowerment Plan (PADEP) and other donations.
- No single LGA had made any attempt to include information from NGOs and companies implementing agricultural interventions in their respective areas under DADPs framework.

Because of that those documents could not provide analyst with required information. The relevant documents for each district that could have been adequate for this analysis were the following:

- DADP report containing detailed costing sheets
- Fund disbursement report
- Action plans and progress reports for all four quarters
- Categorical document indicating own sources of fund and other sources outside the treasury system, and,
- Local Government Authority Accounting Committee reports (LAAC).

A critical review of the documents provided indicated that it was possible to carry out somewhat informative analysis only for 5 districts namely Bukombe, Lindi, Tandahimba, Kibondo, and Kahama. For the rest LGAs, that is, Masasi, Iringa, Mtwara rural, Kongwa, Kondoa, Chamwino, and Singida the analysis was not feasible. But even with the 5 LGA, available information was not uniform. In addition, national level data were available from the client, and these were complemented by poverty gap indices across administrative regions in order to accomplish the fifth specific objective..

3.2 Computation of Direct and Indirect Expenditures

In this assignment, direct expenditures were those involving funds that implement activities that are directly related to farming activities by farmers such as buying equipment and machinery, construction of feeder roads, buying inputs, and expenditures of investment nature. On the other hand, expenditures such as per-diems, allowances for project staff, fuel, computer, office refurbishment, and other expenses to facilitate implement of projects are considered indirect costs. From DADP documents the DADG could be considered direct costs whereas ACBG and AEBG indirect costs. This is because DADG supposedly comprises of investment expenditures only. For example, if a particular LGA purchase power tillers, all the money used in the purchases are reflected in the DADG. But if farmers do not know how to use power tillers, the costs of empowering them to use power tillers appear under ACBG. And if farmers want to visit other farmers to learn best practices in the use of power tillers the costs involved appear under AEBG.

However, a general explanation of this kind is not adequate to reveal useful insights into the distribution of indirect and indirect costs. Therefore, a more detailed examination of direct and indirect costs was made, using carefully itemised costing sheets. Indirect costs included such expenditures as:

- air and ground travel tickets
- computer supplies
- conference facilities
- car hire
- diesel
- extra-duty allowance
- inputs
- food and refreshments
- fuel
- leaflets
- motor cycle allowance
- office consumables
- office maintenance
- per diems
- printing and photocopying
- tuition fee
- other equipment

4. Findings

4.1 Indirect and Direct Costs in DADPs

Based on the three DADP components (that is: i) District Agricultural Development Grants; ii) Agricultural Capacity-Building Grants; and iii) Agricultural Extension Block Grants), it was observed that generally the Development Grants or "DADG", which represents investment costs, received the highest proportion of DADP funds in the reference year. Generally, the DADG component accounted for between 54% and 84.5% of the DADP budget, for example in the LGAs of Tandahimba, Lindi, Kibondo, and Kahama (Table 1), although for Bukombe LGA, the DADG was a mere 21.9%, and on average for the whole nation DADG represented 56.7% of the fund allocated to agriculture. Using 65% as a benchmark, only Kibondo and Kahama LGAs fulfilled the requirements during the reference period.

Table 1: DADP components for selected districts

Million TSh

Local Government Authority	Reference Financial Years	DADP Components						TOTAL
		DADG	% of LGA Total	ACBG	% of LGA Total	AEBG	% of LGA Total	
Bukombe	2010/11	48.6	21.9	93.3	42.0	80.3	36.1	222.2
Lindi	2009/10	321.8	62.4	135.5	26.3	58.5	11.3	515.8
Tandahimba	2009/10	355.9	54.0	206.7	31.4	96.4	14.6	659.0
Kibondo	2010/11	1,091.2	73.5	301.2	20.3	91.3	6.2	1,483.8
Kahama	2010/11	1,244.3*	84.5	88.8	12.4	21.8	3.1	1,354.0
TAMISEMI	2009/10	33,904.4	56.7	16,644.2	27.9	9,205.4	15.4	59,754.1

* This figure contains DASIP fund (TSh. 640.8 million)

As stated previously, the information presented in Table 1 above is too general to give useful insights into flows of fund in the agricultural sector. This is because it is possible that funds allocated to DADG may not actually be related to investment; there might be expenditures such as per-diems and extra-duty allowances. As such, the DADP components were disaggregated into specific spending categories, such as: (1) agricultural implements - such items as power tillers, tractors, spray pumps, etc (2) agro-inputs such as fertiliser, seeds, agro-chemicals, vaccines, pistolets, animal feeds, etc. (3) per-diem, extra-duty and other allowances for LGA staff, (4) fuel and transport, (5) office equipment and consumables such as computer supplies, printing and photocopying, consultancy and contracts works, (6) fuel and transport such as diesel, petrol, air travel tickets, car hire, ground travel, etc, (7) training and publication comprised of such things as tuition fee, leaflets/publications, conference facilities, etc (8) food and refreshments, (9) maintenance/renovation, and general procurement. These categories differ from one LGA to another. Tables 2 to 6 below present the LGA budgets for the 5 districts under examination. Detailed components of each expenditure category are presented in Appendix 2 (a)-(e).

Table 2: Expenditure categories for DADP funds in Bukombe DC during 2010/11 Financial Year

S/No	Expenditure Category	Amount (billion TSh)	% of Total LGA Budget
1	Agricultural implements	327.0	57.0
2	Per-diem, extra-duty and other allowance	90.7	15.8
3	Agro-inputs	44.8	7.8
4	Fuel and Transport	33.1	5.8
5	Office equipment & consumables	29.2	5.1
6	General procurement	24.0	4.2
7	Training and publication	17.3	3.0
8	Food and Refreshments	4.6	0.8
9	Maintenance/Renovation	3.1	0.5
	Total	**573.8**	**100.0**

Table 3: Expenditure categories for DADP funds in Kibondo DC - during 2010/11 Financial Year

S/No	Expenditure Category	Amount (billion TSh)	% of Total LGA Budget
1	Civil Works	497	33.5
2	General procurement	190.1	12.8
3	Agricultural Implements	180.9	12.2
4	Agro-inputs	145.2	9.8
5	Per Diem, extra-duty and other allowances	139.8	9.4
6	Training materials	114.3	7.7
7	Fuel transport	61.3	4.1
8	Consultancy fee	46	3.1
9	Motor Vehicles/ Motor cycle	45.3	3.1
10	Irrigation improvement	28	1.9
11	Farm structures	11.2	0.8
12	Food and Refreshments	9.7	0.7
13	Other	8.6	0.6
14	Drugs and Medicines	6.2	0.4
	Total	**1483.6**	**100**

Table 4: Expenditure categories for DADP funds in Kahama DC - during 2010/11 Financial Year

S/No	Expenditure Category	Amount (billion TSh)	% of Total LGA Budget
1	Agricultural Implements	945.4	69.8
9	Irrigation Improvements	150.0	11.1
4	Per Diem, extra-duty and other allowances	77.9	5.7
11	Motor cycles	55.0	4.1
3	Fuel and Transport	47.2	3.5
12	Small tools and equipment	23.6	1.7
5	Office consumable	14.9	1.1
6	Training	13.8	1.0
8	Food and Refreshments	10.6	0.8
2	Agro-inputs	10.3	0.8
7	Insurance	6.0	0.4
10	Office maintenance	0.2	0.0
	Total	**1,354.9**	**100.0**

Table 5: Expenditure categories for DADP funds in Tandahimba DC - 2009/10 Financial Year

S/No	Expenditure item	Amount (billion TSh)	% of Total LGA Budget
1	Per Diem, extra-duty and other allowances	163.9	24.9
2	Construction	143.2	21.7
3	Irrigation Improvements	135.8	20.6
4	Agricultural Implements	110.5	16.8
5	Fuel and Transport	34.6	5.3
6	Agro-inputs	32.8	5.0
7	Training	29.3	4.4
8	Food and Refreshments	8.8	1.3
	Total	**659.0**	**100.0**

Table 6: Expenditure categories for DADP funds in Lindi DC - during 2009/10 Financial Year

S/No	Expenditure item	Amount (billion TSh)	% of Total LGA Budget
1	Per-diem, extra-duty and other allowances	110.2	21.4
2	Agricultural Implements	81.4	15.8
3	Irrigation Improvements	80.0	15.5
4	Materials and Supplies	62.2	12.1
5	Training Materials/services	41.1	8.0
6	Agro-inputs	39.4	7.6
7	Fuel and Transport	28.8	5.6
8	Roads	20.0	3.9
9	Cement and bricks	17.4	3.4
10	Motor cycles	15.0	2.9
11	Food and Refreshments	7.0	1.4
12	Drugs and Medicines	3.7	0.7
13	Technical Materials	3.1	0.6
14	Small tools and equipment	3.0	0.6
15	Publicity	2.3	0.5
16	Office consumable	1.1	0.2
		Total	100.0

It should be noted that even with detailed expenditure breakdowns it is, in most cases, difficult to establish exactly the nature of the expenditure. For example, for items such as general procurement, civil work, consultancy, irrigation improvement, and construction, it is hard without further information to disaggregate further into respective specific items such as casual labour, allowances, fuel, etc. This makes it difficult to separate direct and indirect costs for these kinds of expenditures. However, one may generalise that expenditure on agricultural implements, inputs, irrigation improvement, roads rehabilitation, and construction of farm structures are direct costs and that the rest are indirect costs. When framed in this context, the relationship between direct and indirect costs in the LGA can be examined. In this analysis, the expenditures that have been considered "direct costs" are summarised in Table 7.

Table 7: Expenditures considered direct costs in the studied districts

S/No.	LGA	Direct Costs
1	Bukombe	Agricultural implements and agricultural inputs
2	Kibondo	Agricultural implements, agricultural inputs, irrigation improvement, and farm structure
3	Kahama	Agricultural implements, agricultural inputs, and irrigation improvement
4	Tandahimba	Agricultural implements, agricultural inputs, irrigation improvement, and farm structure
5	Lindi	Agricultural implements, agricultural inputs, irrigation improvement, and roads

Based on this background, direct and indirect costs were examined as shown in Figure 1. It should be noted that indirect costs are higher than direct costs for Kibondo, Tandahimba, and Lindi District Councils (DC), and lower for Bukombe and Kahama. The LGAs of Kibondo and Kahama are extreme cases in which the margins between the two types of costs are significantly high. But once again, this can be explained by inadequate disaggregation of costs in the documents provided.

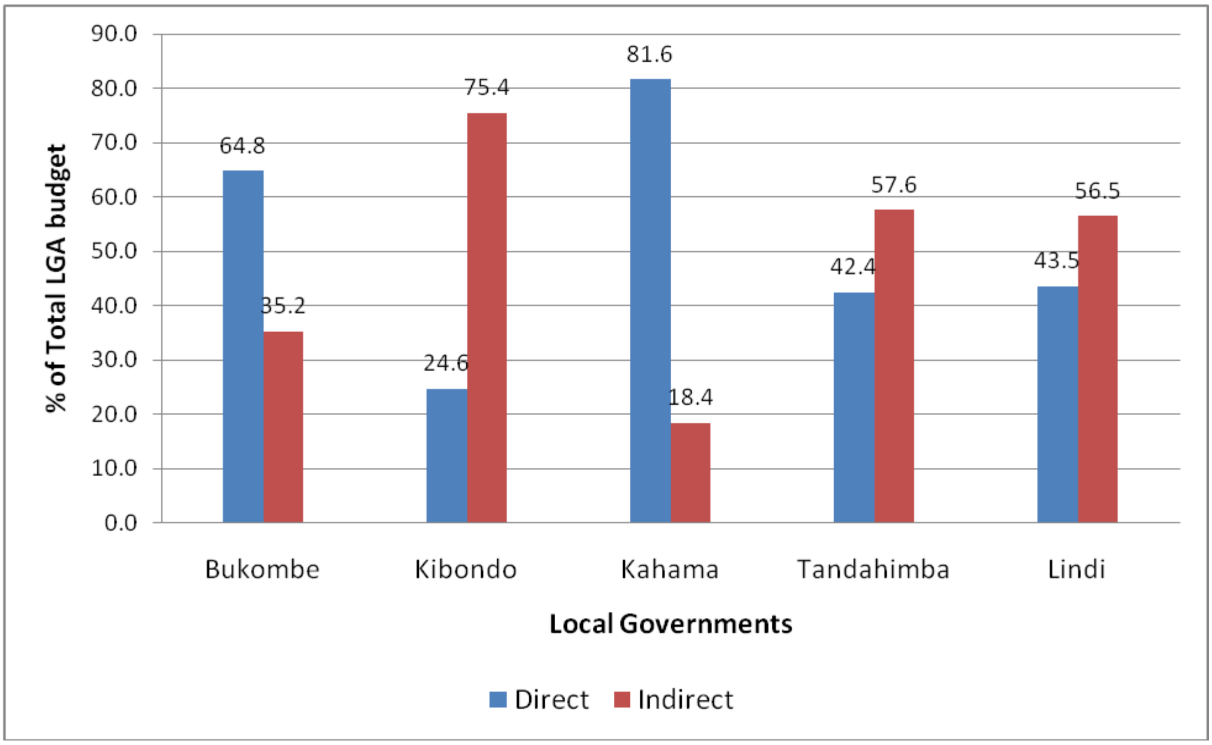


Figure 1: Direct and indirect costs in the LGAs budgets

It is likely that a much clearer picture can be drawn by examining direct and indirect costs within the individual components of DADPs, that is, DADG, ACBG, and AEBG. Cost elements for each of these components are presented in Appendix 2(a)-(e). Figure 2 below summarises types of costs as apply to this analysis.

Direct costs

- Agro-implements
- Agro-chemicals
- Power tillers
- Inputs
- Fertilizer
- Seeds and seedlings
- Vaccines
- Liquid nitrogen
- Incalf heifer
- Pitolest
- Veterinary drugs and equipment
- Protective clothes
- Irrigation improvements
- Animal feeds
- Construction
- Livestock
- Illuminating kerosene
- Materials and supply for

Indirect costs

- Diesel
- Petrol
- Air tickets
- Bus fare
- Perdiem
- Extra-duty and other allowances allowances
- Office consumables
- Training materials
- Tuition fee
- Insurance
- Food and restaurants
- Purchase of cars and M/cycles
- Small tools and equipment
- Car hire
- Computer facilities
- Secretarial services
- Conference fee

Figure 2: Types of costs as apply to this analysis

Examination of the costs based on the typology above reveals the following as presented in Figure 3:

- For the ACBG and AEBG components in all the five LGAs, indirect costs are higher than direct costs. This is expected, as per the DADP framework that requires expenditures of investment nature to be under DADG. The direct costs that appear under ACBG and AEBG are for items that were purchased to enhance the capacity building exercise and the extension services.

- For the same reasons as above, direct costs for DADG component are higher than indirect costs for all LGAs except for Kibondo District Council. This might be in line with ANSAF's hypothesis that most data is kept in the villages and not at headquarters; this requires LGA staff to increase travel costs and per diems in travelling frequently to villages to collect information.
- Some of the indirect costs charged under DADP were identified as air travel tickets, diesel, petrol, ground travel, car hire, extra-duty allowance, per diems, sitting allowance, training, etc.

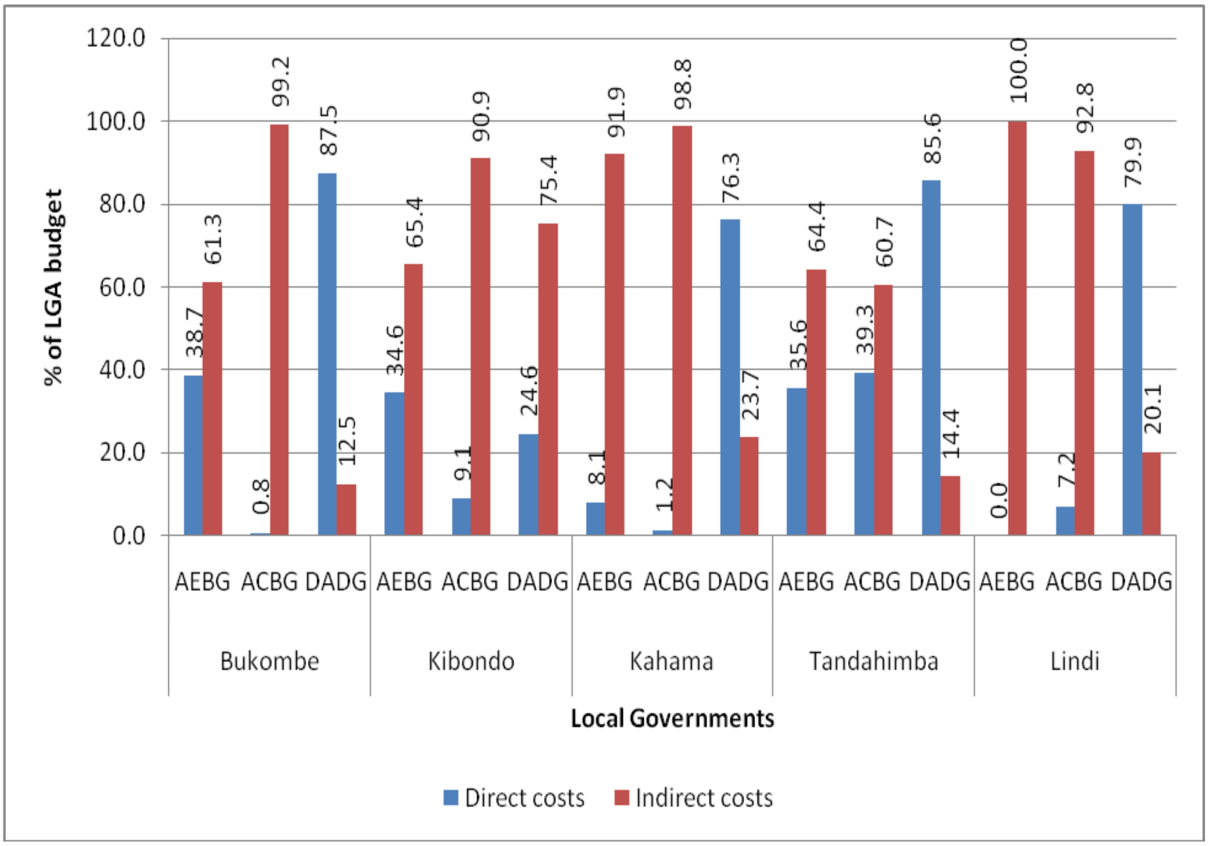


Figure 3: Direct and indirect costs within individual components of DADPs

4.2 District Priority Interventions

The ToR required the consultant to examine the allocations to see if they are commensurate with the stated LGA priorities. The pre-condition for this kind of analysis was the availability of a DADP report for each council. However, this was not always not possible. It was therefore assumed that the more the funds allocated to particular activity, the higher the priority. Seven groups of interventions were identified. These include **agricultural mechanization**, **irrigation**, **improvement of crop production**, **improvement of livestock production**, **market infrastructure**, **cooperatives**, and **livestock infrastructure**. Table 8 summarises allocations in priority interventions for each of the five councils.

It should be noted that priorities varied across LGAs. For example, agricultural mechanisation was prioritised by Bukombe and Kahama. Improvement of crop production was a priority for Tandahimba and Lindi. Market infrastructure was prioritised by Kibondo only. It should also be noted that no LGA prioritised improvement of livestock production, irrigation or cooperatives. While not prioritising livestock production is understandable in those LGAs where livestock is a small sector, the failure to prioritise irrigation is a serious oversight. This is because water is *sine qua non* in crop production. The logic is that with water - even without mechanisation, market or any agronomic services - a farmer can still harvest something, whereas without water no output can be realised. In this era of weather vagaries as a result of climate change, irrigation is supposed to be given top priority.

Table 8: Summarises allocations in priority interventions in respective financial years

Expenditure Category	Bukombe		Kibondo		Kahama		Tandahimba		Lindi	
	% of DC Total	Priority Rank	% of DC Total	Priority Rank	% of DC Total	Priority Rank	% of DC Total	Priority Rank	% of DC Total	Priority Rank
Agricultural mechanization	38.6	1	10.2	4	29.8	1	11.1	4	17.9	3
Irrigation	36.5	2	13.1	3	14.2	3	25.7	2	13.0	5
Improvement of crop production	18.3	3	19.9	2	13.4	4	35.7	1	28.3	1
Improvement of livestock production	4.6	4	10.1	5	12.6	5	6.2	6	13.6	4
Market infrastructure	0.9	5	44.1	1	9.6	6	6.8	5	23.9	2
Cooperative	0.7	6	-	-	1.3	7	0.8	7	3.4	6
Livestock infrastructure	0.4	7	2.7	6	19.1	2	13.7	3	-	-

4.3 Trend of Budget Allocations in LGA

The ToR also requested the examination of allocations to establish trends (if any) for increased budget to investments and indirect costs. Information for carrying out this kind of analysis was available for only three LGAs, namely Lindi, Kahama, and Tandahimba. For Kibondo and Bukombe district councils, the information was missing. Generally, there was a positive trend in investment expenditure and negative trend for indirect costs (Table 9). For example, allocation to investment increased by 36% for Kahama and by 39% for Tandahimba, while indirect costs decreased by 36% and 44% for Kahama and Tandahimba respectively. However, for Lindi, the situation was contrary. Investment allocations declined by 15% while indirect costs increased by 6%.

Table 9: Investment and indirect expenditure trend

LGA	Investment (Million)		% Change	Indirect costs (Million)		% Change
	2009/10	2010/11		2009/10	2010/11	
Kibondo	-	1,157,985,000	-	-	279,879,000	-
Lindi	337,532,000	287,175,892	-15	215,721,000	228,618,266	6
Kahama	824,988,043	1,123,846,800	36	360,186,190	231,073,200	-36
Bukombe	-	731,124,000	-	-	113,250,780	-
Tandahimba	260,447,100	361,803,126	39	398,560,098	223,988,617	-44

4.4 Use of Funds from Own Sources by LGAs

The analysis also examined allocations to establish whether district councils allocate their own funds to the implementation of agricultural initiatives. It was observed that most LGAs either did not allocate their own sources of funds to agriculture or that information was not available in particular years to examine this issue Table 10). For example, Lindi and Tandahimba did not allocate any funds to agriculture from their own sources for 2009/2010. For Kibondo and Bukombe, information was not available for 2009/2010, but these LGAs allocated no funds to agriculture from their own sources in 2010/2011. Only Kahama allocated funds from its own sources to agriculture in two consecutive financial years. In 2009/10 the council allocated TSh. 85 million, equivalent to 7.2% of the total council budget. In the following year, 2010/11, the allocation increased slightly to 7.6% of the total council budget. The general unwillingness by LGAs to allocate funds to agriculture from their own sources is contrary to the central aim of the Kilimo Kwanza policy.

Table 10: Fund from own sources allocated to the agriculture sector

LGA	Year	Own Source (TSh)	Total Budget	% of Total Budget
Kibondo	2009/2010	N/A		
	2010/2011	0		
Lindi	2009/2010	0		
	2010/2011	0		
Kahama	2009/2010	85,000,000	1,185,174,233	7.2
	2010/2011	103,000,000	1,354,920,000	7.6
Tandahimba	2009/2010	0		
	2010/2011	0		
Bukombe	2009/2010	N/A		
	2010/2011	0		

4.5 Analysis of the National Level Agricultural Budget for LGA

The consultant was asked to analyse the budget for the Ministry of Regional and Local Government Administration (TAMISEMI), to establish whether it reveals a similar picture as individual LGA budgets, and whether the allocation is based on criteria such as the potential for agricultural production, poverty levels, and population. The following sections address these issues.

4.5.1 DADP Components for TAMISEMI Agricultural Budget

The DADP components were examined at national level and depicted a similar trend as the LGA budgets. For almost all LGAs, it was observed that DADG was highest, followed by ACBG and lastly AEBG. However, there were exceptions to this. For Mwanza, Shinyanga, Kagera and Mara, the AEBG budget was highest followed by ACBG. In these regions, DADG received the lowest allocation (Figure 4). Consultation with LGA officers from these regions (who are doing postgraduate studies at SUA) indicated that regions in the Lake zone receive less DADG money because they also receive investment funding from the District Agricultural Sector Investment Program (DASIP).

One might be tempted to argue that such an analysis based on the absolute budget value is not informative enough because it may depend on the number of LGAs in a region. But correlation analysis revealed a very low correlation coefficient. Because of the paucity of information, it could not be established why the situation was like this in these regions. In terms of the proportion of budget allocated to DADG it was observed that, with exception of Mwanza, Shinyanga, Kagera and Mara, the DADG component received between 54.1% (in Tanga and Kilimanjaro) and 66.4% in Rukwa region. The national average for this component was 56.7%.

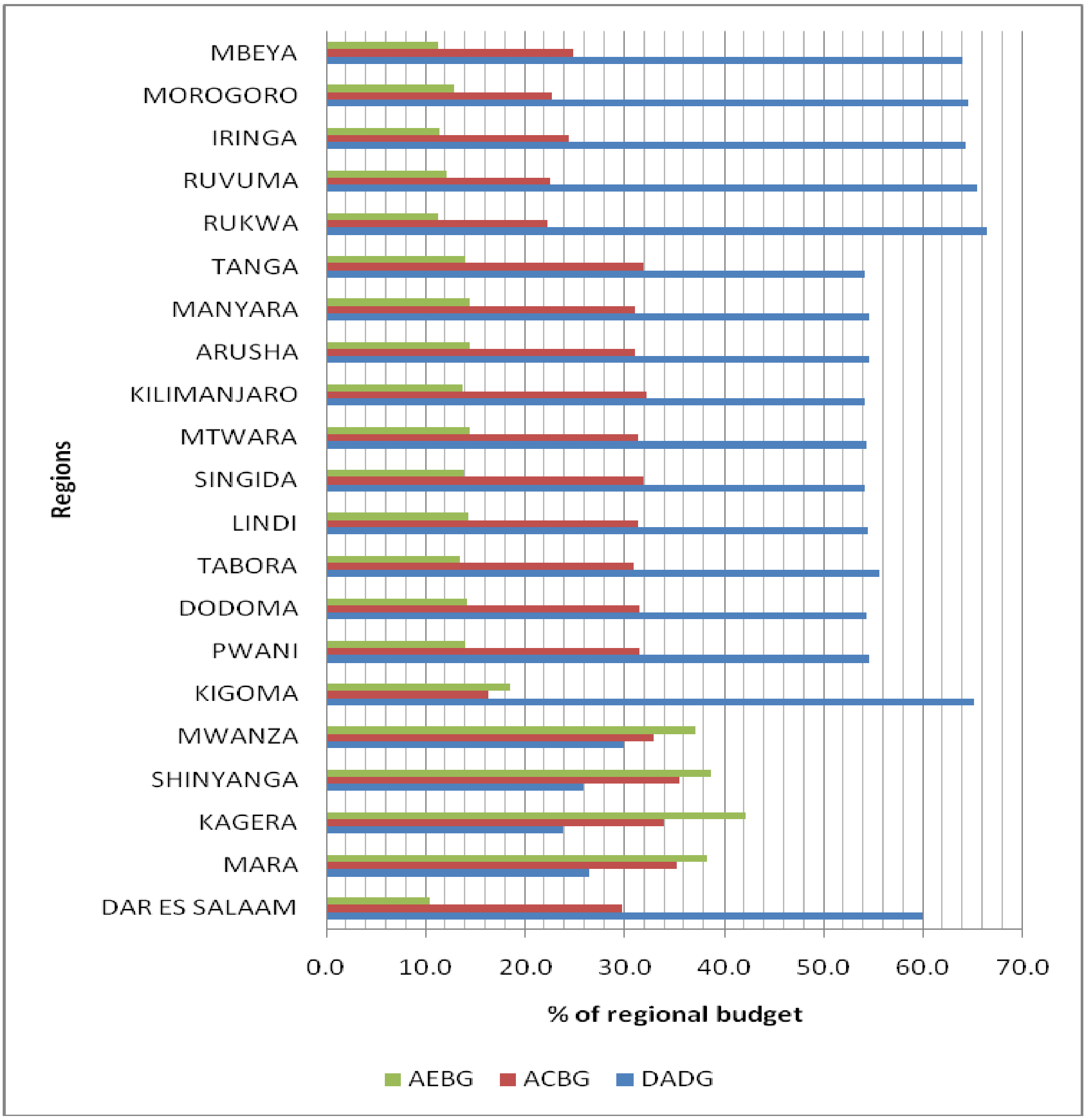
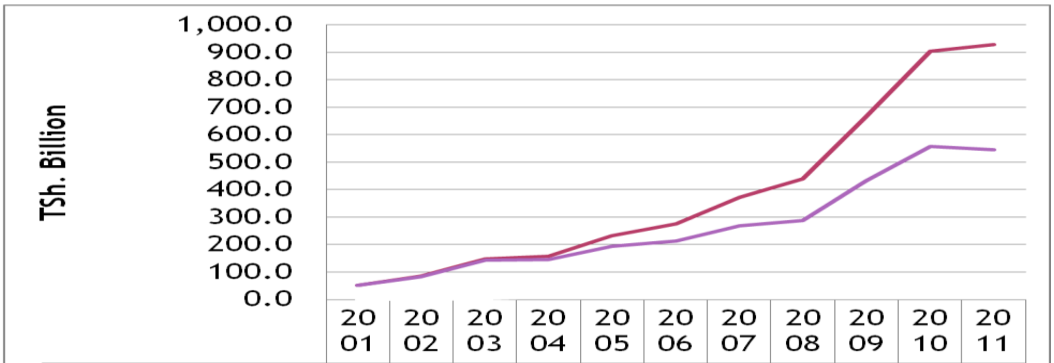


Figure 4: National level picture of DADP components

It should be noted that, although the national level sector budget trend indicates significant improvement over the last ten years in nominal terms, when budget is calculated in real terms the picture becomes gloomy.



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Nominal	52.	84.	148	157	233	276	372	440	666	903	928
Real	52.	83.	142	144	193	213	268	287	431	557	546
% Descripancy	0.0	1.0	4.3	8.2	17.	22.	28.	34.	35.	38.	41.

Figure 5: Percentage of TAMISEMI budget in Regional budgets

4.5.2 Relationship between Budget Allocation and Agricultural Production Potential

To examine the relationship between budget allocation and agricultural production potential, the budget of the Ministry of Regional and Local Government Administration (TAMISEMI) was analysed at regional level to establish which regions received the highest proportion of the budget. Thereafter, the regions considered by the Ministry of Agriculture, Food Security and Cooperative to have the highest production potential were examined to see how much funds were allocated (Appendix 3). The regions considered "The big Six" are Iringa, Mbeya, Rukwa, Ruvuma, Morogoro, and Kigoma. Figures 5 and 6 present the regional budget ranking firstly as a percentage of the TAMISEMI budget and secondly as per LGA average.

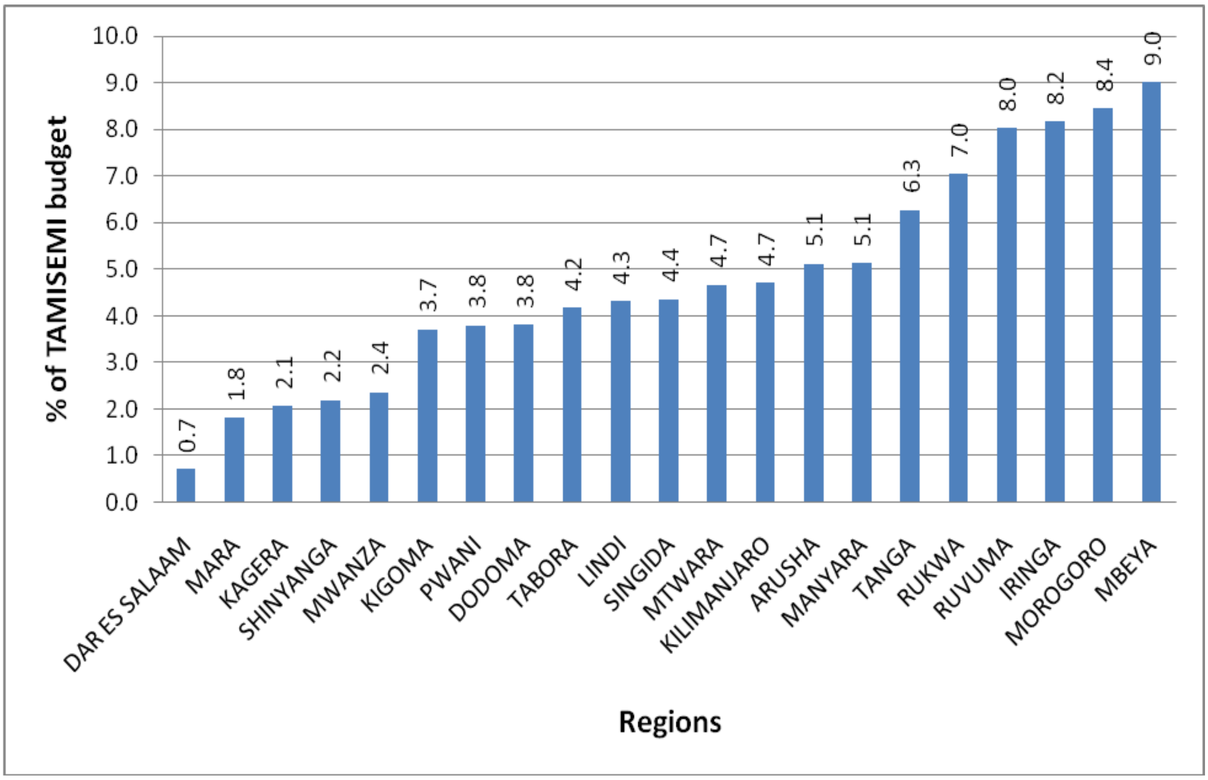


Figure 6: Percentage of TAMISEMI budget in Regional budgets

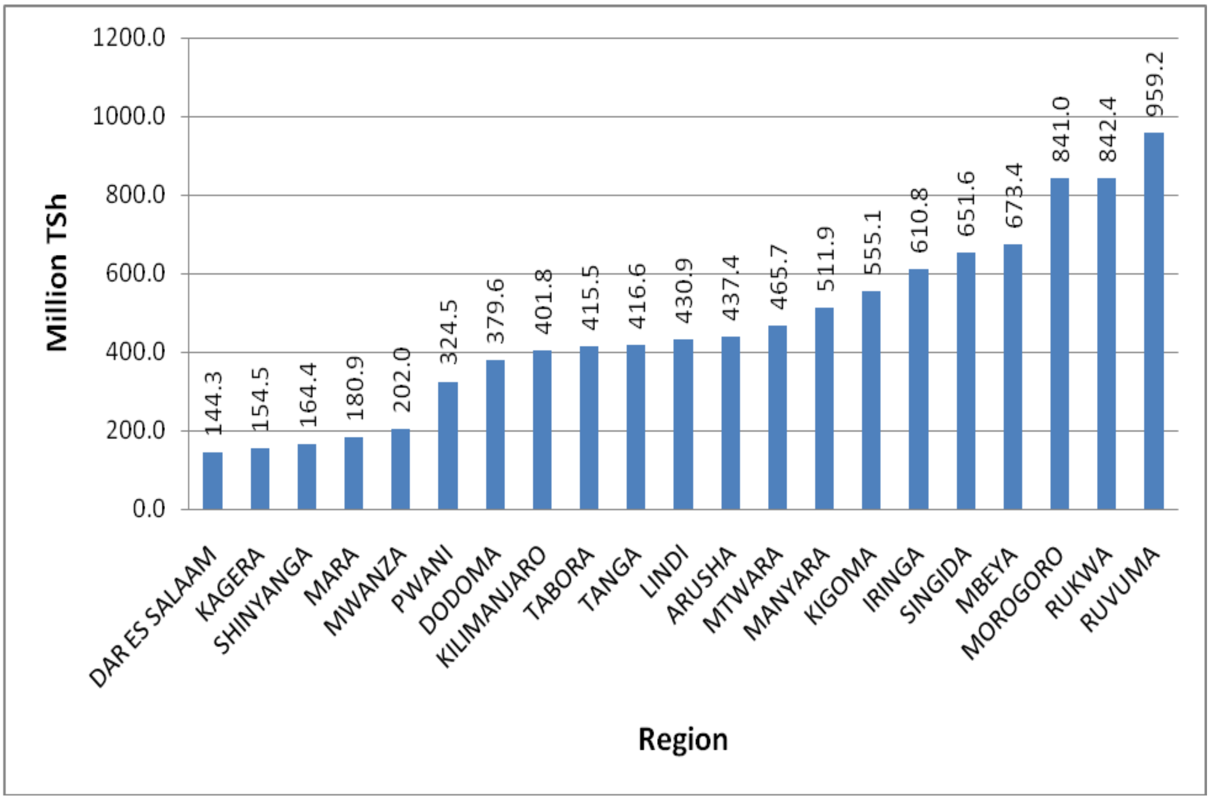


Figure 7: Regional budget ranking based on average allocation per LGA

Both figures reveal the same thing, that the traditional "Big Four" regions in maize production – namely Iringa, Mbeya, Rukwa and Ruvuma – received the highest allocations of the TAMISEMI budget. Similarly, the newly-introduced region in this, Morogoro, also received a significantly high allocation. However, another candidate in the list, Kigoma, seems to be far behind other members of the group. In the percentage ranking (Figure 6), Kigoma region was one of the five regions receiving among the lowest portion of the TAMISEMI budget. In the average ranking (Figure 6) the region ranks seventh from the top.

In this way it can be concluded that the TAMISEMI budget takes into consideration agricultural production potential in the country.

4.5.3 Relationship between Budget Allocation and Poverty Level

Precise indicators of poverty or inequality at regional (or even at district) level are important for distribution of budgetary resources, both for development and for recurrent spending. Usually, composite indicators of welfare such as the human development index (HDI) and the human poverty index (HPI) are used in ranking regions. The National Bureau of Statistics (NBS) (2002) asserts that the comparison of income poverty levels between regions should be undertaken with caution, because it is possible that measurement errors are more common in some regions than in others and that sampling errors are higher. It is thus better to assess the status of each region by looking at a number of indicators, not just income poverty. Recognising this, Mkenda *et al*. (2004), in a study "Poverty in Tanzania: Comparison across Administrative Regions" picked three measures of wellbeing as yardsticks in the multidimensional poverty measure. These are: i) household's consumption adjusted to adult equivalence scales, ii) the inverse of the distance to the nearest health facility to the household and iii) the inverse of distance to the primary school. The head count ratios derived from these three types of expenditure show different but consistent results as presented in Appendix 4.

The analysis in this study considered the NBS head count ratios in poverty comparison across administrative regions in Tanzania. Poverty levels were categorised into three groups, namely i) very poor regions (head count above 45 points), ii) intermediately poor regions (head count between 30 and 45 points) and iii) economically better regions (head count below 30 points). This categorisation places Singida, Lindi, Pwani, and Mara regions as very poor regions; Shinyanga, Ruvuma, Arusha, Kigoma, Mtwara, Tanga, Dodoma, Rukwa, and Kilimanjaro as intermediately poor regions; and Mwanza, Iringa, Morogoro, Kagera, Tabora, Mbeya, and Dar es Salaam as economically better regions. It should be emphasised here that the data used in this analysis are somewhat outdated because they cover the period between 1991 and 2000. This explains why there is noinformation for Manyara region. It is probable that updated statistics would reveal some changes to this picture.

The budget for the three regional categories was examined to establish whether budget allocation is based on the level of poverty. The results of this relationship are presented in Figure 7. It can be noted that actually there is an inverse relationship between budget allocation and poverty level; the higher the poverty level, the lower the budget; and vice versa. For example, very poor regions received only 15.1% of the budget, whereas economically better regions received 44.3%.

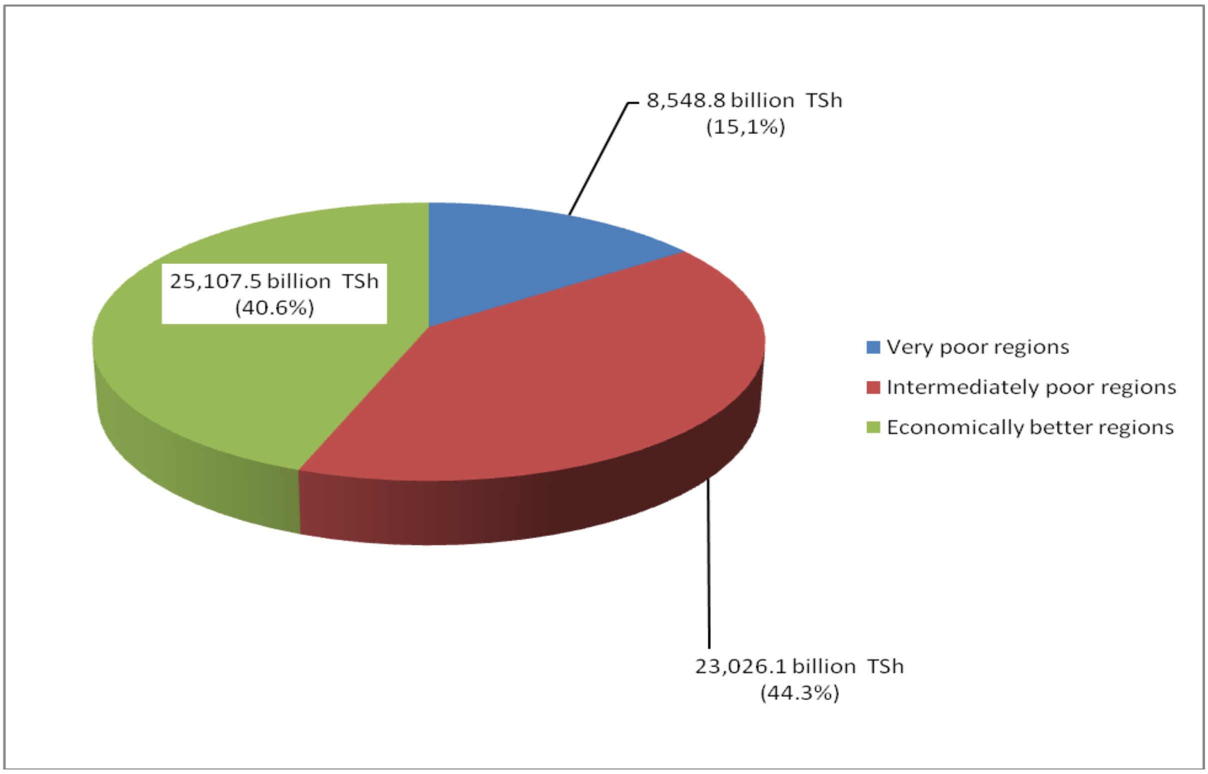


Figure 8: Relationship between budget allocation and poverty level

5. Conclusion and Recommendation

This report has analysed budget allocations for five LGAs and also at national level. It has been demonstrated that, as expected, budget allocations for DADG are higher than for ACBG and for AEBG. However, some LGAs mistakenly include indirect costs in the DADG. It has also been demonstrated that, at national level, allocations take into consideration a region's potential for agricultural production, but does not consider a region's poverty level. There are some limitations to the analysis, partly due to the varied quality of the information which is available and partly because of the lack of a strictly uniform method for preparing LGA budgets. Taking all issues into consideration, ANSAF makes the following recommendations:

- LGAs should ensure that they allocate at least 65% of DADP fund to DADG, and that the DADG component should not contain elements of indirect expenses;
- In order to give increased impetus to the Kilimo Kwanza resolve, LGAs should allocate a significant portion of funds from their own sources to agricultural interventions;
- For the sake of regional balance, there is a need to consider the poverty level of regions in the allocation of TAMISEMI funds;
- A uniform method for preparing budgets should be adopted by all LGAs to make budget tracking easier; and
- Detailed budget allocations at LGA and national level should be public good documents, accessible for stakeholders interested in budget tracking.

ANSAF plans to undertake further work in this area as higher quality information becomes available.

Appendices

Appendix 1: Terms of Reference

Budget Analysis for ASDP and DADP Funds in Tanzania

Background

DADP grants are meant to support participatory and community project/interventions focusing on agriculture. Projects funded by DADP funds can be either community and or groups owned. These projects are supposed to be informed by O&OD exercise that involves wide stakeholders (institutional and gender representation). The types of interventions funded are expected to contribute to addressing food insecurity, increase in production and productivity thereby reducing hunger and poverty.

Grants from central government are released on bimonthly bases, depending on the plans submitted by respective LGAs. Despite this there has been mismatch on release of funds (only investment) during the first quarter whereas the capacity building and extension grants are released at other quarters of the month. ASDP allocations are expected to be 75% transferred to local level whereas the remaining 25% is retained at national level. Of the 75% funds received at the LGAs at least 80-85% is expected to support community projects through the DADG (basic and top up), ACBG (basic and top up) as well as AEBG. Traditionally and as practice interventions through DADG receive over 65% of the total grant.

ANSAF has interest in finding out which interventions receive what amount of money, with what outcomes? For some reasons beyond this work, it is not possible to establish the outcomes, but one could link the allocation with interventions (activities and focus) and give recommendations on whether they interventions are well planned with all necessary synergies (value chain) to transform agriculture (and smallholder farmers in particular) while addressing issues of rural poverty and gender and women exclusion.

On this background, ANSAF has commissioned a consultant, Dr. Damian M. Gabagambi from Sokoine University of Agriculture, to carry out budget analysis for selected districts and at national level with the following specific objectives:

- Analysis of the budget in terms of indirect and direct costs from DADP (both plans and performance reports) for each district of Lindi, Masasi, Tandahimba, Iringa, Mtwara rural, Kongwa, Kondoa, Chamwino, Singida, Kahama and Kibondo.
- Identification of district priorities assuming that the more the funds allocated to particular intervention the higher the priority
- Establishing trends (if any) for increased budget and increased focus or allocations to investments vs indirect costs
- Establishing whether there are funds from own sources by LGAs that are invested in agricultural sector
- Analysis of the national level information – if there is any similar trends with identified LGAs

Methodology

To accomplish the objectives of this assignment a desk review of district agricultural plans (DADPS) and budgets will be undertaken. Apparently progress reports would provide actual expenditures for each local government, but these reports are not available for most districts. But experience indicates that planed and actual expenditures are the same for all districts. This is probably because of fulfilling accounting requirements. Therefore in this assignment analysis will be based on MTEF of the DADP. To enhance comparison across LGAs analysis will be performed on one selected year common for all LGA. DADPs are divided into three components namely investment (DADG), Capacity building (ACBG), and Extension block grant (AEBG). Direct and indirect expenditures under these components will be examined. Throughout the exercise the consultant will liaise with ANSAF Coordinator.

Timeframe

The assignment is expected to be completed in 4 weeks with effect from 10th April 2011.

Appendix 2: Detailed budget components for LGAs

Appendix 2(a): Expenditure Categories for Bukombe DC

Category	AEBG	ACBG	DADG	Total
Purchase of Power tillers			326,993,000	326,993,000
Veterinary Equipment				
Agricultural implements				**326,993,000**
Fertiliser		201,000		201,000
Illuminating kerosene	112,000			112,000
Inputs		320,000		320,000
Incalf heifer	20,000,000			20,000,000
Liquid nitrogen	5,000,000			5,000,000
Pistolet	487,000			487,000
Seeds		320,000	12,000,000	12,320,000
Vaccines	6,348,000			6,348,000
Agro-inputs				**44,788,000**
Extra-Duty allowance	21,070,000	5,290,000	1,200,000	27,560,000
M/Cycle allowance	3,840,000			3,840,000
Per Diem - Domestic	7,403,000	50,480,000	1,380,000	59,263,000
Perdiem, extra-duty and other allowance				**90,663,000**
Transportation	2,000,000			2,000,000
Diesel	2,261,230	12,434,000	3,400,000	18,095,230
Fuel	3,000,000			3,000,000
Petrol				
Air Travel Tickets	1,960,000	1,450,000		3,410,000
Car hire	664,000	2,800,000		3,464,000
Ground travel (bus,	304,400	2,850,000		3,154,400
Fuel and Transport				**33,123,630**
Computer Supplies	250,000		24,000,000	24,250,000
Office consumable	428,996		648,316	1,077,312
Printing and Photocopying	3,910,000			3,910,000
Office equipment & consumables				**29,237,312**
Procurement		6,000,000	18,000,000	24,000,000
General procurement				**24,000,000**
Office mentenance/Renovations	3,100,000			3,100,000
Maintenance/Renovation				**3,100,000**
Tuition fee		10,400,000		10,400,000
Leaflets/publications		6,665,300		6,665,300
Conference facilities		240,000		240,000
Training and publication				**17,305,300**
	383,550	4,240,000		4,623,550
Food and Refreshments				**4,623,550**
Total				**573,833,792**

Appendix 2(b): Expenditure Categories for Kibondo DC

Expenditure item	Service delivery (AEBG)	Capacity building (ACBG)	Investment (DADG)	TOTAL
Agricultural Implements	1,650,000	18,000,000		19,650,000
Tractor			136,000,000	136,000,000
Veterinary Equipment	9,789,500	3,460,000		13,249,500
Water pump			12,000,000	12,000,000
Agricultural Implements				**180,899,500**
Agricultural Chemicals			31,060,000	31,060,000
Animal feeds			2,300,000	2,300,000
Fertiliser		1,440,000		1,440,000
Fertilizers			43,000,000	43,000,000
Illuminating kerosene	195,000			195,000
Livestock			10,000,000	10,000,000
Seedlings	16,000,000	1,860,000	8,400,000	26,260,000
Seeds			25,540,000	25,540,000
Vaccines	2,865,000			2,865,000
Veterinary drugs		1,460,000		1,460,000
Protective Clothing		1,060,000		1,060,000
Agro-inputs				**145,180,000**
Air Travel Tickets	1,500,000			1,500,000
Diesel	6,434,000	13,371,600		19,805,600
Ground travel (bus,	1,800,000	27,417,000		29,217,000
Petrol	2,164,000	8,577,000		10,741,000
Fuel transport				**61,263,600**
Consultancy fee			45,956,200	45,956,200
Consultancy fee				**45,956,200**
Extra-Duty allowance	20,725,000	43,129,998		63,854,998
Per Diem - Domestic	20,290,540	48,932,002		69,222,542
Sitting allowance			3,000,000	3,000,000
Subsistence Allowance		3,720,000		3,720,000
Per Diem, extra-duty and other allowances				**139,797,540**
Computer Supplies	1,400,000	4,719,000		6,119,000
Office consumable		1,252,250		1,252,250
Printing and Photocopying	607,000	3,958,000		4,565,000
Conference facilities		**150,000**		**11,936,250**
Training materials			24,000,000	24,000,000
Training Aids		2,400,000		2,400,000
Training Materials		75,165,000		75,165,000
Tuition fee		810,000		810,000
Training materials				**102,375,000**
Materials and Supplies			190,078,800	190,078,800
General procurement				**190,078,800**
Food and Refreshments	4,500,000	5,225,000		9,725,000
Food and Refreshments				**9,725,000**
Consumable medical		3,500,000		3,500,000
Drugs and Medicines	1,048,000		1,700,000	2,748,000
Drugs and Medicines				**6,248,000**
Farm structures			11,200,000	11,200,000
Farm structures				**11,200,000**
M/Cycle		19,500,000		19,500,000
Machinery			22,000,000	22,000,000
Motor Vehicles and Water		3,840,000		3,840,000
Motor Vehicles/ Mootor cycle				**45,340,000**
Civil Works			496,980,000	496,980,000
Civil Works				**496,980,000**
Irrigation improvement			28,000,000	28,000,000
Irrigation improvement				**28,000,000**
Small gift and support		6,000,000		6,000,000
Casual Labourers	333,300	88,000		421,300
Special Operations		2,210,000		2,210,000
Other				**8,631,300**
Total				**1,483,611,190**

Appendix 2(c): Expenditure Categories for Kahama DC

Expenditure item	Service delivery (AEBG)	Capacity building (ACBG)	Investment (DADG & DASIP)	Total
Agricultural Implements			325,000,000	325,000,000
Construction		3,867,000	616,566,000	620,433,000
Agricultural Implements				**945,433,000**
Agricultural Chemicals	1,760,000	1,000,000		2,760,000
Fertiliser			5,500,000	5,500,000
Seeds		80,000	1,950,000	2,030,000
Agro-inputs				**10,290,000**
Diesel	6,210,000	1,644,000	33,000,000	40,854,000
Ground travel (bus,			3,000,000	3,000,000
Petrol	2,000,000	1,387,000		3,387,000
Fuel and Transport				**47,241,000**
Extra-Duty allowance	300,000	3,450,000	15,860,000	19,610,000
Per Diem - Domestic	9,612,000	7,540,000	41,141,000	58,293,000
Per Diem and allowances				**77,903,000**
Office consumable	1,960,000	4,428,000	8,560,000	14,948,000
Office consumable				**14,948,000**
Contract based training		3,300,000		3,300,000
Training Materials		500,000	8,975,000	9,475,000
Tuition fee			1,000,000	1,000,000
Training				**13,775,000**
Insurance		6,000,000		6,000,000
Insurance				**6,000,000**
Food and Refreshments			10,620,000	10,620,000
Food and Refreshments				**10,620,000**
Irrigation Improvements			149,990,000	149,990,000
Irrigation Improvements				**149,990,000**
Office mentenance		160,000		160,000
Office mentenance				**160,000**
Motor Cyles		55,000,000		55,000,000
Motor Cyles				**55,000,000**
Small tools and equipment		460,000	23,100,000	23,560,000
Small tools and equipment				**23,560,000**
Total				**1,354,920,000**

Appendix 2(d): Expenditure Categories for Tandahimba DC

Expenditure item	Service delivery (AEBG)	Capacity building (ACBG)	Investment (DADG)	Total
Agricultural Implements			40,000,000	40,000,000
Livestock		311,000	31,665,060	31,976,060
Veterinary Equipment		9,415,000		9,415,000
Agricultural Implements				**81,391,060**
Agricultural Chemicals			11,500,000	11,500,000
Animal Feeds			2,000,000	2,000,000
Fertiliser			15,880,684	15,880,684
Seeds			10,019,316	10,019,316
Agro-inputs				**39,400,000**
Diesel		12,469,029	400,000	12,869,029
Ground travel		2,620,000	662,000	3,282,000
Petrol		9,108,000	350,000	9,458,000
Rent of Private vehicles			3,200,000	3,200,000
Fuel and Transport				**28,809,029**
Extra-Duty allowance		400,000		400,000
Per Diem - Domestic		90,040,580	19,730,000	109,770,580
Per-diem, extra-duty and other allowances				**110,170,580**
Office consumable		1,114,000		1,114,000
Office consumable				**1,114,000**
Conference facilities		565,000		565,000
Contract based training	38,086,954			38,086,954
Training Materials		1,478,645		1,478,645
Tuition fee		1,000,000		1,000,000
Training Materials/services				**41,130,599**
Food and Refreshments		6,970,000		6,970,000
Food and Refreshments				**6,970,000**
Cement and bricks			17,442,952	17,442,952
Cement and bricks				**17,442,952**
Drugs and Medicines			3,700,000	3,700,000
Drugs and Medicines				**3,700,000**
Irrigation Improvements			80,000,000	80,000,000
Irrigation Improvements				**80,000,000**
Materials and Supplies			62,206,940	62,206,940
Materials and Supplies				**62,206,940**
Motor Cyles	15,000,000			15,000,000
Motor Cyles				**15,000,000**
Publicity	2,330,882			2,330,882
Publicity				**2,330,882**
Roads			20,000,000	20,000,000
Roads				**20,000,000**
Small tools and equipment			3,040,000	3,040,000
Small tools and equipment				**3,040,000**
Technical Materials	3,088,116			3,088,116
Technical Materials				**3,088,116**
TOTAL	**58,505,952**	**135,491,254**	**321,796,952**	**515,794,158**

Appendix 2(e): Expenditure Categories for Lindi DC

Expenditure item	Service delivery (AEBG)	Capacity building (ACBG)	Investment (DADG)	Total
Agricultural Implements			40,000,000	40,000,000
Livestock		311,000	31,665,060	31,976,060
Veterinary Equipment		9,415,000		9,415,000
Agricultural Implements				**81,391,060**
Agricultural Chemicals			11,500,000	11,500,000
Animal Feeds			2,000,000	2,000,000
Fertiliser			15,880,684	15,880,684
Seeds			10,019,316	10,019,316
Agro-inputs				**39,400,000**
Diesel		12,469,029	400,000	12,869,029
Ground travel		2,620,000	662,000	3,282,000
Petrol		9,108,000	350,000	9,458,000
Rent of Private vehicles			3,200,000	3,200,000
Fuel and Transport				**28,809,029**
Extra-Duty allowance		400,000		400,000
Per Diem - Domestic		90,040,580	19,730,000	109,770,580
Per-diem, extra-duty and other allowances				**110,170,580**
Office consumable		1,114,000		1,114,000
Office consumable				**1,114,000**
Conference facilities		565,000		565,000
Contract based training	38,086,954			38,086,954
Training Materials		1,478,645		1,478,645
Tuition fee		1,000,000		1,000,000
Training Materials/services				**41,130,599**
Food and Refreshments		6,970,000		6,970,000
Food and Refreshments				**6,970,000**
Cement and bricks			17,442,952	17,442,952
Cement and bricks				**17,442,952**
Drugs and Medicines			3,700,000	3,700,000
Drugs and Medicines				**3,700,000**
Irrigation Improvements			80,000,000	80,000,000
Irrigation Improvements				**80,000,000**
Materials and Supplies			62,206,940	62,206,940
Materials and Supplies				**62,206,940**
Motor Cyles	15,000,000			15,000,000
Motor Cyles				**15,000,000**
Publicity	2,330,882			2,330,882
Publicity				**2,330,882**
Roads			20,000,000	20,000,000
Roads				**20,000,000**
Small tools and equipment			3,040,000	3,040,000
Small tools and equipment				**3,040,000**
Technical Materials	3,088,116			3,088,116
Technical Materials				**3,088,116**
TOTAL	**58,505,952**	**135,491,254**	**321,796,952**	**515,794,158**

Appendix 3: Budget allocation based on agricultural production potential

S/N	Region	DADG	% of regional budget	ACBG	% of regional budget	AEBG	% of regional budget	Regional budget	No. of LGA	Average
1	Dar es salaam	259.5	59.9	128.8	29.7	44.8	10.3	433.0	3	144.3
2	Mara	287.1	26.5	383.0	35.3	415.3	38.3	1,085.4	6	180.9
3	Kagera	295.2	23.9	419.5	33.9	521.2	42.2	1,235.9	8	154.5
4	Shinyanga	339.5	25.8	466.8	35.5	508.5	38.7	1,314.9	8	164.4
5	Mwanza	423.4	29.9	465.2	32.9	525.3	37.2	1,413.9	7	202.0
6	Kigoma	1,445.2	65.1	363.5	16.4	411.6	18.5	2,220.3	4	555.1
7	Pwani	1,238.5	54.5	715.4	31.5	317.6	14.0	2,271.4	7	324.5
8	Dodoma	1,237.1	54.3	716.9	31.5	323.4	14.2	2,277.5	6	379.6
9	Tabora	1,386.7	55.6	771.7	31.0	334.4	13.4	2,492.7	6	415.5
10	Lindi	1,406.4	54.4	808.7	31.3	370.4	14.3	2,585.6	6	430.9
11	Singida	1,412.5	54.2	831.3	31.9	362.6	13.9	2,606.4	4	651.6
12	Mtwara	1,515.1	54.2	876.8	31.4	402.3	14.4	2,794.2	6	465.7
13	Kilimanjaro	1,521.8	54.1	904.8	32.2	385.9	13.7	2,812.6	7	401.8
14	Arusha	1,669.3	54.5	950.7	31.1	441.5	14.4	3,061.5	7	437.4
15	Manyara	1,673.9	54.5	954.6	31.1	443.2	14.4	3,071.6	6	511.9
16	Tanga	2,028.0	54.1	1,193.6	31.8	527.5	14.1	3,749.1	9	416.6
17	Rukwa	2,798.6	66.4	937.3	22.3	476.1	11.3	4,212.0	5	842.4
18	Ruvuma	3,134.3	65.4	1,081.6	22.6	580.1	12.1	4,796.0	5	959.2
19	Iringa	3,137.7	64.2	1,192.5	24.4	556.4	11.4	4,886.6	8	610.8
20	Morogoro	3,253.6	64.5	1,145.8	22.7	646.8	12.8	5,046.3	6	841.0
21	Mbeya	3,441.0	63.9	1,335.8	24.8	610.2	11.3	5,387.0	8	673.4
	Grand total	33,904.4	**56.7**	16,644.2	**27.9**	9,205.4	**15.4**	59,754.1	132	452.7

Appendix 4: Poverty comparison across administrative regions in Tanzania (Head count ratios)

Region	Tanzania adult eq. scale	Zambia adult eq. scale	Based on per capita expenditure	NBS
Shinyanga	39.7	46.3	55.2	42
Mwanza	30.8	33.5	41.4	29
Kigoma	31.4	35.4	28.1	38
Pwani	23	25.7	35.4	46
Dodoma	43.6	45.1	57.7	34
Tabora	21.2	31.2	40.7	26
Lindi	28.7	37.8	46.9	53
Singida	42.2	45.8	56.1	55
Mtwara	21.6	24.5	35.5	38
Kilimanjaro	30.6	32.1	40.4	31
Arusha	36.4	38.8	48.7	39
Tanga	23.2	28.2	39.7	36
Rukwa	29.2	30	48.8	31
Ruvuma	27.8	28.4	43.1	41
Iringa	44.4	47.3	54.4	29
Morogoro	28.3	31.8	40.3	29
Mbeya	21.5	23.2	33.9	21
Kagera	36.3	39	54.1	29
Mara	30	31.2	38.6	46
Dar es Salaam	17.7	19	24.4	18