

UNCLASSIFIED

**Annual Budget  
Submission**

**FY 1985**

**TANZANIA**

BEST AVAILABLE



**JUNE 1983**

**Agency for International Development  
Washington, D.C. 20523**



## Mission Action Plan

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As of the writing of this document the Mission is experiencing a very somber period. Because of the invocation of Section 620(q) of the Foreign Assistance Act and the Brooke Amendment we are unable to commit any new funds in support of our policy dialogue and development assistance endeavors. The U.S. legislative restrictions coupled with the lack of change in the Tanzanian Government's policies force us to seriously consider whether our development aid program is sustainable over the medium term. Although the lack of significant policy change is a Tanzania specific problem we feel that the issue of indebtedness is not. In all probability the Tanzanian Government will not be able to repay its arrearages soon enough to allow for the obligation of FY 83 funds (see Scenario 1B) and may not be able to make payments in FY 84 (see Scenario 3). This constraint to the future of our development assistance effort here must be examined by both AID/Washington and the State Department. We view it as an unfortunate circumstance not willingly brought about by either government and one that has the potential for interrupting USAID programs in other countries with similar, troubled repayment situations. In the event that the above occurs our strategy will still be to continue and intensify our policy dialogue and proceed with the most effective implementation possible of activities already funded and on stream.

The Mission's long range goal is to increase agricultural production and productivity so as to allow Tanzania to become self-reliant in food, assure food security and achieve economic growth. Attainment of this goal, however, requires a relatively healthy economy and agricultural policies which are conducive to growth and increased production. We do not believe this is presently the case in Tanzania. Thus over the next few years, in order to provide assistance despite severe policy problems, we will make a concerted effort to foster an environment conducive to increasing agricultural productivity. We will do this by:

A) undertaking policy discussions to influence changes in the agricultural sector and,

B) continuing project activities least affected by ineffective agricultural and macroeconomic policies and the decline of the economy.

To achieve these interim objectives we plan to:

### A. Continue a Policy Dialogue:

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The Mission has been engaged over the past year in an intensive policy dialogue involving the senior technical level of

the Tanzanian government as well as other donors. We have advocated changes in agricultural pricing and marketing policy, agricultural input availability and distribution, the involvement of voluntary cooperatives and the private sector in economic rehabilitation and increases in funding to agricultural research. During the past few months the Tanzanian Government has issued two major documents on agriculture: the "Task Force Report on Agriculture" and the "Agricultural Policy" paper. We view these documents as the first steps in reforming the agricultural system. The Mission has reacted favorably to the Task Force Report by initiating negotiations for an FY 83 PL 480 agreement. We are less than enthusiastic about portions of the Agricultural Policy Paper which is more reflective of traditional socialist dogma than productive economic and open marketing behavior. We are particularly concerned about the Agriculture Policy paper statements on village organizations, the role of agricultural prices, the proposed marketing system and the role of cooperatives. We have made our concerns known to the Government and will be engaged in further dialogue with them on these and other issues.

As indicated in AID's policy paper\* " a policy dialogue...is a long term investment of talent and resources. When progress is achieved, it will most likely occur in small increments and when we are most successful, it will be from gradual progress over an extended period." In this vein we will continue to support changes which free up the agricultural sector and the economy as a whole from government control and will support an IMF agreement which involves a more realistic exchange rate and a reduction of the present budget deficit. We will pursue these objectives by:

1. In cooperation with the Ambassador, maintaining and broadening our policy dialogue of the senior political level (i.e. Technical Ministers, the Prime Minister and Presidential advisors).
2. Utilizing PL 480 negotiations to: (a) display our approval of certain of the recent agricultural policy changes and present concerns over those still needed, (b) include, among the FY 83 self-help measures, funding in support of positive policy changes and (c) presenting an agenda of concerns which we would like considered during the next bilateral discussion.
3. Designing in FY 84, for FY 85 implementation, a project in support of agricultural policy changes with which we are in agreement. This project would support activities in line with positive policy changes which we have recommended. It would also finance studies in other areas of mutual concern.

4. Continuing bilateral discussions on a yearly basis with the next talks planned for October 1983.

5. Promoting improved coordination and discussion among the donors to promote "a greater degree of agreement by other bilateral donors concerning (a) the importance of LDC policies and (b) the desirable policy direction toward which a recipient country ought to be urged"\*. Substantial progress has been made over the last year in promoting bilateral cooperation, particularly in the policy area. We will give it increased attention in the future through monthly donor meetings, bilateral donor reviews of major importance (i.e. IMF and IBRD visits, GOT program, policy and agricultural sector reviews, etc.) and informal communications.

6. Continuing to review carefully proposed multilateral donor programs (IMF, IBRD, AFDB, etc.) to ascertain their appropriateness to the present Tanzanian economic situation. We will also increase our dialogue with "IMF in such a way as to allow for the possibility of changes in view or modification of policy prescriptions by either side."\*

7. Expanding preparation of discussion documents on policy areas for use as talking papers within the Mission and with the Tangov and other donors. Over the FY 84-85 time period, we expect to prepare papers in the areas of devaluation, marketing, pricing, and input demand, profitability and distribution.

#### B. Project Implementation

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During this time period the Mission will concentrate on the implementation of projects least affected by the economic crisis and ineffective agricultural and macroeconomic policies, and which complement or lay the foundation for changes in policy. Operationally this means financing activities which build institutional capabilities in key agricultural institutions (research, credit and extension) and addressing the human resource needs (through training and improved health care programs) most related to strengthening the agricultural and rural development sectors.

1. Institutional support will be provided in the following areas:

a. Credit: We will:

- revise project inputs, in coordination with IBRD, so as to allow USAID to fund the majority of the technical assistance component and IBRD to provide capital support.

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\* AID Policy Paper: Policy Dialogue

- support IBRD's recommendations to TRDB on financial viability and condition an extension of the project on the meeting of those recommendations.

- coordinate with the Tangov through the Training for Rural Development (TRD) II project to strengthen the management capabilities of the Tanzanian Rural Development Bank. Initial consultations/training are scheduled to begin in August 1983 and continue over the next 1-2 years.

- provide increased support to small scale agro-industry with particular emphasis on the manufacture of ox-drawn equipment.

b. Research. We will:

- initiate implementation of a farming systems approach to involve farmers in research and accelerate the flow of new technology to the extension service.

- utilize project and PL 480 self-help funds for the construction of research facilities at the Ilonga Research Center.

- use the resources of TRD II and Farming Systems Research to strengthen management capabilities of the Tanzanian Agricultural Research Organization. Initial training is scheduled to begin in early FY 84 and continue over the next 2 years.

c. Extension. We will:

- utilize our "ground floor" position (as a result of ongoing projects) within the Ministry of Agriculture Training Institutes, the TRD II training centers and the Center for Continuing Education at the University to help in reorganizing and revitalizing the agricultural extension system.

- design in FY 84, for FY 85 implementation, an Agricultural Policy Support project which would fund vital sectors of the agricultural extension service as part of its overall objectives.

2. Human Resources:

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Human resource capabilities will be strengthened by:

- a. Rehabilitating four training centers, located in areas of high agricultural productivity in Tanzania, for the purpose of expanding training efforts at the village, district and regional levels. In addition, management training courses for upper and mid-level managers will be run over the next 2 year time period.

b. Working with key indigenous training institutions (IDM, IFM and IRDP) to strengthen their training capabilities.

c. Sending approximately 80 long term participants and 260 short term participants for training during the two year time period (both from bilateral and central/regional projects). Funding for the duration of these participants' programs is estimated at \$7.2 million. Approximately 50 long term and 210 short term participants are expected to complete their studies during this period.

d. Expanding a comprehensive primary school health program to regions outside of the present pilot area and assisting in the preparation of a plan for national expansion.

e. Increasing the effectiveness of the primary health care system by upgrading the skills of approximately 800 health workers in four regions of Tanzania.

f. Raising the productivity of workers and school children in Zanzibar through the initiation of a malaria control effort.

#### C. Key Management Actions

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To attain the above stated objectives the Mission will:

1. Increase the capabilities of the newly established Mission Policy Unit by recruiting competent replacement staff from within AID, and complementing this unit through recruitment under the Joint Career Corps, a PASA arrangement and/or outside consultancies. Short-term TDY consultations will be used to provide assistance in specialized areas where we wish to promote a dialogue but where Mission expertise does not exist.

2. Finalize formation of a Mission projects office to assist in implementation and closer monitoring of ongoing projects.

3. Focus efforts on mid-term evaluations of our major activities to redirect, expand or reduce efforts as required.

4. Increase Mission financial management of projects through increased coordination with RFMC and developing a cadre of foreign nationals skilled in this area.

5. Expand the use of the Mission's micro-computer facilities for project monitoring and Mission management to include commodity tracking, library resources, financial analysis and participant program monitoring.

FY 1985 ANNUAL BUDGET SUBMISSION  
**TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)**  
 COUNTRY/OFFICE Tanzania

		FY 1983	FY 1984		FY 1985	PLANNING PERIOD			
		ESTIMATE	CP	ESTIMATE	AAPL	1986	1987	1988	1989
<b>SCENERIO 1A</b>									
ARDN	Total	7200	2925	2925	2840	3000	3000	1500	0
	Grants	7200	2925	2925	2840	3000	3000	1500	0
EHR	Total	3000	5075	5075	4160	2000	0	0	0
	Grants	3000	5075	5075	4160	2000	0	0	0
DA Accts	Total	10200	8000	8000	7000	5000	3000	1500	0
	Grants	10200	8000	8000	7000	5000	3000	1500	0
ESF	Total	0	0	0	0	0	0	0	0
	Grants	0	0	0	0	0	0	0	0
DA & ESF	Total	10200	8000	8000	7000	5000	3000	1500	0
	Grants	10200	8000	8000	7000	5000	3000	1500	0
<b>SCENERIO 1B</b>									
ARDN	Total	0	2925	5500	3625	1000	0	0	0
	Grants	0	2925	5500	3625	1000	0	0	0
EHR	Total	0	5075	2500	3375	4000	3000	1360	0
	Grants	0	5075	2500	3375	4000	3000	1360	0
DA Accts	Total	0	8000	8000	7000	5000	3000	1360	0
	Grants	0	8000	8000	7000	5000	3000	1360	0
ESF	Total	0	0	0	0	0	0	0	0
	Grants	0	0	0	0	0	0	0	0
DA & ESF	Total	0	8000	8000	7000	5000	3000	1360	0
	Grants	0	8000	8000	7000	5000	3000	1360	0
PL 480		5000	3000	3000	0	0			
Title I									
(III)									
Title II		2841	1612	1600	1000	500			
HIG		0	0	0	0	0			
Total Personnel									
USDH Workyears		19	20	17	11	9			
FNDH Workyears		23	N/A	17	17	16			

Table I Narrative

USAID/Tanzania has been unable to obligate funds for FY 83 as a result of the imposition of Section 620 (q) of the Foreign Assistance Act and the Brooke Amendment. Given the uncertainties associated with when, or if, the Tanzanian Government will be able to repay its outstanding loans, the Mission is unable to ascertain what levels of spending we will be able to achieve over the next few years. This ABS will thus present 4 different cases\*, dependent upon whether and when the Tanzanians take action to remove the restrictions imposed by Section 620(q) of the FAA and whether the Tanzanian Government makes sufficient movement in revamping its agricultural policies to warrant a reversal in the present downward trend of anticipated obligations. Tables for each of these scenarios will be presented as appropriate.

Scenario 1: Repayment of Debts

A. The effect of Section 620(q) is removed in time to allow obligation of \$10.2 million in FY 83 and \$8 million in FY 84. This will be treated as the "norm" and the case on which the majority of the ABS is predicated.

B. The effect of Section 620(q) is removed to allow obligation of \$8 million in FY 84 but not soon enough to permit obligation of funds in FY 83.

Scenario 2: Repayment of Debts and Major Policy Changes

This assumes the effect of Section 620(q) is removed (either in FY 83 or FY 84) and that major policy changes are initiated which warrant an increased level of assistance beginning in FY 84 or FY 85. In this instance we would request a \$15 million D.A. program beginning in FY 85 complemented by a \$15 million PL 480 Title I/III Program. This additional amount is shown below the line in Table V.

Scenario 3: No Repayment of Debts

This assumes Tanzania is unable to repay the outstanding balances on AID loans and we are thus unable to obligate funds in FY 83 and FY 84. In this instance the three projects which

\*The four scenarios put forth a fairly black and white

presentation of the funding alternatives. In reality, what will probably transpire is a medley of these alternatives as the end of the fiscal year approaches and policy changes emerge. require funding in FY 83 and FY 84 (Training for Rural Development II, Farming Systems Research and Resources for Village Production and Income) will be in a phase-out period or operating at a greatly reduced level. This will require redesign and extensions if funds are again available after this time period. This scenario does not speculate on repayments after FY 84. It should be noted that this phase out of the USAID program in Tanzania is as a result of legislative restrictions and not a deliberate determination for program reduction on the part of AID or the State Department.

Mission worklevels are related more directly to disbursements and project implementation than to obligations and hence associated staffing requirements will stay fairly constant through FY 84 for all of these scenarios. During FY 85 and 86, attrition increases as more projects reach their completion dates. By the end of FY 85 the USDH staff will be at nine for all cases except Scenario 2.

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT  
FY 1983 to FY 1985 (\$ thousands)

Country/Office Tanzania

<u>APPROPRIATION ACCOUNT</u>		<u>G/I.</u>	<u>FY 1983</u>	<u>FY 1984</u>	<u>FY 1985</u>
Scenerio IA					
<u>Agriculture Rural Development and Nutrition</u>			<u>7200</u>	<u>2925</u>	<u>2840</u>
621-0155	Resources for Village Production & Incomes	G	4500	325	0
621-0156	Farming Systems	G	2700	2600	0
621-0172	Agriculture Policy Support	G	0	0	2840*
<u>Education and Human Resources</u>			<u>3000</u>	<u>5075</u>	<u>4160</u>
621-0161	Training for Rural Development II	G	3000	5075	4160*
<u>Total all DA Appropriation Accounts</u>			10200	8000	7000
Scenerio IB					
<u>Agriculture Rural Development and Nutrition</u>			<u>0</u>	<u>5500</u>	<u>3625</u>
621-0155	Resources for Village Production & Incomes	G	0	3300	1525
621-0156	Farming Systems Research	G	0	2200	2100*
<u>Education and Human Resources</u>			<u>0</u>	<u>2500</u>	<u>3375</u>
621-0161	Training for Rural Development II	G	0	2500	3375*
<u>Total all DA Appropriation Accounts</u>			0	8000	7000

\*Indicates Mortgage

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Country/Office: Tanzania

TABLE IV

PROJECT BUDGET DATA - SCENARIO 1A

Number	Title	E/L	Obligation Date	Life of Project	CUM Pipeline as of 9/30/82	ESTIMATED U.S. DOLLAR COST (\$000)										Fut. Yr.		
						FY 83		FY 84		FY Obligations		FY 83		FY 84			FY Obligations	
						OBL	EXP	OBL	EXP	Funded to MO/YR	1985 APPL	1986	1987	1988	1989			
<u>AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION</u>																		
621-0092	Seed Multiplication	G	70 80	6854	286	-	240	-	-	-	-	-	-	-	-	-		
621-0107	Agriculture Research	G	71 81	8495	1700	-	1700	-	-	-	-	-	-	-	-	-		
621-0119.1	Farmer Training and Production	G	77 79	2528	1087	-	737	-	350	-	-	-	-	-	-	-		
621-0135	Agriculture Education and Extension	G	78 78	2356	775	-	520	-	255	-	-	-	-	-	-	-		
621-0143	Arusha Planning and Village Development	G	78 82	14591	3175	-	3175	-	-	-	-	-	-	-	-	-		
621-0155	Resources for Village Production and Income	G	80 84	15000	7460	4500	3432	325	6980	-	-	-	-	-	-	-		
621-0156	Farming Systems Research	G	82 84	8300	3000	2700	770	2600	2120	-	-	-	-	-	-	-		
621-0162	Arusha Women's Participation	G	79 79	400	234	-	130	-	104	-	-	-	-	-	-	-		
621-0172	Agriculture Policy Support	G	85 88	10340	-	-	-	-	-	2840	3000	3000	1500	-	-	-		
	Sub-Total			58524	17717	7200	10704	2925	9809	2840	3000	3000	1500	-	-	-		
<u>HEALTH</u>																		
621-0147	Cancer Control (PVO) (U) (R)	G	78 81	550	45	-	45	-	-	-	-	-	-	-	-	-		
621-0150	Tanzania School Health	G	79 80	5744	4292	-	1192	-	1431	-	-	-	-	-	-	-		
621-0154	Continuing Education for Health Workers (PVO) (U) (R)	G	80 80	2206	1970	-	448	-	506	-	-	-	-	-	-	-		
621-0163	Zanzibar Malaria	L	81 81	11771	11649	-	644	-	708	-	-	-	-	-	-	-		
	Sub-Total			20271	17956	-	2329	-	2645	-	-	-	-	-	-	-		
<u>EDUCATION AND HUMAN RESOURCES</u>																		
621-0149	Training for Rural Development I	G	79 80	6000	2488	-	1988	-	325	-	-	-	-	-	-	-		
621-0161	Training for Rural Development II	G	81 86	18500	4218	3000	2419	5075	3245	4160	2000	2000	-	-	-	-		
	EHR Sub-Total			24500	6706	3000	4407	5075	3570	4160	2000	2000	-	-	-	-		
<u>SELECTED DEVELOPMENT ACTIVITIES</u>																		
621-0160	Village Environmental Improvement (PVO) (U) (R)	G	81 81	499	375	-	150	-	225	-	-	-	-	-	-	-		
	Sub-Total			499	375	-	150	-	225	-	-	-	-	-	-	-		
<u>INTERNATIONAL DISASTER ASSISTANCE</u>																		
621-0167	Mbugwe Water Supply	G	81 81	150	150	-	150	-	-	-	-	-	-	-	-	-		
621-0168	Kisongo Water Catchment Development	G	81 81	80	80	-	80	-	-	-	-	-	-	-	-	-		
621-0170	Masai Districts Village Water and Transport Development	G	81 81	590	92	-	42	-	-	-	-	-	-	-	-	-		
	Sub Total			820	322	-	272	-	-	-	-	-	-	-	-	-		
	Country Total			104614	43076	10200	17862	8000	16249	7000	5000	3000	1500	-	-	-		
	Grants			92843	31427	10200	17218	-	15541	7000	5000	3000	1500	-	-	-		
	Loans			11771	11649	-	644	-	708	-	-	-	-	-	-	-		

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE IV PROJECT BUDGET DATA - SCENARIO IB AND III

Country/Office:Tanzania

ESTIMATED U.S. DOLLAR COST (\$000)

Number	PROJECT Title	Obligation Date	Life of Project AUTH PLAN	CUM Pipeline as of 9/30/84	FY 83		FY 84		FY Obligations		1988	Fut. Yr.	
					OBL	EXP	OBL	EXP	1985 APPL. MO/YR	1986			1987
<b>SCENARIO 1B</b>													
621-0155	Resources for Village Production and Income	80 *85	15000	7460	-	3432	3300	5780	1525	12/85	-	-	
621-0156	Farming Systems Research	82 *86	8300	3000	-	770	2200	2120	2100	3/86	-	-	
621-0161	Training for Rural Development II	81 *88	18500	4218	-	2419	2500	2645	3375	10/85	3000	1360	
	Country Total		104614	43076	-	17862	8000	14449	7000	-	5000	3000	
	Grants		92843	31427	-	17218	8000	13741	7000	-	5000	3000	
	Loans		11771	11649	-	644	-	708	-	-	-	-	
<b>SCENARIO 3</b>													
621-0155	Resources for Village Production and Income	80 1/	15000	7466	-	3432	-	2480	-	-	-	-	
621-0156	Farming Systems Research	82 1/	8300	3000	-	770	-	783	-	-	-	-	
621-0161	Training for Rural Development II	81 1/	18500	4218	-	2419	-	1463	-	-	-	-	
	Country Total		104614	43076	-	17862	-	8632	-	-	-	-	
	Grants		92843	31427	-	17218	-	8632	-	-	-	-	
	Loans		11771	11649	-	644	-	-	-	-	-	-	

\*Final year of obligation differs from FY 84 CP.

1/ Date dependent on when loan repayment would be forthcoming.

Agriculture Policy Support (621-0172)

Appropriation Account: ARDN (Grant)

FY 85	Total
\$2.84 million	\$10.34 million

A. Purpose:

This project will assist the Government to implement selected aspects of their new Agriculture Policy. Emphasis will be given to activities which increase food production and develop human resources and institutional capabilities in areas such as: agriculture and price policy analysis; agriculture extension and training; cooperative development; and private sector support.

B. Background:

The Ministry of Agriculture published "The Agricultural Policy of Tanzania" in late March of this year. While the Mission is not in agreement with all aspects of this Policy certain aspects are very positive. The project will support implementation of those activities which are in agreement with AID's policy guidelines and support analyses of areas where we feel further modifications are required.

C. Relevance to AID and USAID/Tanzania Strategy

This project supports and continues to concentrate AID's economic assistance to Tanzania to increase food production and to improve the institutional capability and human resources base, as defined in the Mission's non-CDSS. The project is in accord with three major policy concerns of the Administration: the development and implementation of appropriate economic policies, emphasis on the role of cooperatives and the private sector, and creation of durable institutions within the Ministry of Agriculture. Specific policy papers which provide relevant policy direction for this new project include:

- (1) Approaches to Policy Dialogue;
- (2) Food and Agricultural Development;
- (3) Cooperatives (Draft); and
- (4) Private Enterprise Development.

D. Project Components

The four major components of the project, as currently envisioned, are as follows:

1. Agriculture and Price Policy Analysis

In the past year USAID has been engaged in an intensive dialogue with the Tanzanian Government on agricultural policy. As part of the dialogue we have begun collaborative studies with the Government to provide the analytical base on which to analyze policy alternatives. At present in Tanzania the data base is so poor that most decisions are based not on facts but individual perceptions as influenced by political leanings. This lack of facts has served as a "scapegoat" to prevent policy changes. A better data base and solid analytical studies on the issues of marketing cost, price responsiveness (in the aggregate and for individual crops), input demand/supply and cost, as well as commodity analyses that pinpoint the constraints presently limiting production of individual commodities, are needed before rationale decisions on policy can be made. The purpose of this component of the project is to provide funding for technical assistance (primarily short-term) to the Ministry of Agriculture to provide this base for improved agricultural policy formulation.

## 2. Agriculture Extension and Training

The new Tanzanian Agricultural Policy statement emphasizes revitalizing the extension service under the Ministry of Agriculture (MOA). The MOA will be responsible for professional and technical leadership and the necessary financial and logistical support for in-service training courses. The policy identifies the link between research and extension as a major concern and states that every effort will be made to bring extension workers up to date on the research findings. The goal of the new policy is to place one extension officer in every large village where they will work closely with livestock extension officers and seek to promote improved technology and better husbandry practices.

Training facilities for farmers will again be administered by the MOA and will be used as centers for talks, demonstrations, courses, and new emphasis will be placed on nutrition in the farm family's diet. Under the USAID/MOA Farmer Training project, four farmers training wings have been established at Ministry of Agriculture Training Institutes. The project has had good Ministry and regional support and this component will expand on that foundation. The major aspects of this component of the Agriculture Policy Support Project are:

- A) Strengthening of agricultural communication by assisting the Farmer's Education section of the Ministry of Agriculture to develop and disseminate agricultural materials to farmers via radio, films, booklets and by providing communication support to the training and extension staff in the field.
- B) Extension training will be strengthened by providing technical and commodity assistance to the MOA extension and farmers training centers. Extensive in-service training of all extension workers will be undertaken and a new training curriculum which emphasizes small-scale farming will be developed in close cooperation with Ministry of Livestock and animal and plant research organizations.
- C) Assistance to the extension program will include an expansion of the training and visitation program as field tested under the Arusha Planning and Village Development Project. Through technical assistance and commodity support the extension service in 2-3 regions will be upgraded to disseminate a continuous stream of new technology to the farmer. Special efforts will be made to link the extension service to the new technology being tested and adapted under the Farming Systems Research project.

## 3. Cooperative Development

Cooperatives are to be re-established as the institutional mechanism to increase agriculture production. Although the time horizon is not mentioned in the government's policy statement, the cooperatives will be given the responsibility to handle inputs at the village level and to market the farmer's produce. Cooperative societies and unions will also provide credit to farmers and will be encouraged to carry out other activities such as small-scale processing to meet localized demand.

The Government has indicated interest in having USAID assist the country in the re-establishment of cooperative societies. At the Government's request, a team of consultants from the Agriculture Cooperative Development International (ACDI) came to Tanzania in late 1982 to conduct a brief study on cooperative development. As part of this review and in reply to the draft report, the Government specifically requested USAID assistance in training and in establish-

ing agriculture production cooperatives. If the Mission is convinced that co-ops can develop as voluntary, viable, profit-making institutions, then this project component will be coordinated with Danida to provide intensive in-service training to co-op managers and other staff who will be responsible for running cooperatives. In addition, capital expenditures required to establish co-ops in terms of technical assistance, facilities and possibly transport, will be provided to selected areas where the Mission is already geographically involved.

#### 4. Private Sector Development

In the Government's Agricultural Policy Paper, while the private sector was not given much prominence, both private commercial farms and joint public/private agricultural enterprises were recognized as having an important role to play by both the Party and Government. Also, according to the policy, certain areas of marketing, particularly of perishable goods "will continue to be open for free and competitive participation by private sector, cooperatives, and district development corporations, etc". Furthermore, while it is currently envisioned that crop authorities and marketing boards will continue to own and control the major processing plants in the country, small-scale processing to meet localized demand will be left to the private operators, cooperative societies and village governments.

This component of the Agriculture Policy Support project will assist the Ministry of Agriculture to establish and support a Private Sector Unit within the Ministry to promote private sector involvement in Tanzanian agriculture production and agro-processing. Funding would be provided for technical assistance, studies, some commodities and possibly short courses for official and private sector entrepreneurs. Along with direct support to the Ministry of Agriculture, resources would be made available to conduct feasibility and other studies for joint ventures in agriculture production and processing. Specific studies might include: a) small and large scale production of oil seed crops such as sunflower and soybeans to provide the needed raw material for oil processing and other agro-industries; b) de-nationalization of certain parastatals such as the National Hatchery and National Feed Company; c) identification of possible joint ventures for agro-processing industries; and d) small scale agro-processing in villages.

TABLE V - FY 1985 PROPOSED PROGRAM RANKING					Country/Office		
RANK	PROGRAM ACTIVITY		ONGOING NEW	LOAN GRANT	APPR ACCT	PROGRAM FUNDING (\$000)	
	DESCRIPTION					INCR	CUM
	<u>Scenario 1A:</u>						
1	621-0161	Training for Rural Development II	0	G	EHR	4160	4160
2	621-0172	Agriculture Policy Support	N	G	FN	2840	7000
3		PL 480 Title II	0	G	P2	(1000)	7000
<u>Scenario 1B:</u>							
1	621-0161	Training for Rural Development II	0	G	EHR	3375	3375
2	621-0155	Resources for Village Production and Income	0	G	FN	1525	4900
3	621-0156	Farming Systems Research	0	G	FN	2100	7000
4		PL 480 Title II	0	G	P2	(1000)	7000
<u>Scenario 2:</u>							
With Major Policy changes							
		Agriculture Sector Grant	N	G	FN	8000	15000
		PL 480 Title III	N	G	P3	(15000)	15000

Table V Narrative

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SCENARIO 1A:

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Under this scenario, obligations were able to proceed during FY 83 and as a result the only ongoing project requiring funding in FY 85 is the Training for Rural Development II (621-0161) project. Consistent with our ratings in the FY 84 ABS, this project continues to be the Mission's top priority. It's continuing success in management and technical training at all levels, either through long term U.S. training or short-term U.S. and in-country training, warrants the Mission's allocating this project its top priority. In addition, during FY 84 and 85, TRD II will work directly with TARD and TRDB (the two institutions being funded under the Farming Systems Research and Resources for Village Production and Income projects) to supplement efforts to increase their institutional capacity through needs identification and management training.

The Mission's second priority is the Agricultural Policy Support project (621-0172) which the Mission plans to initiate in FY 85. While the level of funding proposed for this activity in FY 85, requires the Mission to postpone fully funding TRD II until FY 86, we feel this is warranted given the heavy emphasis the Mission is giving to promoting agricultural policy changes within Tanzania. This project will support positive policy changes within the agricultural sector and provide funds to initiate studies in areas still in need of modification. It is important for this project to begin as early as possible in FY 85, so that efforts in the area of extension (a major component of the project) will begin before the momentum gained under the Farmer Training and Agriculture Education and Extension projects, which terminate in FY 84, is lost.

The PL 480 Title II program has been included at the end of our priority listing. The CRS program is presently undergoing a streamlining of its procedures and a restructuring of its program to incorporate a more developmental leaning. Until this is accomplished and the results evaluated, the program will remain at the bottom of the Mission's priorities.

SCENARIO 1B:

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Under this scenario there is no obligation of funds during FY 83, but the total of \$8 million is obligated in FY 84. Under this scenario we are unable to initiate the Agricultural Policy Support project, proposed in Scenario 1A due to the need to fund the three ongoing projects. During FY 85 we will fully fund

Resources for Village Production and Incomes, but will require additional funds in later years for Farming Systems Research and Training for Rural Development II.

Under this Scenario, Training for Rural Development II remains our top priority project for the reasons mentioned above. Second place ranking goes to the Resources for Village Production and Income project. This project has been working to institutionalize the Tanzanian Rural Development Bank (TRDB), Tanzania's primary loan institution for small farmers and small scale agro-business. The potential for increasing agricultural production, as a result of the inputs provided by TRDB is enormous, if TRDB has the policy support and institutional capability to operate as a financially viable organization.

Our third priority project is Farming Systems Research (FSR). This project is a follow-on to the Agriculture Research project which is scheduled to end in September 1983. FSR will continue investigating new varieties of Tanzania's major food crops while expanding the scope of the research activities to the farmer and extension agent in order to get more useful, relevant crop varieties for use by the small scale farmer.

The Title II program is included at the end of our priority listing for the reasons stated above.

#### SCENARIO 2:

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Under this scenario there are major agricultural and macro-economic policy changes which occur in conjunction with repayment of the outstanding AID loans. In this instance we would wish to be supportive of these changes and are proposing an Agriculture Sector Grant program which would raise the bilateral program to \$15 million. This grant, which would provide \$5 million in FY 85, would continue on through FY 86 and FY 87 and would bring the level of funding up to \$15 million each year. The grant would provide, in a flexible, non-project mode, foreign exchange support directed primarily to the private agricultural sector, i.e. the Tanganyika Farmers Association.

An additional \$15 million in PL 480 Title I/III would be requested each year to ensure food stability within the country while the policy changes were taking effect. These commodities would be a replacement for food presently provided by other donors and would not increase the overall level of food imports. This would free-up other donor finances (which are often fungible), to be used for program or import support of non-food commodities. Self-help funds from the sale of the commodities would be utilized in support of the activities affected by the policy changes.

EVALUATION ISSUES NARRATIVE

The Mission is planning a total of four project evaluations during FY 84-85, with two taking place each FY. This is a strong contrast to FY 83 when nine evaluations will have been completed, seven of which were prompted by approaching PACD's. This evaluation plan is strongly affected by the fact that the number of bilateral projects in our portfolio is rapidly decreasing from eighteen at the beginning of FY 83, to an envisaged eleven at the outset of FY 84, eight in FY 85, and five in FY 86.

Our FY 83 evaluations were undertaken as final evaluations or to determine the success of ongoing activities and recommend actions to guide their future implementation. During FY 84 we plan to undertake evaluations of two of our "core" projects: Training for Rural Development II and Zanzibar Malaria Control. These projects will undergo their first intense external scrutiny. Specifically, for Training for Rural Development II (the Mission's highest priority and largest project at \$18.5 million) we will look at the degree to which the project has been successful in meeting local training needs and establishing ongoing systems for the continuance of such training. With additional funding the project will continue for four more years, and in this case the evaluation will be instrumental in providing recommendations for any necessary modifications and implementation. The evaluation will look at the project's potential for expansion to other regions and the advisability of establishing village project funds. If additional funding is not forthcoming the evaluation will recommend an appropriate phase-out of the project and/or alternative methods of funding.

The planned evaluation of the Zanzibar Malaria Control project, originally scheduled for 3rd quarter FY 83, has been delayed due to the late placement of a personal services contractor on site and also the desire on the part of the Mission for the new USAID project officer to arrive at post to participate in the undertaking. By the time the evaluation begins it will be just over two years since the project agreement was signed. The evaluation will examine the results of current investigations under the project to determine the degree of chloroquin resistance and baseline surveys to determine the extent of DDT resistance and examine the distribution of malaria incidence. It will serve as the first step to a subsequent major project revision and new implementation plan which should result in increased expenditure rates. The project represents our sole bilateral project on Zanzibar and the Mission's only loan-funded activity (\$11.8 million).

In FY 85 we envisage a mid-term evaluation of the Farming Systems Research Project. USAID/Tanzania has actively supported the Tanzanian Government in the agricultural research field for the past 12 years. Of prime concern will be the degree to which the Tanzania Agriculture Research Organization is becoming institutionalized and is able to expand its efforts to a farming systems approach. The state of the art of agriculture research in Tanzania will also be reviewed in order to recommend directions of future research efforts.

The final evaluation of the Tanzania School Health Project at the end of FY 85 will examine the project outputs as modified in the project extension currently in draft. It will review the degree to which the project will have met its objectives in the pilot area and how well it will have been successfully absorbed into the national education and health delivery systems. The evaluation will also comment on the Government's ability to provide and manage project resources and to implement the project on a nation wide basis without USAID assistance.

In FY 85 we will conduct a joint evaluation of PL 480 Title I and Title II programs to look at how well assistance provided under PL 480 is achieving development objectives in Tanzania. By that time, it is anticipated that all self-help funds generated from Title I sales from FY 80-84 will have been deposited into the special self-help fund account. The Title I evaluation will examine if these resources have been allocated according to agreements and their end effect in promoting improved production/storage and distribution of agricultural commodities. The Catholic Relief Services, which is implementing our Title II program has had three USAID audits, one USAID internal review, and one CRS audit in the past two years. We plan to evaluate CRS management and the degree to which the feeding program is development oriented. Funding levels for Title II are now programmed for a decrease. This evaluation will ascertain if the decreases are warranted, or if, indeed, the program level should be revised upward.

TABLE VII - LIST OF PLANNED EVALUATIONS  
 FY 1985 ANNUAL BUDGET SUBMISSION  
 COUNTRY/OFFICE TANZANIA

Project List (Project No. & Title)	Last Eval		FY 1984		FY 1985		Reasons/Issue	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
	Completed (Mo./Yr.)	Start (Qtr)	Start (Qtr)	To (Qtr)	Start (Qtr)	To (Qtr)				
621-0161 Training for Rural Dev. II	None	1*	2*				PACD 9/30/87 - Institutionalization of TRD II within TanGov will be considered as well as expansion of the TRD model to other Regions. Also to be reviewed is whether TRD II should establish village project funds to assist farmers and cooperatives.	127	35	AFR/PD to secure services of contractor.
621-0163 Zanzibar Malaria Control	None	1*	2*				PACD 9/30/87 - Status of the project to date and the results of investigations on chloroquin resistance and baseline surveys on distribution of malaria will be examined. Recommendations will be made for subsequent project redesign and action plan.	63	15	AID/W TDY person from S&T (Larry Cowper) for 3-4 weeks.
621-0150 Tanzania School Health	PES 83-3 8/82			3	4		Present PACD 9/30/83 - 2 year extension planned till 9/30/85 - The final evaluation will examine modifications to the project currently being made to more closely simulate the conditions facing the TSHP without USAID support and the degree of expansion of the project to more schools.	50	15	AFR/PD to secure services of contractor.
621-0156 Farming Systems Research	None			2*	3*		PACD 9/30/86 - We will evaluate how the FSR components relate to establishing research priorities, document how resources allocated to agriculture research are managed vis-a-vis research priorities; record developed linkages with TARO.	40	21	REDSO/EA participation for 3 weeks - agriculture research specialist.
PL 480 Title I & Title II	None			1	2		The evaluation will look at how well PL 480 is being used as a developmental tool. Specifically we will examine the use of self-help funds generated by Title I sales and the degree to which developmental activities have been integrated into the CRS Program.	10	21	AID/W and REDSO/EA TDY assistance for 3 weeks each; possibly AFR/PD assistance to secure services of contractor.

(James Van Den Bos, Assistant Program Officer 25% of time)  
 \*Differs from FY 1983 Evaluation Plan.

ORGANIZATION USAID/TANZANIA (621)

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		1810.9		1810.9	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	905.4		905.4	18.0
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116	196.2		196.2	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119				XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126	160.6		160.6	31
RETIREMENT - U.S.	U107	120	63.4		63.4	XXXXX
LIVING ALLOWANCES	U108	128	80.0		80.0	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	15.3		15.3	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	2.0		2.0	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	55.0		55.0	11
POST ASSIGNMENT - FREIGHT	U112	22	87.0		87.0	11
HOME LEAVE - TRAVEL	U113	212	51.5		51.5	13
HOME LEAVE - FREIGHT	U114	22	119.5		119.5	13
EDUCATION TRAVEL	U115	215	12.0		12.0	6
R AND R TRAVEL	U116	215	43.0		43.0	14
ALL OTHER CODE 215 TRAVEL	U117	215	20.0		20.0	10
<u>FOREIGN NATIONAL DH</u>	U200		222.7		222.7	XXXXX
BASIC PAY	U201	114	181.0		181.0	23.0
OVERTIME, HOLIDAY PAY	U202	115	10.0		10.0	23.0
ALL OTHER CODE 11 - FN	U203	119	7.0		7.0	XXXXX
ALL OTHER CODE 12 - FN	U204	129	24.7		24.7	XXXXX
BENEFITS FORMER FN PERS.	U205	13				XXXXX
<u>CONTRACT PERSONNEL</u>	U300		80.0	93.3	173.3	XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	45.0		45.0	2.0
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	35.0	93.3	128.3	36.0
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400		412.2	14.0	426.2	XXXXX
RENT	U401	235	175.0		175.0	17.0
UTILITIES	U402	235	60.0		60.0	XXXXX
RENOVATION AND MAINT.	U403	259	20.0		20.0	XXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311	25.0		25.0	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	25.0		25.0	XXXXX
SECURITY GUARD SERVICES	U407	254	105.0	14.0	119.0	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	0.7		0.7	XXXXX
REPRESENTATION ALLOWANCE	U409	252	1.5		1.5	XXXXX

TABLE VIII - FY 1983

ORGANIZATION USAID/TANZANIA (621)

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		753.3	2.8	756.1	XXXXX
RENT	U501	234	28.0		28.0	XXXXX
UTILITIES	U502	234	24.0		24.0	XXXXX
BUILDING MAINT./RENOV.	U503	259	34.5		34.5	XXXXX
OFFICE FURN./EQUIP.	U504	310	10.0		10.0	XXXXX
VEHICLES	U505	312	30.0		30.0	XXXXX
OTHER EQUIPMENT	U506	319	47.0		47.0	XXXXX
TRANSPORTATION/FREIGHT	U507	22	68.0		68.0	XXXXX
COMMUNICATIONS	U508	230	36.0		36.0	XXXXX
SECURITY GUARD SERVICES	U509	254	80.0		80.0	XXXXX
PRINTING	U510	24	3.5		3.5	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS	U512	210	63.5		63.5	108
INFORMATION MEETINGS	U513	210	5.0		5.0	10
TRAINING ATTENDANCE	U514	210	15.0		15.0	8
CONFERENCE ATTENDANCE	U515	210	30.0		30.0	6
OTHER OPERATIONAL TRAVEL	U516	210	20.0	2.8	22.8	5
SUPPLIES AND MATERIALS	U517	26	110.0		110.0	XXXXX
FAAS	U518	257	72.8		72.8	XXXXX
CONSULTING SVCS - CONT.	U519	259				XXXXX
MGT./PROF. SVCS. - CONT.	U520	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259				XXXXX
ALL OTHER CODE 25	U522	259	76.0		76.0	XXXXX
TOTAL O.E. BUDGET			3279.1	110.1	3389.2	XXXXX
RECONCILIATION			(1253.1)		(1253.1)	XXXXX
OPERATING ALLOWANCE REQUEST			2026.0	110.1	2136.1	XXXXX
OTHER INFORMATION:				809.0		
Dollar requirement for local currency costs				9.69		
Exchange rate used (as of May 1, 1983)						

ORGANIZATION USAID/TANZANIA (621)

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		1474.3		1474.3	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	733.6		733.6	17.0
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116	183.4		183.4	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119				XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126	139.8		139.8	23
RETIREMENT - U.S.	U107	120	51.4		51.4	XXXXX
LIVING ALLOWANCES	U108	128	55.6		55.6	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	11.8		11.8	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	0.5		0.5	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	9.0		9.0	2
POST ASSIGNMENT - FREIGHT	U112	22	32.0		32.0	2
HOME LEAVE - TRAVEL	U113	212	50.0		50.0	8
HOME LEAVE - FREIGHT	U114	22	118.0		118.0	8
EDUCATION TRAVEL	U115	215	7.7		7.7	6
R AND R TRAVEL	U116	215	66.0		66.0	22
ALL OTHER CODE 215 TRAVEL	U117	215	15.5		15.5	4
<u>FOREIGN NATIONAL DH</u>	U200		173.3		173.3	XXXXX
BASIC PAY	U201	114	139.6		139.6	17.0
OVERTIME, HOLIDAY PAY	U202	115	8.9		8.9	17.0
ALL OTHER CODE 11 - FN	U203	119	9.8		9.8	XXXXX
ALL OTHER CODE 12 - FN	U204	129	15.0		15.0	XXXXX
BENEFITS FORMER FN PERS.	U205	13				XXXXX
<u>CONTRACT PERSONNEL</u>	U300		174.8	121.4	296.2	XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	56.8		56.8	2.0
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	118.0	121.4	239.4	48.0
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400		387.6	18.6	406.2	XXXXX
RENT	U401	235	142.1		142.1	15.0
UTILITIES	U402	235	80.0		80.0	XXXXX
RENOVATION AND MAINT.	U403	259	30.0		30.0	XXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311				XXXXX
TRANS./FREIGHT - CODE 311	U406	22				XXXXX
SECURITY GUARD SERVICES	U407	254	132.0	18.6	150.6	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	2.0		2.0	XXXXX
REPRESENTATION ALLOWANCE	U409	252	1.5		1.5	XXXXX

ORGANIZATION      USAID/TANZANIA (621)

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		659.7	3.1	662.8	XXXXX
RENT	U501	234	28.0		28.0	XXXXX
UTILITIES	U502	234	40.0		40.0	XXXXX
BUILDING MAINT./RENOV.	U503	259	10.0		10.0	XXXXX
OFFICE FURN./EQUIP.	U504	310				XXXXX
VEHICLES	U505	312	40.0		40.0	XXXXX
OTHER EQUIPMENT	U506	319	16.0		16.0	XXXXX
TRANSPORTATION/FREIGHT	U507	22	50.0		50.0	XXXXX
COMMUNICATIONS	U508	230	80.0		80.0	XXXXX
SECURITY GUARD SERVICES	U509	254	85.0		85.0	XXXXX
PRINTING	U510	24	3.8		3.8	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS	U512	210	60.4		60.4	102
INFORMATION MEETINGS	U513	210	11.3		11.3	7
TRAINING ATTENDANCE	U514	210	11.3		11.3	7
CONFERENCE ATTENDANCE	U515	210	22.6		22.6	5
OTHER OPERATIONAL TRAVEL	U516	210	15.1	3.1	18.2	4
SUPPLIES AND MATERIALS	U517	26	86.9		86.9	XXXXX
FAAS	U518	257	72.8		72.8	XXXXX
CONSULTING SVCS - CONT.	U519	259				XXXXX
MGT./PROF. SVCS. - CONT.	U520	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259				XXXXX
ALL OTHER CODE 25	U522	259	26.5		26.5	XXXXX
TOTAL O.E. BUDGET			2869.7	143.1	3012.8	XXXXX
RECONCILIATION			(1053.0)		(1053.0)	XXXXX
OPERATING ALLOWANCE REQUEST			1816.7	143.1	1959.8	XXXXX
OTHER INFORMATION:						
Dollar requirement for local currency costs				722.1		
Exchange rate used (as of May 1, 1983)				9.69		
Estimated Wage Increases - FY 1983 to FY 1984				15%		
Estimated Price Increases - FY 1983 to FY 1984				10%		

ORGANIZATION USAID/TANZANIA (621)

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		1004.5		1004.5	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	474.7		474.7	11.0
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116	101.0		101.0	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119				XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126	92.5		92.5	18
RETIREMENT - U.S.	U107	120	33.2		33.2	XXXXX
LIVING ALLOWANCES	U108	128	36.0		36.0	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	7.6		7.6	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	0.5		0.5	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	25.0		25.0	5
POST ASSIGNMENT - FREIGHT	U112	22	60.0		60.0	5
HOME LEAVE - TRAVEL	U113	212	45.0		45.0	9
HOME LEAVE - FREIGHT	U114	22	108.0		108.0	9
EDUCATION TRAVEL	U115	215	5.0		5.0	4
R AND R TRAVEL	U116	215	6.0		6.0	4
ALL OTHER CODE 215 TRAVEL	U117	215	10.0		10.0	3
<u>FOREIGN NATIONAL DH</u>	U200		199.6		199.6	XXXXX
BASIC PAY	U201	114	160.5		160.5	17.0
OVERTIME, HOLIDAY PAY	U202	115	10.2		10.2	17.0
ALL OTHER CODE 11 - FN	U203	119	11.6		11.6	XXXXX
ALL OTHER CODE 12 - FN	U204	129	17.3		17.3	XXXXX
BENEFITS FORMER FN PERS.	U205	13				XXXXX
<u>CONTRACT PERSONNEL</u>	U300		182.6	133.6	316.2	XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	58.6		58.6	2.0
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	124.0	133.6	257.6	48.0
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400		288.8	18.6	307.4	XXXXX
RENT	U401	235	85.3		85.3	9.0
UTILITIES	U402	235	50.0		50.0	XXXXX
RENOVATION AND MAINT.	U403	259	25.0		25.0	XXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311				XXXXX
TRANS./FREIGHT - CODE 311	U406	22				XXXXX
SECURITY GUARD SERVICES	U407	254	125.0	18.6	143.6	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	2.0		2.0	XXXXX
REPRESENTATION ALLOWANCE	U409	252	1.5		1.5	XXXXX

ORGANIZATION USAID/TANZANIA (621)

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		647.2	3.1	650.3	XXXXX
RENT	U501	234	30.6		30.6	XXXXX
UTILITIES	U502	234	44.0		44.0	XXXXX
BUILDING MAINT./RENOV.	U503	259	11.0		11.0	XXXXX
OFFICE FURN./EQUIP.	U504	310				XXXXX
VEHICLES	U505	312	20.0		20.0	XXXXX
OTHER EQUIPMENT	U506	319	18.0		18.0	XXXXX
TRANSPORTATION/FREIGHT	U507	22	60.0		60.0	XXXXX
COMMUNICATIONS	U508	230	88.0		88.0	XXXXX
SECURITY GUARD SERVICES	U509	254	100.0		100.0	XXXXX
PRINTING	U510	24	5.0		5.0	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS	U512	210	49.8		49.8	85
INFORMATION MEETINGS	U513	210	3.1		3.1	4
TRAINING ATTENDANCE	U514	210	9.3		9.3	4
CONFERENCE ATTENDANCE	U515	210	18.7		18.8	4
OTHER OPERATIONAL TRAVEL	U516	210	12.4	3.1	15.5	5
SUPPLIES AND MATERIALS	U517	26	75.0		75.0	XXXXX
FAAS	U518	257	72.8		72.8	XXXXX
CONSULTING SVCS - CONT.	U519	259				XXXXX
MGT./PROF. SVCS. - CONT.	U520	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259				XXXXX
ALL OTHER CODE 25	U522	259	29.5		29.5	XXXXX
TOTAL O.E. BUDGET			2322.7	155.3	2478.0	XXXXX
RECONCILIATION			( 616.5)		( 616.5)	XXXXX
OPERATING ALLOWANCE REQUEST			1706.2	155.3	1861.5	XXXXX
OTHER INFORMATION:						
Dollar requirement for local currency costs				680.4		
Exchange rate used (as of May 1, 1983)				9.69		
Estimated Wage Increases - FY 1984 to FY 1985				0		
Estimated Price Increases - FY 1984 to FY 1985				10%		

Table VIII - Operating Expense Narrative

**Section A - Management Improvements**

Savings within the operating expense budget and the workforce relate primarily to the increased use of FSN staff to replace USDH and the greater use of micro-computers within the offices of the Controller, EXO and GSO to increase efficiency and accuracy. During the next two years, we expect that FSNs within the Projects Office, Agriculture Office and Office of Policy Analysis will be able to assume the responsibilities of the three USDH staff presently in place. The use of micro-computers within the offices indicated above, may not have an immediate effect on reducing the workload within the planning period, as it will take time to institute systems, input data and familiarize employees with the use of the programs. Once the systems are in place, however, reductions within the GSO and Controller's Office should be able to occur, while still maintaining increased efficiency and accountability of data.

**Section B - Justification for Funding Changes**

As required by the ABS instructions, Table VIII for FY 1983 conforms to the operating allowance of \$1,980,000 (State 014828) plus \$46,000 provided for security purposes (State 050941). A detailed budget was provided in January (Dar es Salaam 00604) and reaffirmed in April (Dar es Salaam 02663) of this year. Line items for FY 83 are as originally estimated.

Function U100 is reduced more than 10 percent in 1984 over 1983 and also more than 10 percent in 1985 over 1984. The 1983 figure was based on a workyear level of 21 (State 330478) and on expected funding requirements for that year. It is still realistic based on the number of personnel now on board. Figures for FY 84 and 85 reflect workyear levels of 17 and 11 respectively (per State 135508). These reduced personnel levels are reflected in the various U100 line item increases and decreases and result in overall reduced levels in U100 of more than 10 percent in both 84 and 85.

Due to the FY 84 decrease in workyears, function U200 decreases more than 10 percent even though the figures include a 15 percent estimated wage increase. During FY 85, worklevels remain constant and the resultant increase of more than 10 percent is due to step increases.

Function U300 increases more than 10 percent in 84 due to an increase in PSCs and a 15 percent estimated wage increase.

Function U400 decreases more than 10 percent in 85 due to estimated reduced costs associated with the reduced worklevels. For example, no furniture purchases will be made in 84 and 85 given the reduced levels. The related freight costs have likewise decreased.

Function U500 decreases more than 10 percent in FY 84 due to the inclusion of \$46,000 in security funds in line item U522 in FY 83. While the overall trend in this function is downward due to the reduced workyear levels, it is minimized by inflation and a change of 10 percent or more does not occur except in connection with the security funds.

#### Section C - Trust Funds

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In accordance with the terms of the US - Tanzania bilateral agreement, the host country provides T/Shs 21,600 (the equivalent of \$2229.10 at the current exchange rate of 9.67) for each year each project contract technician is in country. Local financial conditions are presently such in Tanzania that an increased contribution to the Trust Funds should not be sought. The figures used in the budget are based on the T/Shs we expect to receive using this criteria.

Automatic Data Processing Report

1. Narrative Statement - ADP

For almost two years the Mission has used Apple II plus computer equipment. We presently have two on hand and another two have been on order with M/SER/DM for 4 months. The present equipment has become an integral part of the operations of the Program Office, the Human Resources Development Office and the Office of Policy Analysis. We are presently expanding its use to the Projects Office, Contoller's Office and Agriculture Office. Tanzania's economic and social data, the Mission's budgetary and planning information, tracking and reporting of overseas participants and project financial information have been programmed into the computer and are being utilized to generate needed reports and information. In addition, its word processing capabilities are being utilized for lengthy documents which require only minor modifications to be useful for another project, i.e. L/Comm's, Project Agreements, PILs, PSCs, contracts, etc. Continuing usage is envisioned for the current purposes as well as expansion into financial management, further word processing and GSO operations.

The Mission wants to continue with the Apple II system. Not only is data already programmed on the Apple but Mission personnel are familiar with the equipment and software and impressed by its versatility and problem-free operation. Furthermore, Tanzanian's Ministry of Agriculture and U.N. organizations presently use similar equipment; an Apple users group is in existence which facilitates professional exchange and a local company has requested Apple dealership.

The two machines on hand are being taxed to their limit. The arrival of 2 machines presently on order should ease present requirements, however as the capabilities of the machines are becoming wider known throughout the Mission, we expect continued expansion of demand. We can effectively use two additional Apple II micro-computers in 1983 and two more in 1984 and have so budgeted.

2. Narrative Statement - WP

This Mission has over the last two years given considerable thought to the feasibility of using a word processing system. The capabilities and characteristic of various systems were reviewed and an in-home survey of our requirements was made. The conclusion was that the Mission could indeed very effectively use a word processor, and that the system that best met our requirements, both current and long range, was the Wang system 25, model 1 with, in the final stage, 6 work stations. However, with the rapid advent of micro-computers, and the familiarity which the Mission has gained with the Apple, we need to re-evaluate our requirements (with AID/W assistance) and develop an appropriate pattern of growth. No funding has been budgeted for a WP system for FY 84 or 85.

**TABLE VIII(a)**  
**OBLIGATIONS OF ADP SYSTEMS**  
(\$000)

	Fiscal Year		
	1983	1984	1985
<b>A. <u>Capital Investments</u></b>			
1. Purchase of ADP Equipment	10	10	10
2. Purchase of Software	2	2	2
Subtotal	12	12	12
<b>B. <u>Personnel</u></b>			
1. Compensation, Benefits, Travel	-	-	-
2. Workyears	-	-	-
Subtotal			
<b>C. <u>Equipment Rental and Other</u></b>			
<u>Operating Costs</u>			
1. ADP Equipment (ADPE) Rentals	-	-	-
2. Supplies and Leased Software	-	-	-
Subtotal			
<b>D. <u>Commercial Services</u></b>			
1. ADP Service Bureau	-	-	-
2. Systems Analysis and Programming	-	-	-
3. ADPE Maintenance (If separate from item C.1.)	1	4	6
Subtotal	1	4	6
<b>E. <u>Total Obligations (A-D)</u></b>	13	16	18
<b>F. <u>Interagency Services</u></b>			
1. Payments	-	-	-
2. Offsetting Collections	-	-	-
Subtotal			
<b>G. <u>Grand Total (E+F)</u></b>	13	16	18
Amount included in <u>Mission allowance</u> for existing systems	-	2	4
Amount included in <u>Mission allowance</u> for new/expanded systems	13	14	14

**TABLE IX(a) - WORKFORCE REQUIREMENTS (U.S. DIRECT HIRE)**

SKILL CODE	POSITION TITLE	WORKYEARS			
		FY 83	FY 84	FY 85	FY 86
011	Mission Director	1.00	1.00	1.00	1.00
013	Asst. Mission Dir.	0.33	0.00	0.00	0.00
050	Secretary	1.00	1.00*	1.00*	1.00*
043	Controller	1.00	1.00	1.00	1.00
050	Secretary	0.75	0.00	0.00	0.00
031	Executive Officer	0.83	1.00	0.08	0.00
023	Program Officer	0.92	1.00	1.00	1.00
023	Asst. Prgm Officer	1.00	0.58*	0.00	0.00
932	Supply Mgmt Officer	1.00	0.17	0.00	0.00
550	Population Officer	0.25	0.00	0.00	0.00
502	Health Dev. Officer	1.08	1.00	1.00	1.00
601	Human Rsrcs Dev Off	0.92	1.00	0.92	0.00
101	Agric Economist	0.75	1.00	1.00	1.00
021	Program Economist	1.00	0.25	0.00	0.00
124	Gen Dev Officer	1.00	0.00	0.00	0.00
103	Agric Dev Officer	1.00	1.00	1.00	1.00
103	Asst Agr Dev Off	1.00	1.00	1.00	1.00
100	Project Officer	0.92	1.00	0.00	0.00
100	Project Officer	0.83	1.00	0.00	0.00
060	Gen Services Off	1.00	1.00	1.00	1.00
940	Project Officer	<u>0.00</u>	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
	Sub-Total	17.58	15	11	9
	IDI's				
101	IDI, Ag Economist	1.00	0.67	0.00	0.00
940	IDI, Project Off	<u>0.17</u>	<u>1.00</u>	<u>0.00</u>	<u>0.00</u>
	TOTAL	18.75	16.67	11	9

**TABLE IX(b) - WORKFORCE REQUIREMENTS (F.N. DIRECT HIRE)**

SKILL CODE	POSITION TITLE	WORKYEARS			
		FY 83	FY 84	FY 85	FY 86
024	Program Assistant	1.00	1.00	1.00	1.00
042	Budget Analyst	1.00	1.00	1.00	1.00
050	Secretary (CONT)	1.00	1.00	1.00	1.00
033	Personnel Assistant	1.00	1.00	1.00	1.00
072	Distribution Asst.	1.00	0.00	0.00	0.00
072	Distribution Clerk	1.00	0.00	0.00	0.00
933	Procurement Specialist	1.00	1.00	1.00	1.00
930	Accounting Tech-Prty.	1.00	1.00*	1.00*	0.00
932	Supply Supervisor	1.00	1.00	1.00	1.00
024	Program Assistant(GSO)	1.00	1.00	1.00	1.00
060	Maintenance Supervisor	1.00	1.00	1.00	1.00
070	Admin Assistant	1.00	1.00	1.00	1.00
050	Secretary (GSO)	1.00	1.00	1.00	1.00
050	Secretary (ARD)	1.00	1.00	1.00	1.00
050	Secretary (ARD)	1.00	1.00	1.00	1.00
601	Part. Trg. Specialist	1.00	1.00	1.00	1.00
601	Asst. Trg. Officer	1.00	1.00	1.00	1.00
072	Receptionist/Typist	0.00	0.00	0.00	0.00
070	Admin Asst. (ARU)	1.00	1.00*	1.00*	1.00*
024	Program Asst. (ARU)	1.00	1.00	1.00	1.00
030	Driver	1.00	0.00	0.00	0.00
030	Driver	1.00	0.00	0.00	0.00
030	Chauffeur	1.00	0.00	0.00	0.00
		<u>22</u>	<u>17</u>	<u>17</u>	<u>16</u>

AUTHORITY: STATE 135508

Table IX Narrative

The personnel levels in Table IX assume Scenario 1A (i.e. loan repayments are made in FY 83 but there are no major policy changes). They allow for personnel to cover project responsibilities for all ongoing activities and the new Agriculture Policy Support project scheduled to begin in FY 85.

Personnel levels remain fairly constant from FY 83 to FY 84 as a result of two IDI positions. One IDI position is required for an on-board IDI and the other is for the Projects Office. The Mission had anticipated using a third slot for a health IDI, but the 2 level in FY 84 and 0 level in FY 85 preclude this as well as requiring the transfer out of the Mission of the Projects Office IDI prior to the end of her tour. The major position still vacant at this time is that of the Agricultural Economist in the Office of Policy Analysis. It is necessary that this position be filled quickly, in order that one of the two main thrusts of our program be allowed to continue: i.e. policy dialogue.

Tours will need to be shortened, positions eliminated and replacements not effected, if the Mission is to stay within the USDH level of 15 in FY 84. We will not be able to fill the position of the Assistant Director or Population Officer. The General Development Officer, presently responsible for PL 480, the Program Economist, the Supply Management Officer and two Agricultural Projects Officers will be required to depart prior to the end of their tours leaving these positions vacant by the end of FY 84. The Assistant Program Officer will not be replaced. The responsibilities of the Supply Management Officer will be assumed by an FSN presently in training and the Projects Office will be required to assume additional project responsibilities.

In FY 85 both the technical and support staff will diminish. By the end of FY 85, the HRD officer will depart, with those activities becoming the joint responsibility of the one remaining Projects Officer and the two Agricultural Officers. The Executive Officer position will also be eliminated to accommodate the reduced number of staff.

During FY 86 the Projects Office will be eliminated and the remaining four rural development activities will be handled by two Agricultural Officers and the remaining health activity and population activities continuing to be the responsibility of the Health Officer. A core staff of nine, two below our allotted level, will remain on during FY 86: a Director, Secretary, Program Officer, Controller and General Services Officer to handle day to day program activities; 2 Agricultural Officers and one Health Officer to handle the remaining project activities; and an Economist to provide input for continuing policy dialogue.

Reduction in Staff: FY 84, 85 and 86

If the Mission had to absorb an additional 10% reduction in staff during FY 84, 85 and 86, we would eliminate the USDH secretarial position for the Director's office for the entire three years. In addition, in FY 84, we would eliminate the Assistant Program Officer's position at the beginning of the fiscal year. Elimination of the secretarial position, would require reorganization within the Mission primarily in terms of handling classified documents. Other secretarial responsibilities would be assumed by one of the senior FSN secretaries. The early elimination of the Assistant Program Officer position would increase the workload of the Program Officer as well as the Projects Office. These changes would not be significant enough to cause modifications within the Mission Action Plan.

Reductions in the FN Direct Hire would be absorbed through the early elimination of the Accounting Technician for Property position, now scheduled for elimination in FY 86 and the elimination of the Administrative Assistant position in the Arusha Office. These positions would be picked up under a contract arrangement and hence the services would not be lost to the Mission.

PL 480 Narrative

I. PL 480 PROGRAM: Title I and II

Since 1975, the Government of Tanzania and the United States of America have entered into seven separate agreements for the import and sale of PL-480 Title I agricultural commodities which have provided approximately 84,000 MT of rice and 155,200 MT of corn with a total value of over \$47,000,000. In addition during this period a special import of 50,000 MT maize valued at \$5.5 million was donated by the U.S. Government under PL-480 Title II for the build up of the Strategic Grain Reserve. The FY 83 Program calls for the provision of \$5 million of rice. Negotiations for this agreement are presently pending receipt of a repayment schedule for the outstanding arrears on previous Title I agreements.

Financed by PL-480 Title II, the Catholic Relief Services (CRS)\* has been operating in Tanzania since 1962. Currently there are some 86,000 Tanzanian recipients authorized to receive food assistance in maternal/child health clinics, hospitals and institutions for the handicapped, and Food for Work Projects. At present they are feeding approximately half that amount as a result of decreases in the MCH Program. The value of supplementary foods (bulgur wheat, non-fat dried milk, and vegetable oils) imported under this program has averaged about \$2 million per year in recent years.

II. PROGRAM EFFECTIVENESS AND RELATION TO MISSION STRATEGY

Over the past several years the effectiveness and relevance of the PL-480 Title I program has been questioned and a major attempt has been made to reorient and increase the relevance of both the Title I and II programs as discussed in our non-CDSS.

In line with this strategy USAID/Tanzania submitted to the TanGov in FY 1982, as part of our PL-480 discussions, a policy paper which identified USAID concerns related to constraints on increasing agricultural production. While the signing of the FY 1982 PL-480 agreement did not incorporate a TanGov commitment to address all these concerns, it provided a negotiating platform leading to major bilateral consultations in early FY 1983. Also it provided a baseline from which to measure TanGov progress in

\*Recently the Seventh Day Adventist World Service (SAWS) has indicated an interest in Title II food distribution in Tanzania; preliminary visits to Tanzania by SAWS representatives have been made and a design team will also visit to make further feasibility studies. Those areas of mutual agreement on policy

changes. We expect to use these measurements of progress as part of the policy considerations for justifying future PL-480 assistance to Tanzania.

We believe that it is in the TanGov's and our interest to link commitments to raising agricultural production to our commitment of food aid. Accordingly, under the present policy environment, we are proposing a reduced PL-480 effort for FY 84 while continuing on with the dialogue and analysis. If successful in our dialogue, we would request a substantially expanded PL-480 program in 1985, or zero, if no progress is made.

In addition to our use of PL-480 Title I as a mechanism to begin policy dialogue, the Mission has increasingly integrated the PL-480 local currency proceeds into support of our development goals and objectives. We have established a special account, administered by a joint proceeds committee composed of representatives of the Ministries of Agriculture, Finance, Planning and USAID which has to date funded projects for storage facilities, rehabilitation of edible oil refineries, construction of agricultural training facilities, research station facilities and control of the greater grain borer. In line with Agency directives we expect to use funds from FY 83 and 84 for (a) ongoing Mission projects, (b) support of private sector initiatives, (c) financing of PC volunteer projects and (d) development activities to be carried out under the CRS Title II food distribution program.

The Title II Program has focused on improving the nutritional status of the most vulnerable, low income groups especially under the maternal child feeding programs. The program in the past tended to be viewed as addressing a basic problem but was only tangentially related to our overall Mission strategy. In recent years the program has been criticized because it was not closely related to our strategy as well as for program management and direction. As a result of internal and external audits, the program has been scaled back to approximately one-half its former size. Build-up of the MCH program back to its original size is anticipated over the next few years, if there is a heavier emphasis on linking developmental programs with MCH feeding.

### III. TANZANIAN FOOD SITUATION AND TRENDS

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In analyzing the food situation in Tanzania, one must distinguish between rural/urban markets and unofficial/official markets. Generally the rural market is composed of all consumers who do not reside in the district or regional capitals. For this group, the unofficial or non-government controlled marketing system provides the necessary supplies at market prices, with little or no Government sales in this market. For the major urban areas, (the district and regional capitals including Dar es Salaam) the

TanGov through the National Milling Corporation (NMC) provides subsidized maize flour, wheat flour and rice. The Government sets official fixed consumer and producer prices each year for the grains handled by NMC, while the unofficial market price is set by supply and demand conditions. Production over the past few years has been stagnating, due to shortages of essential inputs such as hoes and fertilizer. Combined with rapid population growth and urbanization, demand for grains has been outstripping supply. The result has been the bidding away of supplies from the official market by the unofficial, with the official market increasingly turning to donor provided imports to meet subsidized demand conditions. (Maize purchase by NMC, for example, decreased from 213,000 MT in 1977/78 to 84,000 MT in 1982/83). As a result donors are increasingly reluctant to provide grain in a situation where the Government has been unwilling to make major policy changes (such as increasing producer and urban consumer prices) or increase investment in agriculture.

In recent months the Government has recognized the need to reprioritize investments and has decreed that agriculture in the forthcoming year will receive 23% of the national development budget. In terms of policy changes the government has published an official agricultural policy statement (see Mission Action Plan) which has some positive steps but still leaves heavy government controls on prices and marketing. As a result we do not see a major increase in food crop production in Tanzania over the next several years.

The 1982/83 crop year was considered normal and projections for the 1983/84 marketing year are generally for normal supply levels. The result is that without major (150% or more) increases in consumer prices in urban areas, food imports equal or greater to those in 1982/83 will be required.

TABLE I PROJECTED IMPORT NEEDS 1982/83

COMMODITY	1/ SUPPLY	2/ DEMAND	3/ DEFICIT
MAIZE	1,670	1,870	200
RICE	190	250	60
WHEAT	30	60	30

1/ Supply estimate is net of losses and use for seed and/or feed.

2/ Demand estimate based upon continuation of present consumer price.

3/ Deficit to be imported.

Given that the TanGov is presently operating with a negative foreign exchange position there is no hope that the country can

finance the above imports and hence will continue to turn to donors for such assistance. This has been the case over the past few years with food aid growing as a percentage of NMC sales from 15% in 1978/79 to 78% in 1981/82.

For FY 84 we have been allocated a reduced level of \$3 million PL-480 Title I. The Mission is in agreement with this level assuming there are no major policy changes, no IMF agreement and no progress on the debt issue. We propose, however, that this be switched to a Title II, Section 206 program. Title I is no longer an appropriate tool for dealing with an LDC which is in the present financial situation of Tanzania. Another loan will not help to ease the financial burden. The Mission has already been using Title I to voice our concerns on policy issues. With a Title II, Section 206 program in FY 84 we would be able to expand this dialogue and promote further changes. We therefore request this modification within the FY 84 PL 480 allocations.

If conditions change and there are major agricultural policy changes, as outlined in the Mission Action Plan, we will move forward with the Title II, Section 206 Program in FY 84 and request a large (\$15 million) Title III program in FY 85. In this instance the PL-480 food would be expected to provide a strategic grain reserve to help equilibrate the official and unofficial markets with the proceeds from the sale of the grain being used to fund activities directly supportive of production increases. As indicated in the Table V Narrative, we do not anticipate that the provision of grain under the Title II program would increase overall imports, but rather would replace other donor contributions.

#### IMPORT CAPABILITY

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Storage and distribution facilities, given the trends of decreasing production and imports, are presently able to absorb all imports in the foreseeable future. Port facilities and warehouses are almost idle, only half of the eleven berths in Dar es Salaam are being utilized and port warehouses are less than 25% occupied. For the small amounts of PL-480 imports currently contemplated for FYs 1984 and 1985, storage and distribution facilities are more than adequate at the present time.

These statements are, however, based upon a continuation of the present low level of economic activity and imports. In the event of an IMF agreement a substantial increase in imports of raw materials and food grains would be forthcoming and there would almost definitely be a need to carefully stage the arrival of shipments.

Country/Office Tanzania

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XI

P.L. 480 TITLE I/III REQUIREMENTS  
(Dollars in Millions, Tonnage in Thousands)

COMMODITIES	FY 1983 <sup>1/</sup>			Estimated FY 1984			Projected FY 1985 <sup>2/</sup>		
	Agreement \$ MT	Shipments \$ MT	Carry into FY 1983 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1984 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1985 \$ MT
<u>Title I</u>									
Rice	5.0 16.5	5.0 16.5	- -	1.4 3.7	1.4 3.7	- -			
Corn	- -	- -	- -	1.6 12.3	1.6 12.3	- -			
<u>Total</u>									
<u>Of which</u>									
<u>Title III</u>									
<u>Total</u>									

COMMENT:

- <sup>1/</sup> Estimated, Title I agreement to be signed in late FY 83
- <sup>2/</sup> An FY 85 Title I Program is dependent upon major Agricultural Policy Reforms. Present level is at 0.

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

I. Country Tanzania

Sponsor's Name Catholic Relief Services

A. Maternal and Child Health.....Total Recipients 50,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>50,000</u>	<u>Bulgur Wheat</u>	<u>1200</u>	<u>300,000</u>
<u>50,000</u>	<u>NFDM</u>	<u>1200</u>	<u>132,000</u>
<u>50,000</u>	<u>Oil</u>	<u>600</u>	<u>542,400</u>
<u>Total MCH</u>		<u>3000</u>	<u>974,400</u>

B. School Feeding.....Total Recipients 750

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>750</u>	<u>Bulgur Wheat</u>	<u>58.5</u>	<u>14,625</u>
<u>750</u>	<u>NFDM</u>	<u>22.5</u>	<u>2,475</u>
<u>750</u>	<u>Oil</u>	<u>4.5</u>	<u>4,068</u>
<u>Total School Feeding</u>		<u>85.5</u>	<u>21,168</u>

C. Other Child Feeding.....Total Recipients -

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Other Child Feeding</u>		<u>-</u>	<u>-</u>

D. Food for Work.....Total Recipients -

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Food for Work</u>		<u>-</u>	<u>-</u>

E. Other (Specify).....Institutional Feeding.....Total Recipients 500

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>500</u>	<u>Bulgur Wheat</u>	<u>12</u>	<u>3,000</u>
<u>500</u>	<u>NFDM</u>	<u>12</u>	<u>1,320</u>
<u>500</u>	<u>Oil</u>	<u>3</u>	<u>2,712</u>
<u>Total Other</u>		<u>27</u>	<u>7,032</u>

II. Sponsor's Name \_\_\_\_\_

PL 480 TITLE II NARRATIVE

I. The Operational Plan

CRS has not yet submitted their FY 84 Annual Plan as a result of the delay in the return of the CRS/Tanzania director. The Mission will submit the plan, along with comments on the program during June 1983.

II. Audit Recommendations

The RIG/A audit of the CRS Title II program in September 1980 made thirteen recommendations aimed primarily at procedural reforms in the CRS food distribution program to improve overall management. As a result of that audit, the CRS/T program undertook a substantial program revision and reorganization to improve overall management control. Subsequent audits and an internal AID review resulted in nineteen additional recommendations (eleven for AID) which focused not just on the management control issue but the overall question of program direction and targets. In particular CRS/T was criticized for operating a feeding program which did nothing to address the underlying reasons for the need for the food.

The effect of these audits and resulting recommendations has been profound. As part of the present reorganization CRS/T has closed many MCH centers and actual recipient levels have been reduced to about half the authorized level. Future plans for resuming the same levels include the introduction of development activities as part of its food distribution program. Using in-country cost financing from sales generations of PL-480 Title I imports and other sources, these activities will include such commodity development actions as small irrigation projects, oil seed processing, home gardening, and beekeeping. The Mission supports these efforts as it will make the Title II program more relevant and result in increased use of PL-480 as a development resource.

NON-BILATERALLY FUNDED PROJECTS IN TANZANIA

Project Number	Project Title	Date Started	Terminal Date	AID/W Backstop	LOP Cost	Priority
698-0384.3	African Manpower Development Proj. I	6-30-76	9-30-85	AFR/RA	1,559	High
698-0407.21	Seaweed Farming Research (IRT)	5-29-81	6-30-83	AFR/RA	87	Medium
698-0407.32	Ruvuma Fish Farming (IRT) (PC)	4-23-82	9-30-83	AFR/RA	57	Medium
698-0410	Rift Valley Rice (PC)	9-30-80	9-30-83	AFR/RA	500	High
698-0427	Environmental Training & Management	9-30-80	9-30-85	AFR/RA	200*	Low
698-0433.3	African Manpower Development Proj. II	1-7-82	9-30-88	AFR/RA	1,400*	High
931-0030	Tanga Tsetse Fly Research	9-30-71	11-30-83	ST/AGR	5,242	Low
932-0604	Postgraduate Trng. in Reproductive Health	10-1-79	N/A	ST/POP	350*	Medium
932-0632	Fertility Impact of FP Programs: OR	9-30-81	9-30-83	ST/POP	85	Medium
932-0644	Paramedical Aux. and Community FP Training	4-30-81	9-30-83	ST/POP	101	High
932-0651	FP Worldwide Training Fund	10-1-80	N/A	ST/POP	150*	Medium
932-0655	Integrated Population/Dev. Planning	8-1-81	9-30-84	ST/POP	75	High
932-0807	Family Planning Services/Pathfinder Fund	3-30-82	N/A	ST/POP	40	High
932-0955	Family Planning Int'l. Assistance	6-30-78	N/A	ST/POP	200*	Medium
932-0968	Program in Voluntary Sterilization	11-30-81	9-30-83	ST/POP	50	Low
936-9997	Conventional Energy Training Program	10-1-80	9-30-86	ST/EY	900*	Medium

\*estimate

Approximately 5-10% of total Mission time spent on these activities.

Program Development and Support (PDS) Requirements  
for FY's 84 & 85  
( '000)

FY 84

ARDN:	\$ requirements
1. Support to Mission Policy Unit for Short Term Consultants	30
2. Design of Agriculture Policy Support (621-0172) PID	30
3. Design of Agriculture Policy Support (621-0172) PP	80
4. Follow-on to Seed Industry Study	30
5. Input Delivery Systems for Southern Highlands Study	70

FY 85

ARDN:	\$ requirements
1. Support to Mission Policy Unit for Short Term Consultants	30