

THE COUNTRY DEVELOPMENT STRATEGY STATEMENT  
FOR TANZANIA

"While other countries aim to reach the Moon,  
we must aim to reach the village."

JULIUS K. NYERERE

May 1978

THE COUNTRY DEVELOPMENT STRATEGY STATEMENT FOR TANZANIA

Table of Contents

Ambassador's Introductory Statement.....	I
Summary.....	i
Section 1 - Tanzanian Overview.....	1
I - Description of the Poor Majority.....	1
II - Profile of the Typical Farmer.....	2
III - Key Factors Contributing to Poor Majority Poverty.....	4
IV - Action Constraints to an Improvement in the Welfare of the Poor Majority.....	5
A. Trained Manpower.....	6
B. Domestic Financial Resources.....	8
C. Lack of Economic and Technical Information (Research)..	8
D. Inadequacy of Rural Infrastructure and Institutional Systems.....	9
E. Inadequacy of Energy and Farm Power.....	10
F. Health.....	10
V - Tanzanian Development Policy.....	11
A. Equity and Growth.....	11
B. Villagization.....	13
C. Decentralization.....	15
VI - 102(d) Consideration.....	16
Section 2 - The USAID Approach.....	17
I - The USAID Strategy.....	17
II - The Suggested Areas of USAID Concentration.....	18
III - Major Changes in the USAID Program in FY 80.....	20
A. Zanzibar Rice.....	20
B. Center for Continuing Education.....	20
C. Budget Support Grant.....	20
D. PL 480 Title I and Title III.....	21
E. PL 480 Title II.....	21
F. The Peace Corps.....	21
IV - Program Management.....	21
V - The Interrelationship With Other Donors.....	22
VI - Some Particular Concerns.....	23
VII - Appropriate Technology.....	24
VIII - Optional Funding Levels.....	25

AMBASSADOR'S INTRODUCTORY STATEMENT FOR THE  
1978 COUNTRY DEVELOPMENT STRATEGY STATEMENT (CDSS)  
for TANZANIA

The low level of human and material resources graphically described in this paper represents the sometimes depressing face of the development coin in Tanzania.

There is, however, another, more encouraging side. Among its features are:

(a) the number and magnitude of foreign assistance inputs other than ours,

(b) the existence of a very real and consistent development ideology in Tanzania,

(c) a high degree of local participation with an emphasis on equity and a low level of corruption,

(d) a now solid trust that the US aid program is very effective in the fields in which it is focussed, i.e., food production and health.

In setting the USAID effort in the matrix of overall US goals and objectives, it is important to note the sharply improved atmosphere of US-Tanzanian relations in the past two years. This grows primarily out of common constructive efforts on critical Southern African problems of great importance to us, but it has been reflected also in substantial progress in the field of human rights in Tanzania and in reduced tension on other international issues.

~~Even apart from Tanzania's real needs and good performance and our own Congressional and executive desire to increase assistance to the most needy and to Africa specifically, it is appropriate that this improved atmosphere be reflected in an expanding assistance program.~~ There are indications that Tanzania wishes the same. This is reflected in ~~increased requests for US participation in key development projects and Tanzania's willingness to have the Peace Corps return.~~ Happily, having proven our desire to help by providing development assistance even when our political relationship was less cooperative, we are now free to base our increased assistance on purely developmental criteria.

I have been deeply involved not only in discussing the strategy set forth in this paper but in shaping the overall program and in selecting and defining the individual projects in the FY 1979 and FY 1980 Annual Budget Submissions by which we plan to implement that strategy. We have devised an approach that fits in terms of both what we want to do and what we can do. We are sticking to agriculture and health but we are both expanding particularly

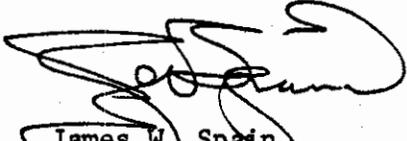
## II.

successful on-going programs and planning imaginative new ones.

It is essential to remember that all of our work must go on within the nation-village structure which the Strategy Statement describes. The rural poor, the small farmers, about whom we talk, are not homesteaders or free-holders of the kind we know in the US. Their survival and any improvement in their standard of living must take place within their own social and political framework and, whether we like it or not, that framework is socialist. Socialist ideology may have its disadvantages in terms of individual motivation and of production, but it is the same ideology which has been responsible for many of the developmental advantages noted in the second paragraph of this introduction. And, whatever we may think about it, it is Tanzanian, and foreign assistance must be implemented within its goals and objectives.

The Strategy Statement also takes care to define in terms of our own capabilities the parameters within which we must operate. We are, for the time being at least, at the limits of our ability to sustain expansion of our technical assistance projects in terms of recruitment, placement, and support of American personnel. However, we can effectively use more resources for fuller funding of projects, greater capital inputs into them, and budget support of agricultural projects and programs.

Acutely conscious of Tanzania's now relatively encouraging but still fragile financial outlook, we are concentrating on grants rather than loans. The time is approaching when certain carefully selected "infrastructure" projects, such as trunk roads, will have as much direct impact on the life of the rural poor as more personal and specific inputs, such as seeds and fertilizers. We will probably want to open the way for consideration of these in next year's Strategy Statement and we hope the way will be equally open in Washington.



James W. Spain  
Ambassador

SUMMARY OF COUNTRY DEVELOPMENT STRATEGY STATEMENT

~~Tanzania~~ is one of the world's Least Developed Countries. Its numbers of poor almost coincide with its population. ~~Rural poverty~~ is especially widespread. This condition is the result of several factors including historical legacy, poor agricultural production caused by the use of primitive cultural techniques and technology, and a poor natural resource base.

Some of the action constraints to an improvement in the welfare of the poor majority are: Severely ~~limited numbers of trained manpower~~ at all levels, an ~~inadequate network of organizations providing services to small farmers~~, the ~~lack of an appropriate technology base~~, ~~lack of adequate research~~, a ~~very poor transportation network~~ and a ~~lack of domestic financial resources~~.

The Tanzanian ~~Government's~~ development ~~policy stresses growth with equity~~. The government is dedicated to the betterment of the welfare of its people through socialism and its goals parallel those outlined in the New Directions. Women actively are being brought into the development scene. The leadership code for government employees has limited privilege and corruption. Tanzania's development policy has had a somewhat inhibiting impact on overall production and growth in its concern with equity. The government is now completing a villagization campaign. It is designed to enhance villager social and economic participation while, at the same time, providing a means for development institutions to reach the people. Administrative decentralization is being carried out and development decision making shifted to the regions/districts/villages.

USAID strategy ~~focuses on the rural poor (about 90% of the population)~~. A prime objective is to upgrade and tie national rural development institutions (Ministries, Parastatals) to the villages. Another is to take advantage of the new village structure and decentralization in order to work more directly with the rural populace on income-creating and quality-of-life activities.

This village support strategy means strengthening national and local infrastructure, both physical and institutional. It means solidifying the linkage between them. Within this effort we will concentrate upon small farmer food production as a means of raising village income. Other donors are working with cash crops. We will also expand our efforts in improving rural health services, especially those reaching women and children, as a direct quality-of-life program.

We will also increasingly build renewable energy and appropriate technology components into our activities.

Given the realities of the Tanzanian situation, we must combine technical and capital assistance as well as provide logistical support.

Our program levels and mix have been carefully balanced with AID management capabilities and strategy limitations, and are set by such limitations rather than Tanzanian development opportunities.

## TANZANIA COUNTRY DEVELOPMENT STRATEGY STATEMENT

### Section 1 - TANZANIAN OVERVIEW

#### 1. Description of the Poor Majority

Rural poverty is a historical legacy in Tanzania. Over two million farm families subsist on small plots of land (shambas), normally two to five acres in size. In one of the more prosperous (by Tanzanian standards) districts in which we have programs, 75% of the farms are 3 acres or less, 95% are 10 acres or less. These traditional small farmers and their families make up about 90% of the country's population of over 15 million. The problems of the rural poor majority therefore coincide with those of the country as a whole. While few rural Tanzanians can be called well off, the degree of poverty (quality of life) is as closely associated with "remoteness" as land quality. In fact, lack of access by road and poverty are very closely related.

Since the great majority of Tanzanians live in rural areas, this is where the attack on conditions of poverty should be concentrated. The obstacles are formidable. It is not simply a matter of removing certain constraints which would then lead to spontaneous improvements in productivity and income. Changes and improvements are difficult to introduce and get accepted.

The average rate of growth of total agricultural production in real terms from 1964 to 1975 was only 2.8% per annum, compared to a rate of growth of 4.8% for total GDP. Since the population of the country grew at an estimated 2.8% annually, the increase in agriculture production barely kept pace with population growth. This trend held true even in pre-drought years. Very little technological change occurred and production expanded as population increases forced the use of new, usually less fertile, land. The important point is that current farm technology and rainfall/soil patterns place a low ceiling on farm size for the poor majority.

Farming practices result in a very low level of productivity. Almost all peasant cultivation in Tanzania takes place with manual labor, using only the simple hoe (jembe). The traditional slash and burn tillage with human muscle power has a very low margin of return, so low in fact that it hardly pays to intensify its use. Labor requirements peak at critical times (planting, weeding, harvesting), causing labor shortages which in turn become another limiting factor on size of farm. The rest of the year the population, especially the men, are under-employed. Rural idleness, combined with extremely low productivity, partially explain the phenomenon of low income. The peasant is very reluctant to experiment

with new production methods, since any miscalculation can mean starvation for him and his family. Also, his ability and tools to innovate are severely limited. How to escape this dilemma is at the heart of the development puzzle in rural Tanzania.

## II. Profile of the Typical Farmer

Most farmers are poor by any standard. Only a handful have upgraded their technology and are somewhat better off than others. In addition, a few ethnic groups, like the coffee growing Chagga people on the slopes of Mount Kilimanjaro, are relatively advanced. Except for some nomads and semi-nomads, mainly cattle owners, the great majority of farmers are settled in villages. A profile of one such farmer and his family is presented here to increase understanding of the human dimension of the poverty problem and of the development challenge.

The household is headed by a male, about 38 years old. He has a wife who looks to be about 30 years of age. Their dates of birth are unknown. They have been married 16 years. There are five living children, three females (two under 12 years and one over 12) and two males (under 12). One child died during infancy and one died at the age of three. Elderly parents of the household head also live with the family, as does his younger sister.<sup>1/</sup>

The family members live in a small three-room, thatched roof house, constructed of poles, twigs and mud. Window openings are covered at night with mats. Cooking is done with twigs and wood outside the back doorway. There are two pole doors covered with woven mats. The floor is dirt. The house has been located at the present site for two years. It is part of a registered village that was formed when families within the area moved there two years ago and greatly enlarged a small (and older) cluster of houses.

The family farms three plots of food crops and a cash crop (cotton) which totals about five acres. One food plot is three kilometers away in a low area where moisture is more dependable, and the two remaining plots are located on higher ground within ten minutes walk of the household. While some farm chores are common by sex, women with the help of children do most of the work on the food plots and help to weed and pick cotton. If the head of the household

---

<sup>1/</sup> If the head of the household is a Muslim, a second wife married five years ago lives in a separate small hut, or at least a room, separate from the main house. She may or may not have children. The second wife shares in farm work, carrying of water and preparing of food but maintains a degree of detachment from members of the older household.

can find temporary outside work, he readily accepts it, in which case, the wife, children and grandparents do the farming. The family's cash income per annum is about 2,000/- Tanzanian Shillings (\$241). The farmer saves his own seed and last year used two bags of commercial fertilizer, all on his cash crop. The District Agricultural Officer has promised to provide certified maize and bean seed and the Village Council has ordered more fertilizer for next year. However, no transport has been available over the past four months, so delivery of these inputs is doubtful.

Water for domestic use is available in a nearby stream only during the four-month rainy season and shortly thereafter. During the height of the dry season, the women and children must fetch water from springs or shallow wells, as far away as five kilometers. The family expects that the government will drill a deep well and provide a hand pump as promised.

Family livestock includes two goats, six hens and one rooster -- one hen has chicks. For farm power, the family depends solely on human muscles. They have no farm implements except hoes, two pangas, an axe and locally made baskets for gathering. Cooking (done outside) and eating equipment include a metal cooking pot, baked claypots, tin bowls and gourds. An animal skin or claypots are used for holding water. There is one raised bed and several sleeping mats in the house. For covers, there are two large blankets and several small ones. Simple clothing is worn with an extra set of clothes for each adult member. Clothing not in use is held in a small wooden box. The children between 7 and 15 are in school (for the first time) which also is of thatch construction.

As stated, cash income varies with crops but it never lasts very long beyond harvest time. A brother who is a government clerk in the regional capital is called upon when emergency cash is needed. In return, this man receives produce each year when food crops are harvested.

There is no dispensary in this new village as yet, but the family hopes one will be built. The nearest dispensary is some 20 kilometers away. There is a tiny village tea shop, but the nearest store also is 20 kilometers away in the nearest town. One small tin-roofed building is used as a church. One child became sick, dropped out of the new village-built school recently and has not returned to date. One member of the family has a bad case of dysentery. All members have evidence of intestinal worms. The two elder members have poor eyesight but are unable to afford glasses.

One day's walk is required to reach the nearest "regular" transportation (bus) or telephone. No electricity is available in this or any surrounding village within a day's walk. Night light is provided by a bottle of kerosene and a rag wick.

In sum, the small Tanzanian farmer lives in poverty with no "break-throughs" in sight to ameliorate his condition. Progress will be gradual and must be long term. But it is to the betterment of this group that Tanzanian philosophy, policy, programs and resources are directed.

### III. Key factors contributing to poor majority poverty

The factors which contribute to and perpetuate poverty are cultural and climatic influences, available resources and diverse historical developments.

The condition of poverty can be measured in terms of comparative levels of human wellbeing. However, from the point of view of the affected population, it is also influenced by self-esteem and by the way the people themselves are judging their condition. An improvement in a given aspect of socio-economic development can actually accentuate and bring to the surface feelings of dissatisfaction, if other elements of the poverty condition are not simultaneously attacked. For example, with increased literacy in Tanzania,<sup>2/</sup> peasants often go to considerable lengths to educate their children in the hope of their escaping the drudgery and uncertain rewards of farm work. The peasant, in other words, is becoming more aware of and dissatisfied with his lot in life. Often, instead of trying to improve it, he wants to escape from it.

Three factors which contributed to the existing conditions of poverty are the poor natural resource base, colonial experience and, more recently, the increase in population. According to a recent study,<sup>3/</sup> a flourishing spinning and weaving craft existed in this part of Africa in pre-colonial days. Also, iron ore was excavated and rudimentary blast furnaces were worked using wood charcoal and limestone flux. Iron hoes were extensively produced. German travellers described villages in the Tabora region in the 19th century as having mini "industrial centers" and exhibiting skills comparable with those in parts of pre-industrial Germany.

At the beginning of the 20th century, these trades were dying out due to competition from mass-produced European goods. Self-esteem suffered and

---

<sup>2/</sup> A policy guideline issued in 1967, on "education for self-reliance," placed great stress on universal public education. An effective adult literacy drive was also launched. In 1974, there were 108,000 adult literacy instructors in the field, 80,000 of whom were volunteers. Effective literacy was increased from 33% in 1967 to 59% in 1975.

<sup>3/</sup> Helge Kjekshus, "Pre-Colonial Industries; a Preliminary Survey," University of Dar es Salaam, 1974.

the fabric of society was undermined in a number of ways. Although under the colonial system certain administrative, commercial and plantation activities were developed, a large and generally "unproductive" service sector also came into being. This is in contrast to the experience in Western economic development where employment growth in the primary sectors preceded that in the services sector. These historical developments have contributed to such problems as lack of skills, work ethic and financial motivation which, according to the World Bank study,<sup>4/</sup> are in large part responsible for the low level of productivity in the Tanzanian economy.

The increase in population compounds the problem of poverty. With a growth rate of 2.8%, the population of mainland Tanzania increased from about 11.9 million in 1967 to an estimated 15.1 million by mid-1976. Since agricultural techniques were not improved in any significant way, the pressure on the land became more acute.

On top of this, the resource base is modest. No major mineral resource such as Nigerian oil or Zambian copper are known. Tourism and transit trade offer some possibilities. So does the processing of agriculture commodities. But for the rest of this century, Tanzania's economy will be agriculture based and will rise and fall with the major swings in weather that inevitably occur and world market prices for its export crops.

What is the quality of the agricultural land base? One has to be very careful in the absence of confirming research data, but in our opinion the land is not as good as it appears to be. First, it is estimated that only about 20% of the available farm land is arable. Vast acreages are infested by tsetse flies and would be very expensive to clear. Other large acreages receive too little or too erratic rainfall for reliable crop production -- in fact, significant areas suffer from recurring drought. Some land which may appear to be fertile as judged by natural vegetation, is found upon removal of "native bush" to have very thin top soil and tilth. Thus, location for particular producing enterprises (crops vs. livestock) becomes very important if costs are to be controlled and the land base protected.

#### IV. ~~Action constraints to an improvement in the welfare of the poor majority~~

Tanzania is undergoing a rural innovative experiment of government action to transform a stagnant, traditional society into a progressive, equalitarian and self-reliant nation. Unfortunately, the experience to date shows that the magnitude of the task had been underestimated. Frustrated by the slow progress and often passive reaction to given policy measures, the Government has been introducing changes in emphasis and starting to explore alternative courses of action toward the stated goal. These changes have caused uncertainties and are not always conducive to a build-up of a strong forward momentum.

<sup>4/</sup> The World Bank Basic Economic Report on Tanzania, December, 1977, Annex V, pages 178-9.

The top and mid-level leadership is spread too thin and the task of simultaneously attacking the various causes and manifestations of underdevelopment can be overwhelming in terms of strategy design, determination of effort, and availability of human and financial resources. It is not a simple choice between growth and equity oriented policies; since independence in 1961, Tanzania has applied variations of both. The absolute poverty in which the great majority of Tanzanians live, as well as the feeling of hopelessness regarding their precarious subsistence on the land, reduces the intended effect of most Government policies. Research indicates that the average African farmer works only one-third the man-hours of his Asian counterpart.<sup>5/</sup> The following listing of constraints derive from this very basic problem. A concerted attack on just one or two of these will not turn the tide. A multi-faceted approach is essential.

#### A. Trained Manpower

It is important to make a clear distinction between off-farm manpower needed for agricultural development and on-farm manpower. By the former, we mean high level Tanzanians in ministries, researchers, teachers and trainers, accountants and managers who man parastatals and cooperatives, and also lower echelon cadre such as diploma and certificate holders who serve as extension and livestock officers. It is for this group that almost all of AID participant training is intended, and they are extremely important to agricultural development since their decisions and policies greatly determine whether Tanzania shall have agricultural development or not. On the other hand, we should be equally clear what not to expect from this category of manpower.

The one common element among all off-farm manpower is that they require formal training, and in Africa, formal education has been such a scarce commodity and the rewards so outstanding that educated people tend to become an elite class. Moreover, off-farm manpower cannot directly provide agricultural production increases or sustained physical labor in villages and on farms, though they can prepare an environment where production increases are possible. Reversing the situation, it is somewhat ironical that the on-farm manpower, the small farmer, who is on the front line of production in the country's largest industry is almost completely overlooked when donors and TanGov allocate budgets for agricultural manpower training. Both groups, the off-farm as well as on-farm manpower, should come within the scope of our training plans.

##### 1. Off-Farm Manpower

Every serious study of Tanzania's agriculture has concluded that an overriding bottleneck to development is formally trained manpower. Agricultural development in Tanzania will be severely hampered unless and until

5/ Una Lele, "The Design of Rural Development; Lessons from Africa."

all agricultural institutions, support organs and relevant ministries are adequately manned.

In a 1972 study carried out by AID at the request of the TanGov, it was shown that if TanGov is to meet its minimum agriculture manpower needs for 1980 as set forth in its development plans, 2,848 additional people would require training comprising 226 with degree training, 346 with diploma training and 2,276 with certificate training. On the other hand, if maximum training requirements were reached, 10,105 persons would have to be formally trained by the early 1980s.<sup>6/</sup> Many of these people would occupy vacancies in the ministries, parastatals, cooperatives, research stations, training centers and agricultural allied activities.

The negative effects of the quantitative and qualitative manpower shortages are manifested everywhere. Projects and plans are not well prepared, Farmers are not effectively reached, agricultural policy issues are not thoroughly analyzed, implementation falters. In short, the capacity of the sector to absorb resources is reduced and scarce resources are not used effectively. Expansion of Ministry of Agriculture training institutes, the Faculty of Agriculture, and training programs offered by donors will be required for the foreseeable future. They are all critical elements in supplying high level manpower needs.

## 2. On-Farm Manpower

Reference under this sub-head is made to the Tanzania small farmer. The assumption in developed countries is that farmers possess the education and basic know-how to apply new production ideas. All they require is access to the latest research findings, access to capital, incentives and a good support system. In Tanzania, on the other hand, not only are these basic requirements weak or non-existent, but the farmers themselves have received little or no training to lift themselves out of traditional farming. Donor agencies have assumed that, as in developed countries, general agricultural extension agents (notwithstanding their dismal record to date) would effectively get the message across and obtain higher production. However, if agriculture is to develop, farmer training must become a functional part of manpower training and the TanGov and donors will have to go further than the vague idea that something will rub off on farmers in their contact with extension personnel. In Tanzania, only in those areas where farmers are reached more directly, e.g., through the Tobacco Authority, has there been a very definite return from training. In these cases, the people in contact with farmers bring them to training centers and also work with them back in their shambas. How to reach and effectively train farmers who possess little or no education is one of the greatest challenges in Tanzanian agriculture today.

---

<sup>6/</sup>Donald R. Yeaman et.a., Agricultural Manpower Development in Tanzania, Ministry of Agriculture, Dar es Salaam, August 1972.

What we are advocating is a two-pronged approach to the manpower problem - each to reinforce the other.

#### B. Domestic Financial Resources

The possibility that the supply of domestic financial resources would act as a brake on development has long been recognized. In the Second Five Year Plan it is stated "...more often the bottleneck will be available resources. Ministries are likely to have more projects available than there are resources to implement them."

The IBRD Agricultural and Rural Development Sector Study calls for a significant expansion in the allocation of resources to the agricultural sector over the Third Five Year Plan. If necessary, the study suggests that projects in other sectors be postponed or slowed down to allow an annual Ministry of Agriculture expenditure (excluding other agriculture expenditure) of nearly \$60 million compared to the 1973/74 level of about \$30 million. Given the state of TanGov finances and the already good record of resource mobilization, it appears that generating these increases, except at the expense of other programs, will be difficult. The surplus on recurrent account will simply not provide sufficient development funds.

In our judgment, the seriousness of this constraint will increase in the years ahead and could well prevent the TanGov from reaching its target even if progress on removing other constraints is satisfactory. This is a major concern of all donors and must be built into all project designs and constantly monitored. The TanGov can provide "minimum essential" support for priority activities but little more. Provision of local cost financing is essential if project schedules are to be met. A phased input of local costs will help the transition to TanGov project take over and do much to ensure success. We have used this approach with great effect in our MCH project and must do the same in any large rural development program. Foreign exchange for spare parts and replacement equipment is equally tight and must also be considered in project design.

#### C. Lack of Economic and Technical Information (Research)

The considerable ignorance about effects of factors like price incentives on traditional farming is magnified because even rudimentary farm management and other relevant research findings are unavailable. If it is true, for example, that farm labor becomes short at peak seasons and that this constitutes a farm size and income bottleneck, then an animal or appropriate mechanical technology designed to spread available labor over more land may be a pre-condition to any meaningful effect that price incentives may have. We simply need to know more about the economics of small farming if we are to talk intelligently about it.

In a similar manner, reference has been made to lack of technical research. This constraint applies in almost every area of agricultural development in Tanzania and partially explains why the agricultural extension service has been ineffective. The solution to this problem is not necessarily more studies per se but rather effective research, the findings of which have a good chance of being absorbed into small scale farming.

#### D. Inadequacy of Rural Infrastructure and Institutional Systems

Another constraint is the ~~inadequate and poor quality of rural infrastructure and institutions servicing the sector.~~ A portion of the inadequacy is due to manpower and management constraints and a portion of the poor performance is due to lack of financial control and general jurisdictional confusion in the system of parastatals.

To some degree this constraint is a legacy from the colonial period and the dichotomy between export and food crops and estates vs. small-holdings. Under the colonial system, the extension service was largely regulatory and served as a policing agency. The government's focus was almost exclusively on export crops, some of which were produced by cheap local labor on estates owned by large non-African farmers. Purchased inputs were used almost entirely on export crops and distributed by merchants. Organized marketing channels were also largely concerned with cash/export crops. Similarly, the agricultural research network such as existed was concerned primarily with export crops.

Since independence, demands on the system have been modified and particularly since 1968 the system itself has been rapidly changing. Now the infrastructure and institutional networks are being called on to service thousands of small farmers concerned more with food crops than cash crops, utilizing only small quantities of inputs and marketing miniscule amounts. The situation is made more difficult because while expanding and redirecting services the infrastructure system itself is also undergoing change. Decentralization to the Regions is a declared policy. Parastatals have now assumed more responsibility for various activities. These changes are supposed to give the small farmer better access to services within the context of the overall rural structure. However, the infrastructure and institutions are still not able to cope with farmer requirements.

It is reported that the credibility of the extension service with smallholders is particularly low. Part of the system's ineffectiveness stems from the lack of specified extension recommendations (reflecting poor training or limited research), a white-collar mentality, and the failure to make the extension service a component of an integrated support system including agricultural inputs, credit, marketing services, etc. The only aspect of extension functioning fairly well is that directly under the control of Crop Authorities. Nor does the extension service involve in any form, the majority of smallholders. Admittedly, it would be unrealistic, given manpower and financial

resources, to expect the system to immediately mount nation-wide campaigns and engage farmer-producers in meaningful programs. This is a long-run target based on the expansion of well designed and successful smaller efforts. To date, the experience gained in successful export cash crop efforts does not appear to have been effectively utilized for food crops.

Rural transportation is a particular problem, especially during the rainy season. As a nation, Tanzania has about 33,400 kilometers of roads, of which 2,600 kilometers are paved, compared to 43,000 kilometers of classified and 125,000 kms. of unclassified roads in smaller Kenya. All-weather roads in Tanzania amount to about 10 percent of the total or 3,400 kilometers. Kenya has about 15,000 kms. of all-weather roads. Thus the farmers in many areas of Tanzania face a situation of inaccessibility due to lack of roads and/or roads which cannot be utilized during parts of the year. The poor condition of many roads also works further against the smallholders in certain areas because transport costs rise dramatically as the standard of the road declines. As a result, areas without paved roads are effectively isolated from their markets through much of the year. Even if penetration is physically possible, the wear and tear on transport equipment discourages truckers. To ship corn from one of the fertile areas of Tanzania, the 800 miles to the Dar market, costs as much as to bring it from New Orleans! The same problem exists with inputs supply. As a result, this area is vastly underutilized.

The extension of two-lane paved roads to various regions is of highest priority, as is the building of village-to-market roads linked to them. Without such roads, we can forget about affecting the lives of the poor majority in any significant way.

#### E. Inadequacy of Energy and Farm Power

The lack of energy and farm power in most smallholder farming is one of the prime constraints in Tanzanian agriculture. Energy and power generated by human muscle with the aid of hand tools are insufficient for good husbandry. Higher performance of appropriate technology by way of ox teams or, failing this, by some form of combustion power will be necessary to increase acreage per farm and in performing better tillage. Determining the optimum mix of labor and appropriate technology so as to preserve high farm employment is critical to development.<sup>7/</sup>

#### F. Health

The impact of such things as inadequate diet, contaminated drinking water, debilitating diseases (malaria stands out), intestinal parasites, etc.,

---

<sup>7/</sup> The lack of mechanical skills significantly raises the costs of operating anything mechanically. To get hand tools sharpened or repaired seems to be a problem. This whole void needs careful review in Tanzania, as does new energy sources for crop drying, cooking, etc.

have on the rural productivity has not been quantified. (We do know that over one-fifth of all children die before the age of five.) But as those who have worked in Tanzania can attest, such factors sap the strength of the farm family, especially the farmer/mother, and since muscle power is their prime source of energy, this must be considered a major constraint.

As can be seen from the above, there is very little that isn't in the category of a constraint. The TanGov and our attack upon these constraints must then be broad based and include both national and local programs.

## V. TANZANIAN DEVELOPMENT POLICY

Before explaining USAID strategy, it is first necessary to discuss three crucial Tanzanian policies (really their underlying philosophy of development). They are equity, villagization and decentralization (or self-reliance).

### A. Equity and Growth

To the leaders of Tanzania, the central task of development is to rule out exploitation of any part of the population and to work consciously for social equity. It implies that the government's primary concern is with distributing the benefits of growth rather than maximizing growth itself. To this end, there is a very steep progressive income tax. In reverse, but for similar reasons, there is no sales tax on food and, in fact, government has subsidized prices of staple foods such as rice, maize and flour. The prevailing minimum wage is relatively high for Africa and the terms and conditions of work for servants and laborers are enlightened. According to the Ministry of Finance, government policies in this regard have reduced the gap in effective purchasing power between upper and lower public sector employees from a ratio of 10 to 1 down to a ratio of 5 to 1. Parallel to this, the government is dedicated to providing services which it presumes will help the mass of its citizens. For example, rural health clinics rather than additional urban hospitals are now emphasized, and health care has been free. Day care centers with government support are beginning to be seen and more discussion is being heard about nutrition. A well drilling project in rural areas was launched in order to produce clean drinking water for villages.

An important recent development has been the introduction of uniform or "pan-territorial" producer and consumer prices. The objective is to equalize economic opportunities in the poorer and more remote regions by neutralizing the transport cost factor. Uniform producer prices are now set for maize, paddy, wheat, sorghum, cotton, cashews, tobacco, pyrethrum, oilseeds, sugar, cassava and beans. The uniform pricing system is also applied to most farm inputs. This pricing policy is a drastic and somewhat risky effort to promote economic development. It can, of course, lead to sub-optimal allocation of production factors and thus to higher costs and lower aggregate production.

There is a leadership code created to prevent party and governmental officials from gaining personal advantages at the expense of the average citizen. While party corruption and other means of exploiting the poor still are in evidence, it is generally acknowledged that Tanzania has done more to rid itself of corruption than almost any other developing country in Africa. The Party leadership seeks to root it out and punish offenders. This top goal of equity encompasses social/political as well as economic policies. The drive for equity includes non-discrimination among tribal and religious groups and equality of the sexes.

There are no large tribes with proud ancestral pasts to pose major problems for national unity. Where there might be a tendency for separation, such as among the Masai, the TanGov is working hard for integration based upon development.

We have no knowledge of religious discrimination affecting the flow of national life.

President Nyerere stresses women's equality as a cardinal point in his philosophy. He has criticized the traditional society for its treatment of women and says that "If we want our country to make full and quick progress now, it is essential that our women live in terms of full equality with their fellow citizens who are men." Women have legal status as equals. As might be expected, the change in rural society is slow, but in cities, educated women hold public positions. There are increasing numbers of women in managerial and professional jobs. The stream will grow as more women take advantage of increasing educational opportunities.

A National Women's organization, formed with government assistance, exercises leadership in moving women into the modern sector.

It should be understood that equity in Tanzanian terms does not mean equality. Income and social differences will remain. It is poverty on the one hand and excessive individual wealth on the other that are to be eliminated, as is dominance of one individual over another. The goal is the wiping out of economic extremes and social indignities.

It is not clear to what extent the above policies have affected production and growth. Emphasis has been on encouraging the broad mass of peasants to work harder and grow more. Government services are geared to the community and cooperative efforts. Aggressive farmers are inhibited from increasing wealth on an individual basis. Similarly, urban and rural entrepreneurs have been limited in their opportunities.

In its emphasis on improving growth of material production, Tanzania has recently been giving more weight to economic results as it implements broad socialist policy. The Government is assigning a greater proportion of its

investment to directly productive activities and relatively less to social infrastructure. There is more emphasis on performance and less on ideology. The evolution of villages into communal farm societies has taken a back seat. The private industrial sector is now viewed as having a more important, though circumscribed, role for the foreseeable future.

What we can say is that Tanzania is now balancing more evenly "equity" and "growth" and tending toward more pragmatism in its development tactics.

## B. Villagization

The basic philosophy of the TanGov villagization program has been spelled out in our 1974 DAP and elsewhere. The main rationale for Villagization can be summarized in three categories:

1. Social Development
2. Economic Development
3. Administrative Convenience

### 1. Social Development

The first priority of CCM and the Tanzanian Government is to restructure the social relationships of the people. This objective is based on a marriage between traditional African concepts of familyhood and a desire for Tanzania to become a modern nation. The latter requires that formerly isolated family units be brought together in a village setting, where they will learn to work together, receive political instruction on the meaning of nationhood and citizenship, and come to understand the importance of cooperative organization. Ease of communication between people was and is a key variable in this strategy. Furthermore, the village is the laboratory or school ground leading to national self-reliance, and all the attendant technical skills which go into making self-reliance a reality. Tanzanian leadership seems to recognize that this kind of social transformation is a long and difficult process. They have been willing to pay the price of social and economic disruption in order to lay the framework for a different type of society. Although much of this may be considered utopian by technical experts from abroad, failure to recognize the seriousness with which CCM and the TanGov take these ideals will result in considerable error in understanding Tanzanian policies.

### 2. Economic Development

The principal economic argument made for villagization has to do with the economics of scale possible to a labor intensive and capital short agriculture. The argument is that through villagization, Tanzanian farmers will be able to work cooperatively and

manage their labor much more efficiently than as individual farmers. Ultimately, the goal is that the village should become the primary producing unit, with most cultivation being accomplished on ujamaa or communal farms (though private plots are still the rule). Through cooperative cultivation, the villages should be able to expand production in acres as well as in increased yields to labor inputs. Furthermore, through village organization, there will be a more rapid diffusion of modern agricultural practices. Finally, in some cases, villages may be able to generate enough capital for the purchase of machinery which would be beyond the reach of any individual cultivator.

Villagization would allow for the promotion of village-level industry to process local produce, as well as to meet consumer needs. This has had to be a neglected element in Tanzanian rural development. With "villagization" now near completion, village-level industries and the application of appropriate technologies in general can become an instrument to bolster local confidence in the potential for progress and for a better life in Tanzania's rural areas. Under a dispersed population, this would be difficult to achieve, and industrial development would tend to take place in large cities with the consequent creation of the "dual economy" so often observed in other developing societies. Villagization, it is argued, lays the framework for a more integrated approach to development, with a wider distribution of economic activities throughout the country. Economic diversification and division of labor will occur, as some villages become market centers, and others specialize in other services or production.

### 3. Administrative Convenience

A key problem in any rural development strategy is how to reach large numbers of small farmers. In Tanzania, this was nearly insurmountable for three reasons. First, most farmers were small, subsistence types; second, most of the poorest were widely scattered; and, third, most were illiterate. The costs of delivering anything--foods, agricultural inputs, social services, information, political education, etc.--was prohibitive. Again, villagization seems to be a partial answer. Presently, villages are the primary legal entities of the Tanzanian administrative and governmental structure. As registered village cooperatives, they can borrow, set up banking accounts, collect limited fees on agricultural sales and receive assistance grants of a small scale. Under the principle of self-help, the village can mobilize and contribute labor to and, with appropriate skills, manage various construction projects. Within guidelines of CCM, it can establish its rule of association and eventually, determine its own growth. It is estimated that there are, or soon will be, 9,000 villages. There is little doubt that the creation of villages as governmental and administrative

units has made Tanzanian development planning much easier. Although the government continues to experiment with institutional forms, as in the recent elimination of regional cooperative societies, it is our judgment that they are committed to the village system. In the future, as villages develop their own productive, technological and administrative capacity, they will assume even more responsibility for their own development.

One final note. While the village will be an instrument of national economic development, it is still too early to tell what the long-term political implications will be. Strong villages could provide local people with a base from which to make demands upon higher level officials and shape local policies to their wishes. On the other hand, the village will also give regional and central authorities the means for political domination and control of the individual. In terms of our human rights interest, this should be kept in mind.

### C. Decentralization

Tanzanian political philosophy holds that the people should make the basic development decisions affecting their lives. In order to implement this policy, there has been a devolution of power to the villages. The implementing administrative structure has been the villagization program discussed above and "decentralization."

Decentralization can be called a form of "administrative federalism."

The role of the Ministry of Agriculture is limited to research, training, a few national projects (seed multiplication), and overall policy setting. The parastatals provide services such as input provision, marketing and credit and so are vital elements in any attempt to reach the village. But implementation of most programs is carried out by Regional/District/Village administration. For example, while the Ministry trains the extension service, the agents then work for local officials. Inputs are distributed to villages by District administration, etc. The Regions/Districts also oversee village development and have responsibility for the provision of key infrastructure -- rural roads, village water, intra-regional delivery systems. The District has become the base for reaching the villages with development programs. Another aspect of decentralization is the formulation by villages of development plans which are passed up through the District to the Region for funding. Since this system is new, it is still in a state of flux, still evolving. Linkage between National programs and villages is weak and has not been carefully thought through. The Ministries are contesting the Regions for a greater share of power. The National/Regional linkage aspect is an unresolved problem. While internal politics will ultimately shake out and determine the outcome of administrative federalism, development results will also be a most important factor. As in so many other key policy areas, donors can have an influence on the relationships between national institutions and regions as well as between Regional/District administration and the villages. Our Arusha Rural Development

program will do just this. It has as a key aim the linking of our nationally supported projects with the villages, working through the region; and also the firming up of a village-district-regional linkage. We can also say that both National and Regional programs and projects are vital if the poor majority are to be reached. Thus, any donor wanting to make a significant input must work at both the National and local levels. This should be kept in mind in analyzing USAID strategy.

#### VI. 102(d) Consideration

Tanzania's development efforts can well be summed up in 102(d) terms.

Given the availability of land in most parts of the country, it is still possible to focus upon acreage expansion to meet population growth. But the National Maize Program, which began in 1975, was directed toward increasing small farmer production per acre. It is still the government's number one grain production program.

The country's primary health goal is to create a network of rural health centers and dispensaries staffed by paramedicals. Within this program, the training of Maternal/Child Health Aides is the largest single item. In collaboration with AID, over 2,000 such Aides are to be placed in rural programs. Built into MCH is a "child spacing" element. This will complement the work now being done by the autonomous Family Planning Association and elements of the Ministry of Health.

Tanzania's approach to employment is to try to make rural life more attractive and to increase village commerce and small industry. To date, growing urban unemployment is faced by sending the unemployed back to the farm, rather than speeding up the slow growth of urban jobs. Unfortunately, as literacy spreads and transportation improves, the city becomes an even greater magnet. Urban unemployment will be a serious problem within the next 10-15 years.

Equity of income is the underlying philosophy of all policies and programs.

Given the lack of data and the newness of many of our 102(d) type programs, it is not possible to quantify such things as acreage yields or impact on infant mortality at this point in time.

## Section 2 - THE USAID APPROACH

### I. THE USAID STRATEGY

What we have said up to this point can be summarized as follows: First, the small farmer and his family, constituting over 90% of the population and with a per capita income of little more than \$100 per annum, is the "poor majority" and the target of USAID's program. Second, given administrative decentralization, villagization, Tanzania's development style and few indigeneous private resources, the fortunes of the small farmer are tied to the performance and policies of government. Most farmers cannot progress very far if left to their own inadequate resources. While their success depends largely on government action, government activities cannot produce results without the small farmer's active participation. This marriage is central to agricultural development. Third, until villagization and the building of a reasonably solid structure of service organizations and physical infrastructure was well underway, it was not possible to reach the village with development resources. From this comes national projects in research, inputs, marketing, manpower, credit, roads, water, health, education, etc. Fourth, even though this new infrastructure is still shaky and must be nurtured further, the time is ripe to tie it to village development. This means working with the villages through regional/district and village administrative structures.

In sum, Tanzania must continue to follow a multi-pronged, multi-level attack on poverty -- failure to do so -- to build trunk and farm-to-market roads, for example -- will cause the whole effort to lag.

With this in mind, and in keeping with the USAID goal to improve income and quality of life in the village, the following strategy formulation is offered:

It is USAID's intent to strengthen infrastructure and institutions that are essential to support small farmer development. We will provide grant technical and capital assistance to improve the performance of public bodies whose roles are designed to increase small farmers' income and the fulfillment of human needs. Successful implementation of this strategy makes it necessary to work at national, regional/district and village levels.

We propose, then, what we have called a Village Support Strategy whose primary aim is to lay the base for agriculture (food production) growth and with it small farmer income increases within the Tanzanian policy of equity. Some direct "quality of life" projects will also be included as a secondary approach.

We must be interested in such questions as how well institutions and delivery systems work on behalf of the poor. To what extent are small farmers geared

to increase their production? Do institutions designed to service small farmers actually benefit them? Can small farmers broadly participate in planning their future, and if so, are their plans and self-help efforts supported?

What we see as an appropriate assistance strategy for Tanzania must work with and through those national, regional and village organizations and infrastructure designed to increase production, income and human welfare.

The main organizations to be assisted are Ministries and Parastatal companies at the national level and Region, District and Village administrations at the local level. Account must naturally be taken of the interaction between these levels. Given Tanzanian policies, making the delivery systems approach is the constructive and, indeed, only realistic way for donors to support meaningfully the poor majority.

We recognize, of course, that AID has neither the resources nor skills to cover the entire range of development subjects implied in the above analysis. What we have been trying to do is to put together a package of projects that are interrelated and reinforce each other as they attack key constraints, complement what other donors are doing, are within the management capabilities of AID and the USAID and are in keeping with TanGov priorities. (In fact, within this framework, we are asked to do many more things than we have funds or management capability to handle.)

## II. THE SUGGESTED AREAS OF USAID CONCENTRATION

As in the recent past, and through FY 1984, USAID/Tanzania will provide assistance in two sectors: (a) Agriculture and Rural Development<sup>8/</sup> with concentration on food crop production, and (b) health/population, with emphasis on maternal and child care. We do not envisage enlarging our program to include other sectors of the economy. This is consistent with current AID and Mission policy, management and technical capability, funding limitations and other donor activities.

In the Agriculture and Rural Development sector, we propose to continue to provide assistance to both national and regional/village programs. On the national level, we will continue helping those parts of the infrastructure (both Ministries and Parastatals) making critical contributions to food production. These include our on-going credit, research, seed production, livestock and dairy, and manpower training activities, and financial support for development costs of priority projects. (We are involved with four Parastatals as well as the Ministry of Agriculture in these efforts.) As said before, these projects represent part of our interrelated attack on

---

<sup>8/</sup> Our Village Energy and Appropriate Technology projects will be included as part of broader rural development activities.

agriculture constraints. We consider them to be our "minimum essential" contribution to the broader (TanGov and other donor) approach. Since they are all on-going and are well known to the Bureau, a few examples will suffice. Results from our Agriculture Research project are turned into foundation and certified seed in the Seed Multiplication Project. The Credit Project has been the sole source of credit to small grain producers (10 acres or less). A prime use of this credit has been to buy the seed that flows from the research and seed projects. The National Milling Corporation (the focal point of our Agriculture Marketing project) buys from the farmer the grain so produced.<sup>9/</sup> A failure in any one of these projects will retard the others and so the impact of our total program. Even more important would be the negative affect on small farmer income increases and the drive toward national food grain self-sufficiency. On the regional level, we will continue our Arusha Region rural development efforts as well as Tsetse Fly Control (Zanzibar) and rural road construction, while beginning a rice production project on Zanzibar in collaboration with FAO. It should be noted that the TanGov, in keeping with its emphasis on regional based development, has asked the various donors to provide the required outside assistance to one or more regions each. This includes both technical and capital assistance. Thus, USAID has been "assigned" Arusha Region and has been asked to be the primary donor working in Morogoro and/or Dodoma.

In the health sector, we will complete our work in helping create a nationwide maternal and child health system including establishing a workable logistics system that will help to ensure a regular flow of support commodities to rural clinics. In addition, we are planning to include assistance to school health programs and add the upgrading of training of health professionals. The new projects are actually an added dimension to our MCH focus, not a striking out in a new direction. Our health strategy stressing MCH is an attempt to by-pass the usual requirement for economic growth in order to improve the quality of life.

PI 480 will continue to diminish as local resources take over.

As we have often said in the past, we can summarize the constraints to development as the inability of government to mount national programs that reach the rural population and for the latter to obtain positive government responses to their needs on a systematic basis. It is essential that national programs continue to be strengthened and a link be established between national programs, on the one hand, and local requirements on the other. For this to be successful, it is necessary to build up rural infrastructure and reach the village.

---

<sup>9/</sup> Actual program accomplishment to date can be found in recently submitted PEsEs or in-depth evaluations. Since most projects are still in mid-stream, it is not yet possible to show significant results at the village level.

### III. MAJOR CHANGES IN THE USAID PROGRAM IN FY 80

Since the ongoing program is well known in the Africa Bureau, we will only discuss new or changed programs.

#### A. ZANZIBAR RICE

Zanzibar has a rice import requirement of 18,000 MT for 1978. This rice is being provided from the mainland. However, this is only possible because of commercial and Title I imports as the mainland has a serious rice deficit of its own. For the last several years, FAO has been working on rice research on Zanzibar as well as training necessary Ministry of Agriculture personnel. Unlike the mainland, Zanzibar needs to grow irrigated rice. The FAO work has now progressed to the point where there is the capacity and knowledge to undertake a major small farmer rice production program. This would wipe out the deficit. Both FAO and Zanzibar have asked the USAID to help them undertake such a project and we desire to do so. (The PID was submitted to the Bureau in early May 1978.)

#### B. CENTER FOR CONTINUING EDUCATION (HEALTH)

Our work in MCH has been adversely affected by the fact that the Ministry of Health has no formal capacity for retraining its professional cadre. There is no satisfactory mechanism for reaching MCH Aides with new knowledge and techniques when they leave our training program. The same is true for other health cadres. Our intention is to help set up a center to provide such refresher training. This is a further step in strengthening rural health services and MCH.

#### C. BUDGET SUPPORT GRANT

Since 1975, we have been generating local currency through Title I sales. This local currency has been programmed jointly with the TanGov to priority agriculture and health projects. In all cases it has been additional to already set budgets. This local currency (value \$24.8 million through 1978) is a major factor in speeding up completion of USAID supported and other high priority projects. For example, this local currency is building the Center for Continuing Education and its ancillary facilities (this would have cost AID \$1,150,000 if we had provided the funds from dollar appropriation). Another use is to fund the major expansion of the Ilonga Research Station (the center of our foodgrain research efforts, turning it into the prime agriculture research center). As explained below, there will be no Title I or Title III programs in FY 79 or FY 80. This will cause a slow down in project implementation in several key areas. We are proposing a Budget Support grant to continue the momentum gained through Title I.

D. PL 480 TITLE I and TITLE III

We are not programming PL 480 Title I beyond FY 1978 because the conditions which warranted concessional sales no longer exist. Those conditions included severe drought which led to the need for food imports to meet shortfalls in domestic commercial market foodgrain requirements. Further, it is USAID policy to ensure that the availability of Title I commodities in Tanzania does not provide an easy alternative to the development and implementation of sound agricultural policies and programs. Production and procurement plans, plus favorable weather have resulted in an over-abundance of corn, sorghum, millets and cassava. Rice production falls about 50,000 MT short of meeting commercial market demands, but the gap should be closed through increased local production and marketing, commercial imports and substitution of grains that are in surplus. Since no basis presently exists to continue the Title I program, there is no need to plan a Title III program.

E. PL 480 TITLE II

The USAID is participating in the establishment of a strategic grain reserve; our input will have been delivered by the end of FY 1980.

We intend to continue our assistance in support of Maternal and Child Health activities and day care centers. The level of our Title II commodities is declining. This is in support of the TanGov's policy to reduce dependence on external food aid. Specific steps have been taken to limit outside supplies for feeding programs to deficit areas and malnourished children and there is a new capacity to produce a corn/soya blend using the AID supplied Brady Crop Cooker.

F. THE PEACE CORPS

As this is being written, a Peace Corps team is in Tanzania exploring possible projects with various Ministries. The USAID will welcome the opportunity to work closely with the Peace Corps where program interests coincide. We have fully briefed the team on our current and projected program but it is too early to tell what shape collaboration may take. In our minds, both the proposed Zanzibar Rice and the rural roads projects offer scope for such collaboration, as does the Arusha Regional project.

IV. PROGRAM MANAGEMENT

There has been some concern expressed in AID/W as to whether the USAID effort is too diffused, or beyond our management capability. What we have tried to point out in this CDSS is that if we are to have a significant impact on the poor majority, it is necessary to move forward on a fairly wide project front. This now also means working at both national and regional/village levels. We are keenly aware of AID's management limitations. This is why we have restricted our FY 80 program reach to interrelated and reinforcing projects in

three sub-sectors only (food grains, livestock, MCH), plus limited regional development. The one or two projects that violated this strategy have been phased out or are small (often VolAg) activities, usually designed to test out approaches that could be integrated at the village level in the future. As a result, we are now winding down the Masai project on schedule and will incorporate any future Masailand undertaking in the Arusha Regional project.

We strongly feel that our suggested FY 80 program mix is viable and necessary if significant development results are our goal. We have very carefully matched program against expected AID and USAID management capabilities. We would also note that none of the outside in-depth project evaluations of the last four years showed that projects were failing or that the USAID could not manage its portfolio. It would also seem to us that the significant program increase that the Agency requested in the FY 80 Budget "mark", indicates confidence in both the USAID and the TanGov to effectively manage a prudently increased program. The decisions we have made are presented in the options section of this paper and the ABS.

The Ambassador, with his keen interest in program management and effective use of U.S. resources, fully supports our belief that we have the ability to manage the program we have proposed with the staffing we have requested.

#### V. THE INTERRELATIONSHIP WITH OTHER DONORS

As stated elsewhere, all of our programs take into consideration what other donors are doing. Unfortunately, there is no formal mechanism for donor coordination. This is true at both the broad inter-Ministerial level and at the Ministerial (or intra-Ministerial) level as well. However, we have managed to develop close working relationships with the other major donors in mutual areas of interest. We have recently started holding periodic sessions with FAO, currently focusing on efforts in livestock development. We also have frequent, though unstructured, exchanges with other donors -- Canadians, Swedes, Germans, IBRD, British.

We are working with other donor technicians at the project level and provide some of the technical assistance that supports an IBRD dairy development loan.

Since no donor is dealing with the totality of any given constraint, mutual cooperation is most important. The above holds true in both health and agriculture.

Foreign assistance in the health sector is widespread and includes provision of doctors, support of training institutions and funds for the construction of rural health facilities. Missionary run facilities account for almost half of all hospitals. But without foreign support for ongoing operating costs, the Tanzanians have difficulty in maintaining standards in their health programs.

Agriculture activities receive about 23 percent of all foreign aid. Agriculture assistance is widespread (although frequently in small lots) in planning, training, crop and livestock development, grain storage and cold storage, research, veterinary medicine, marketing, production, transport and other areas. Foreign technicians tend to cluster at ministries, government stations and institutions and parastatals with very few aiming directly at village agriculture. With decentralization and growing responsibility in the regions, the present pattern may change, but that would require housing and amenities for technicians in the outlying areas. In designing our new Arusha regional development project, we took advantage of IBRD and German experience with similar projects.

#### VI. SOME PARTICULAR CONCERNS

To fully grasp the meaning of a village support strategy, a few key ideas selected from our experiences may be helpful. To begin, there is nothing out of the ordinary about the technical and capital assistance that Tanzania requires. It is of the conventional AID type but particular requirements and associations do arise.

For example, it is a working principle in most African countries, including Tanzania, that capital assistance must accompany technical assistance and vice versa if the productivity of either is to be maximized. A second condition to bear in mind is the simple factor, access. As project worksites move to remote districts and villages (i.e., reach out to the small farmer), logistical and economic problems intensify and delivery systems break down. Even leaving aside the fact that the poorest farmers are among the most isolated of the population, the marginal costs of development rises as you move away from the cities and hard top roads.

Taking these and other factors into account, and in view of the high risks of small farmer assistance, a working postulate offered is to build on success wherever it is productive and relevant to do so. The Tanzanians are quite aware of their problems and their risks and they have requested that AID enlarge and extend several of our successful ongoing projects. Therefore, in our program we have extended and expanded successful projects that are relevant to development and in need of continuing assistance.

From lessons learned in Tanzania and other African countries, it is the Mission's sincere view that most agricultural projects intended to benefit the small farmers cannot be chopped into short and discreet time packages. The technical, biological and pay-off characteristics can only fit into a longer-term process. Some projects reflecting the new directions should be programmed for 15-20 years, not 4 or 5.

We are keenly aware of the limitations on our ability to respond to Tanzanian priorities and critical development needs on a timely basis. The Mandate, while focusing AID upon the small farmer, limits our ability to reach him. There are in Tanzania several high potential agricultural areas but they cannot be developed without first building trunk (paved) roads to get to them. To illustrate, to bring fuel by road to a tsetse clearing project in the West Lake Region takes three days, though the round trip is only 550 miles. Worse yet is the beating taken by the trucks that greatly reduces their life span. In some high production areas in the southwest, truckers refuse to move inputs in, and crops out, because of the bad road conditions. Trunk roads, then, are often critical to reaching the small farmer and yet given the current interpretation of the Mandate, we have not attempted to respond to requests for such assistance. Surely the Agency can do a better job of presenting the realities of African development than it has to date.

## VII. APPROPRIATE TECHNOLOGY

Here in Tanzania, a typical small farmer cannot, given the state of his technology, cultivate enough acres to earn anything much higher than a subsistence income. Notwithstanding availability of unused land in most areas, farms are far too small (on the order of 3-5 acres) and will remain so without better technology. In a country like Tanzania, questions of how to increase size of farms, say from 5 to 10 acres, and how to improve tillage and management practices lie at the heart of the development puzzle.<sup>10/</sup>

An obvious upgrading of technology would be expanded use of animal power (oxen) and, in fact, this is proclaimed government policy. We find, however, that high incidence of insect-borne animal diseases (tsetse flies and ticks) isolates much of the best land as the insects which are disease carriers also thrive where vegetation is lush. Nonetheless, animal power is certainly a step forward and has our strong support.

But for whatever reasons, the only technology available has been either the hand tool or the complicated machine. This problem is one of the most urgent as we do not believe that rural development can move very far in countries like Tanzania until and unless there is a usable higher grade of technology than that currently being employed.

This void of technology is the great difference between small scale farming in Africa and Asia. In most Asian countries, though farm labor may still be used intensively, farmers not only have access to more effective support systems, they have greatly upgraded their farm technology. Rotary tillers,

---

<sup>10/</sup> Small farmers in Africa have attempted to compensate for lack of technology in their choice of crops. Since so much labor becomes tied up in food production (annual crops), perennial tree and bush crops (coffee, tea, cashews, cocoa, oil palm) are main cash crops. They require less care and technology.

electric pumps, small tractors that do everything, and at the very least, animal-drawn equipment are everywhere. In Tanzania, on the other hand, there is only one small testing unit, a small production facility for the making of simple implements and very limited research at the agricultural faculty. This is in the right direction, nonetheless, because a rule of development should be upgrading the indigenous ability to conduct research, testing, and if possible, the linking of appropriate technology with local industry.

Under our strategy of support for villages, the intent is to upgrade village technology in Arusha Region where USAID's new Village Development project will be sited. A number of activities can be tested first at minimal expense. For example, a combined capital/labor built, and very cheap (but surprisingly good), rural road has been under construction in Masailand. We think this will provide us a model for other access roads.

A Bureau-sponsored solar energy workshop is to be followed up with trial devices in sample villages, again as a test. We are also involved with experiments in vocationalization of elementary schools and pilot work on village environment problems.

We envision a long-run situation where villagers themselves will greatly increase their own technological self-reliance through skills and village workshops to insure for themselves more rapid development. Specific applications in which AID will be involved must await the implementation of the Arusha Project and the results of the solar energy tests.

#### VIII. OPTIONAL FUNDING LEVELS

We have very carefully considered the scope and size of our FY 80 program proposal, weighing it against TanGov and AID constraints. We have come to believe that neither Tanzanian development needs, absorptive capacity nor likely FY 80 AID funds availability is the current limiting factor on program expansion. We also know that the Tanzanians highly value both our capital and technical assistance. But, regretfully, we have come to the conclusion that AID's current management capacities limit our program below what might be successfully programmed.

Our experience over the past year shows how limited is the Agency's ability to provide the qualified personnel required for program design and oversight. In addition, PP approvals have taken much too long to obtain, some a year or more. PIDs submitted in November 1977 have still not been reviewed by May 1, 1978.

Given what we believe are the Agency's management realities, we have reduced our originally planned FY 80 project program funding by 20%. This largely was done by cutting out two new starts, including expansion of our direct rural development activity into a second region. Thus, we feel we are presenting our FY 80 program mix and level in accordance with AID reality rather than development opportunities.

We have added four new direct-hire positions in FYs 78-80. This gives us added confidence that we can handle planned program expansion and that we have matched management capability against program, both in scope and size.

Our projects for FY 81 and beyond are based upon the potential for improved Agency managerial capacity. We would note that since many of our ongoing projects are due to end by FY 81, a major re-programming will be required for FY 82 if our assistance level is not to decline. Potentially, we could significantly increase our suggested levels by including additional villages in ongoing regional programs or by going into new regions. This is the part of our program that directly tackles the basic human needs problem on a multi-disciplinary and integrated basis.

For example, our Arusha Regional development project is currently designed to reach only 150,000 of the region's 900,000 rural population. To involve all the villages in the region in basic infrastructure and production programs would cost an additional \$7-10,000,000 over a 4-5 year period.<sup>11/</sup> In terms of Tanzanian desires, we could add a second and even third region. Of course, if it were possible and desirable to undertake a major program expansion and break a very critical bottleneck, a \$100,000,000 trunk road building program to open up the Central and Southern areas would be in order.

We are unable to specify additional national projects we would want to support from FY 81 on beyond new activities in dairy development and human disease control. This will have to await the release of the Third Five Year Plan, which should be available in a month or two.

Given the above, our five year projection is presented on the following page.

---

<sup>11/</sup> This figure is much lower per additional village in Arusha Region because of activities already underway there than it would be in a region where we had to start from scratch.

(\$ millions)

<u>Sector</u>	FY 80		<u>Prop</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>	<u>FY 84</u>
	<u>Min</u>	<u>Mark</u>					
Agriculture/Rural Development Proj. Program	10.4	17.2	17.2	19.0	17.4	22.4	29.0
Agriculture/Rural Development Bud- get Support	0.0	4.6	7.6	8.0	9.0	10.0	12.0
Health	.1	1.6	1.6	2.4	3.0	2.0	2.0
Population	.7	.7	.7	1.0	1.0	1.0	1.0
PVO Projects (un- determined)	0.0	0.0	1.0	0.0	0.0	0.0	0.0
Special Dev.	0.0	3.0	3.0	3.6	3.6	3.6	0.0
<b>TOTALS</b>	<b>11.2</b>	<b>27.1</b>	<b>31.1</b>	<b>34.0</b>	<b>34.0</b>	<b>39.0</b>	<b>44.0</b>