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UK AGRICULTURAL AID TO KENYA, TANZANIA AND MALAWI

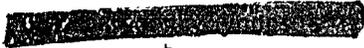
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UK AGRICULTURAL AID TO KENYA, TANZANIA AND MALAWI

  
by

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INTRODUCTION

The purpose of this study is to examine the impact of UK aid in the agricultural development of Kenya, Tanzania and Malawi. The major concentration is upon the last decade or so, and particularly upon currently-employed aid policies and instruments. But the study also examines the role of the UK in the period before and after independence in the mid-1960s and more detailed evidence relates to the period since 1970.

The study employs three ways of assessing the impact of UK agricultural aid:

- (a) by investigating the priorities revealed by UK aid spending and considering how far these are appropriate to the professional strengths of the UK in tropical agriculture.
- (b) by investigating the impact of UK aid on building effective public agricultural institutions.
- (c) by investigating the extent to which the provision of UK agricultural aid has influenced agricultural development policy more generally in the countries concerned.

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This synopsis examines, first, the different forms of UK agricultural aid and trends in expenditure; second, the overall policy and administrative framework within which such aid operates; third, the revealed agricultural priorities of ODA; and fourth the overall impact of UK aid in the agricultural sector. The synopsis thus draws upon, rather than summarises, the country chapters which constitute the bulk of the report itself. Tables in this synopsis are numbered as in the draft report.

#### FORMS OF AID AND TRENDS IN EXPENDITURE

This study primarily concerns bilateral aid: that is, aid typically provided directly to a particular developing country. However bilateral aid also embraces all aid not classified as multilateral therefore includes aid grants to regional bodies, voluntary agencies, research institutes and scientists in the UK, and to development initiatives benefitting several countries but which is not specifically allocated. Particularly important in this latter respect is the 'C4' Research and Development allocation under which a large part of UK agricultural research aid is funded.

Although this study concentrates upon bilateral aid, UK multilateral aid commitments are an important consideration in the overall policy and spending framework. From an imputed UK share of contributions to the multilateral aid organisations it is evident that the rate of increase in the UK contribution to aid going to sub-Saharan Africa has been considerably higher than for bilateral aid. The volume estimated as going to the agricultural sector has also increased and the percentage share has also risen. These trends must be kept in mind in considering subsequent evidence pointing to a declining bilateral African agricultural aid programme.

Bilateral UK aid to African agriculture takes six main forms with more overlap than statistical presentations suggest (Table 1.3).

- 'project aid' is financial aid - now on grant terms - for capital expenditures. In aggregate, around 70% of such aid involves procurement from the UK but for some smallholder agricultural projects in Africa this figure has been as low as 30%.

Table 1.3: UK Official Bilateral Aid to Sub-Saharan Africa 1970-85 £m  
(major components allocable by country)

	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
<b>Financial Aid</b>																
Project Aid	21	23	21	18	18	24	26	24	34	55	49	72	73	63	61	50
Aid and Trade Provision	-	-	-	-	-	-	-	-	-	-	2	6	8	8	6	1
Programme Aid	-	-	-	5	9	7	4	9	23	39	35	32	33	21	17	31
Debt Cancellation	-	-	-	-	-	-	2	2	2	2	29	21	12	12	15	17
Other Non-Project Aid	15	10	5	-	-	-	8	7	31	8	10	9	12	14	19	61
CBC Project Loans	5	9	7	15	15	11	16	24	27	29	33	26	23	28	49	35
<b>Total Financial Aid</b>	<b>41</b>	<b>42</b>	<b>33</b>	<b>33</b>	<b>42</b>	<b>42</b>	<b>54</b>	<b>66</b>	<b>117</b>	<b>133</b>	<b>158</b>	<b>166</b>	<b>161</b>	<b>146</b>	<b>157</b>	<b>195</b>
<b>Technical Cooperation</b>																
Personnel	15	17	19	24	23	24	35	33	37	46	49	50	41	43	44	43
Students and Trainees	2	2	3	3	4	6	8	8	11	15	25	20	24	25	24	31
Consultancies and other TC	1	1	1	4	3	4	4	4	6	9	11	10	9	10	11	16
<b>Total Technical Cooperation</b>	<b>18</b>	<b>20</b>	<b>23</b>	<b>31</b>	<b>30</b>	<b>34</b>	<b>47</b>	<b>45</b>	<b>54</b>	<b>70</b>	<b>86</b>	<b>80</b>	<b>74</b>	<b>78</b>	<b>79</b>	<b>90</b>
<b>TOTAL BILATERAL AID</b>	<b>59</b>	<b>62</b>	<b>56</b>	<b>64</b>	<b>72</b>	<b>76</b>	<b>103</b>	<b>111</b>	<b>171</b>	<b>203</b>	<b>244</b>	<b>246</b>	<b>235</b>	<b>224</b>	<b>246</b>	<b>285</b>

- 'manpower aid' (long-term personnel and consultants provided under technical co-operation). In the agricultural sector this has become increasingly clustered around ODA projects. In the 1970s it was more spread as the main form of manpower was salary supplementation to government posts held by UK nationals.
- 'training aid' consists primarily of awards for professional training in UK agricultural education institutions.
- the commercial investments of the Commonwealth Development Corporation (CDC) in agriculture are part of UK aid flows as the terms of their loans (or fixed dividends on equity invested) are concessional and ultimately financed by the UK Treasury. CDC also provides manpower aid through management contracts.
- programme aid provides, in effect, budgetary support - currently through financing inputs. It is similar to other non-project aid such as debt cancellation, (post independence) budgetary aid, and disaster relief in that there is not an easily-monitored end result. In recent years, however, programme aid has had a more specific agricultural focus in that it has been linked to agricultural policy reform and to specific farm inputs.
- grant support to agricultural research services in the UK which assist national and international agricultural institutions. This support is for ODA's own Scientific Units (particularly the Tropical Development and Research Institute) as well as research in the universities and elsewhere.

The share of UK aid disbursed multilaterally has increased from well under 10% in the early 1970s to around 45% in the mid-1980s. This long-term shrinkage in the share of the bilateral aid programme has been accompanied since 1979 by an average annual decline in real terms of 3.7% in the aid programme as a whole.

There have been shifts in the allocation of disbursements between the various components of the bilateral aid programme over the period. Up to the mid 1970s, project aid had become increasingly important in terms of its total share of the aid programme. An increase in programme aid in the late 1970s altered the balance but after 1979

there was a marked decline in the importance of non-project aid, which fell from 40% of the total aid programme in 1978 to only 15% in 1984. The balance is now changing again, with the new emphasis on programme aid and with recent disaster relief allocations. CDC loans and TC aid have maintained their shares of the total programme throughout the period at around 10% and 25% respectively.

The percentage of UK bilateral aid directed to sub-Saharan Africa remained constant throughout the 1970s at around 30%, but rose to 37% in 1979. In the 1980s there were further increases and by 1985 the percentage figure was 44% making it the largest recipient region of bilateral aid. Yet in constant 1984 dollar terms there has been a decline in UK aid to the region of 13% over the 1980-85 period while new donors such as Japan, OPEC and the Scandinavian countries have expanded their programmes five or ten fold. The UK is now the ninth largest source of donor support, having been a dominant donor - with France and the World Bank - in the early 1970s, when it had a larger programme in Africa than both the USA and Germany.

Within the declining share of project aid to sub-Saharan Africa, allocations to agricultural and natural resources have been squeezed by a growth in support to the power sector (see Table 1.5). A number of the transport sector projects have had an economic justification in terms of increased agricultural output, but the trend away from a project based approach to agricultural development is clear.

CDC investment over the period as a whole shows that the sub-Saharan region has declined in importance since the late 1970s (Table 1.6). This reflects declining investment opportunities in Africa (especially relative to South East Asia), but within the regional profile there has also been a sharp decline in the allocations to agricultural projects in the 1980-85 period. This reflects in particular the difficulties of identifying new smallholder crop investments, an issue which is discussed below.

Taking the period as a whole once again, there has been a steady decline in the numbers of technical assistance personnel working in Africa. Technical assistance disbursements do not fully reflect this decline in the numbers of officers, largely because the composition of manpower aid has changed, with many less supplemented posts and

Table 1.5 : Project Aid to Sub-Saharan Africa by Major Sectors 1980-85 (£'000)

	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Agriculture and natural resources	28,614	25,387	29,495	24,110	17,865	27,390
Extractive industries and manufacturing	7,826	8,753	6,542	4,340	24,454	8,494
Energy	7,809	25,655	37,857	28,636	26,377	15,743
Transport, storage, communication	24,088	31,851	26,219	31,803	30,181	16,499
Community services and facilities	10,982	11,303	11,078	9,970	13,883	10,989

Table 1.6. CDC Commitments 1970-1985 \$'000

	<u>African Agriculture</u>	<u>Total Africa</u>	<u>Total World</u>
1970	3,417	5,753	18,869
1971	1,212	15,413	29,056
1972	2,195	7,706	21,359
1973	15,308	24,396	48,261
1974	677	13,903	26,301
1975	13,728	21,023	22,071
1976	9,210	16,510	38,027
1977	30,660	43,433	45,044
1978	25,059	42,912	59,176
1979	40,032	64,927	82,669
1980	9,634	32,789	80,771
1981	1,799	27,253	94,694
1982	8,573	34,246	102,919
1983	19,768	39,254	100,263
1984	15,010	37,594	101,438
1985	35,224	47,082	106,433

proportionally more wholly-funded advisers. Table 1.7 aggregates TCO (advisory) and supplemented posts with the major reduction in established teaching posts filled by UK nationals explaining much of the decline. However there is also a substantial drop in the numbers of officers working in agriculture.

There has also been a decline in expenditure on grants to support tropical agricultural research in the Unit. This expenditure is channelled primarily through Research and Development funds and through the two main Scientific Units - the Tropical Development and Research Institute (TDRI) and the Land Resources Development Centre (LRDC), which will be amalgamated in 1987 to form the Overseas Development Natural Resources Institute (ODNRI). Table 1.3 shows a relatively long term decline in expenditure in real terms with a sharp drop following the reductions in establishment associated with the 1983 amalgamation. The decline in LRDC grant has been most marked, with TDRI and other agricultural research expressing a loss of income, in real terms, broadly equivalent to reductions across the bilateral aid programme as a whole.

It is difficult to interpret all of this data in a way that establishes clearly what priority ODA has given to agriculture in sub-Saharan Africa within its total aid programme.

On the one hand, there has been an increase in multilateral aid to institutions (such as the World Bank and the EEC) which have given emphasis to African agriculture and there has been a recent increase in programme aid which is partly conditional upon agreement on policy reforms designed to assist the farm sector. On the other hand bilateral project allocations to agriculture have decreased substantially both in size and number; manpower aid is much diminished; support for UK research services had been reduced; and CDC investment has weakened.

Within agricultural aid, a number of general trends can be seen over the last 15-20 years.

\* despite a strong colonial legacy of export crop research and services, a low level of direct ODA investment in export crops on the grounds that either CDC or the industries concerned should be given responsibility.

Table 1.7: UK Manpower Aid in Sub-Saharan Africa

(Selected Years 1972 to 1985: No. of Staff in Post at 31 December)

	<u>1972</u>	<u>1975</u>	<u>1977</u>	<u>1982</u>	<u>1985</u>
Education	3,497	2,541	2,011	783	556
Public utilities and industry	1,727	1,350	993	414	184
Administration and planning	874	600	557	265	200
Agriculture and natural resources	740	494	458	183	154
Health and social welfare	420	245	223	131	87
Other	383	-	-	-	-
Total Africa	7,641	5,230	4,242	1,776	1,181

Table 1.8 : UK - Allocated Aid Programme Agricultural Research Expenditure <sup>(1)</sup> 1975-84 (£'000)

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
TDRI <sup>(2)</sup>	3323	3236	3410	4287	4436	5445	6443	5918	7641	6592
LDRC	780	626	672	626	578	692	840	769	891	724
Other Agricultural Research			1724	2200	2370	2867	2863	3252	3538	2924
Total			5806	7113	7404	9004	10,146	9,939	12,070	10,240

(1) excludes a) training grants with a research component eg CVTM (Edinburgh University), AERDC (Reading University)  
b) research allocation given under bilateral country programmes or through CGIAR contracts.

(2) to 1983 TPI and COPR

\* from the early 1970s, a withdrawal from budgetary aid and support for supplemented officers in agricultural service and, up to the end of the 1970s, a stronger emphasis upon relatively short-term projects with UK technical advisers.

\* a move in the late 1970s and 1980s into larger area-based programmes in several sub-sectors simultaneously.

\* an emphasis in the mid-1980s on programme aid at the expense of new project aid commitments.

Apart from these trends, a review of the country evidence of the study reveals five main priorities on both the form of agricultural aid and on the specific sub-sectors of agriculture supported by ODA. These are:

- \*integrated rural development,
- \*agricultural technical services,
- \*agricultural research,
- \*smallholder export crop authorities,
- \*programme aid linked to policy reform.

There has been an emphasis, since the late 1970s in particular, upon attempts to improve traditional systems of agriculture in relatively disadvantaged regions that characterise the 'integrated rural development' projects; there has been a long record of support for crop and livestock research; regularly, special schemes have been instigated for smallholder export crop production and processing via the CDC; there has been a spread of activities in support of different publicly-managed technical services to crop and livestock production; and finally and more recently, there has been a promotion of agricultural policy reform through programme aid actions. All of these five main thrusts are considered below.

The distinction between agricultural research and agricultural technical services is relatively easy to draw in the context of specific projects. Although ODA support for projects in veterinary services, plant protection, seed testing etc. has normally been research-related, the projects can be categorised as support for technical services. However, in statistical terms, the distinction is

more difficult to draw, especially as much of the expenditure in the form of grants to UK agricultural research and services falls in both areas. TDRI in particular would not draw a distinction between its research and its technical services.

Table 1.9 shows the major agricultural categories of expenditure for project aid in sub-Saharan Africa. It follows the World Bank AGR classification in most respects although it includes general categories of 'rural development' and 'integrated agricultural development' (rather than the more specific 'rural infrastructure'). It is evident that 'IRD' project expenditure has assumed financial importance although in some respects this is inflated because such projects include relatively costly provision of items such as vehicles, feeder roads, bridges, water supplies, office building and warehousing. On the other hand, the table does not reflect the total ODA commitment to IRD. In programmes such as the Embu-Meru-Isiolo Districts Programme in Kenya and the Mtwara-Lindi Rural Development Programme in Tanzania, specific agricultural projects can be isolated and they have been entered separately from the general IRD category. Furthermore the table does not cover technical assistance expenditures which have been very large in most IRD projects.

The relatively low allocation to agricultural research reflects the ODA practice of financing technical assistance rather than capital expenditures or recurrent cost items in its research programme.

The overall evidence of this study shows the importance of CDC, in financial terms, in the UK agricultural aid programme with loan finance for smallholder sugar, tea and coffee production and processing constituting a large part of agricultural project aid in Malawi and Kenya especially. But the data in the study also indicates that some of the more strident critics of UK agricultural aid (such as some of the NGOs and the environment lobbies) are wrong in claiming that British aid is particularly supportive of mechanised farming, modern irrigation, plantation crops and the use of imported chemicals, vaccines and fertilizers. All of these elements figure in the fifteen years of aid investigated, but there is no evident bias.

Even the recent programme aid provisions on agricultural procurement relate to well-established demand for imported inputs temporarily

Table 1.9: Agriculture and Natural Resources Sector Project Aid to sub-Saharan Africa  
by Sub-Category 1980-1985 \$'000

	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
<b>Agriculture</b>						
Crop Production	13 919	10 862	6 238	10 035	7 315	9 455
Storage and Processing	848	713	1 034	80	173	1 065
Inputs and Marketing	652	250	342	715	42	-
Research	289	170	183	162	290	31
Irrigation and Water Resources	1 624	2 534	1 039	2 544	951	1 305
Extension	122	518	432	541	109	7
<b>Livestock</b>	1 567	619	797	828	302	1 090
<b>Forestry</b>	2 203	2 545	2 837	1 920	1 323	1 424
<b>Fisheries</b>	716	307	59	27	41	129
<b>Rural Development</b>						
Integrated Agricultural Development	2 084	1 925	2 056	2 535	4 924	9 940
Rural Utilities and Health	1 659	1 556	1 246	1 163	629	520
Rural Roads	1 257	770	1 892	2 175	615	1 115
Other Rural Development	1 740	2 649	2 459	1 892	774	1 305
<b>TOTAL</b>	28 614	25 337	20 495	24 110	17 865	27 329

constrained by foreign exchange shortages rather than efforts at market penetration of new technologies. It is the case that support for 'integrated rural development' has fallen away in recent years, and it is also the case that within such projects there has been a disappointing level of impact in present incomes and production, but it is simply not the case that ODA has given priority in its aid allocations over the last fifteen years to modern, commercial agriculture of the sort associated with plantation companies and large estate owners at the expense of food staple production by smallholders.

#### POLICY AND ADMINISTRATION

This section examines the determinants of decisions on aid spending and discusses their effects on aid to the agricultural sector in Africa. First I consider ODA itself and its expressed priorities over the period since 1970. Secondly, I trace some of the 'external' influences upon the ODA in framing these priorities and in executing the aid programmes. Thirdly, I examine the mechanisms of aid provision: in particular the process of deciding upon aid allocations and the conditions that are placed upon aid provision. Fourthly, I examine the administration of UK aid, particularly in terms of changes in the organisation and deployment of ODA staff in the agricultural sector.

Despite three changes of government since 1970, accession to the EEC in 1973, and an overall decline in the real volume of the bilateral programme, aid policy has shown considerable continuity over the last sixteen years.

Yet two major shifts in policy can be identified, both of which have affected the agricultural sector in Africa. In 1975 there appeared the first White Paper on aid policy for eight years, entitled 'The Changing Emphasis in British Aid Policies: More Help for the Poorest'. In 1979, the incoming government instigated a review of aid policy which gave 'greater weight in the allocation of our aid to political, industrial and commercial considerations alongside our basic developmental objectives.'

As a formal statement of government priorities and objectives, the 1975 White Paper committed the government to a poverty-oriented

programme to assist the poorest people in the poorest countries, particularly in the 'large, very poor and mainly rural, traditional sector'. The new policy towards the poorest was complemented by a decision to write off (or 'retrospectively adjust') the ODA debt of most of the poorest countries in 1978. CDC was also directed to place more of its new commitments in the poorer countries and in the agricultural sector. But the main thrust of the new approach involved support for a number of 'integrated rural development' projects, particularly in sub-Saharan Africa. The approach was partly stimulated by international developments such as the stronger recognition of the importance of satisfying 'basic needs' to underpin development efforts; and the McNamara-led World Bank focus on poverty alleviation.

Yet many of the concerns for developing subsistence farming in Africa were voiced in the UK in the 1960s before poverty-focussed integrated rural development became widely commended by donors. These concerns were later evident in the White Paper which represented a more comprehensive statement of the IRD case than either the World Bank or FAO had formulated at that time. The Paper expressed the need to address simultaneously the constraints in several sub-sectors in production and welfare; to develop local level planning and implementation capabilities; to accept the need for patience and flexibility in technological development and in institutional arrangements; to consider more finance for local cost components; and to look for new skills in understanding rural household economics.

ODA also anticipated most of the difficulties that subsequently beset IRD projects. In addressing the policy issues of basic needs, ODA took the view that improvements in productivity within poorer communities should take precedence over welfare provision. A Policy Guidance Note (PGN) of 1978 on Basic Needs recognised that disbursement is easier for welfare but said that ODA, unlike Scandinavian and Dutch donors, should concentrate primarily upon improving agricultural production as a means to improve living standards.

It proved difficult to initiate ODA poverty-focussed integrated rural development projects and in practice 'aid to the poorest' came to mean - either conventional projects which fitted poverty focus requirements

or support for area-based programmes often already identified by governments or other donors such as the World Bank. In some cases ODA explicitly selected from a number of options put to several bilateral and multilateral donors, the most disadvantaged and least promising region of a country in which to support an IRD project. Such projects became a proxy for poverty orientation in the aid programme, at least as far as Africa was concerned. But this disguised the differences in approach between IRD projects, and - as discussed below - served to over-simplify the lessons that were subsequently drawn.

The major policy change from 1979 onwards reflected the concern of virtually all aid donors to use the aid programme to help secure or protect their market share in developing countries. In the case of the UK this was, for the first few years at least, an essentially reactive policy. One element the Aid Trade Provision - was introduced in 1977 before the change of government and before the deepening of world recession. The second stimulus was distinctly domestic, however: it represented a concession to UK industrial exporting interests which had been lobbying for greater and more secure access to aid orders financed under the official programme.

The emphasis upon UK commercial considerations in aid allocations has been clearly to the detriment of new agricultural projects in Africa. One indicator of this is in ATP allocations. Of the 82 ATP-related sales (valued at £378m) between 1978 and 1985, only three were to the agricultural sector and none of these were in sub-Saharan Africa.

Changes in policy towards the form of aid provision in sub-Saharan Africa can be traced to the early 1980s when a number of studies of Africa's deteriorating economic performance pointed to the poor returns to aid-assisted project investments. Governments were proving incapable of maintaining at economic levels much of the physical infrastructure and public services which had been built with external aid; and both productive investments and domestic financing capacity was being undermined by public policies inimical to growth. The agricultural sector was considered to be particularly disadvantaged by prevailing government policies.

In ODA, these constraints on effective use of project aid funds led to a renewed interest from 1981 in 'sector aid'. This was designed in

part to rehabilitate key economic sectors and from 1983 there was also an attempt to regenerate manpower aid as a contribution to stronger public sector efficiency. But dwarfing both of these initiatives was a substantial shift into programme aid linked to conditions of policy reform. (see below).

There has not been, until 1986, a formal statement of UK aid intentions and priorities within the agricultural sector in Africa. The recent indications of ODA priorities are in part a reaction to parliamentary interest in aid to African agriculture. In response to a request from the All-Party Group on Overseas Development, a note was prepared in 1985 on future priorities. Agricultural research was singled out as 'a high priority' but the list of items requiring attention in future assistance was too long to represent a comprehensible priority list. It covered agricultural policy planning, input supplies, smallholder estates, agricultural processing, livestock marketing, animal health and nutrition, animal draught, extension, farmer training, and credit.

A rather different set of priorities for sub-Saharan African agriculture then appeared in the 1986 Public Expenditure White Paper which mentioned soil and water conservation, water-efficient crops research, pest control, reafforestation and livestock management.

In truth ODAs Agricultural Advisers have never felt comfortable about prioritising in this way for such a wide diversity of countries and production environments. At the 1985 In-House Natural Resources Advisers Conference there was unresolved discussion on the most rudimentary priority question of support for relatively high-potential areas with proven technological opportunities and infrastructure as against support for more remote and marginal areas of apparently limited technical or commercial potential in either crops or livestock. For a bilateral donor such as ODA with a capability in a large number of fields, most agricultural advisers argue that priorities should be determined according to the particular opportunities and constraints within each country, and taking account of the relatively rapid turn-over of priorities and investments of most Ministries of Agriculture and of the different donors which support such Ministries.

Aid policy cannot be seen simply in terms of the way that ODA adjusts to changing ministerial priorities or internal professional biases. Those priorities and biases - translated into individual country programmes - clearly reflect changing views of the requirements for external assistance within recipient countries and also within other major donor agencies. But ODA priorities are also influenced by factors within the British body politic and these vary in coherence and intensity.

First, it must be noted that in the case of most African countries it is aid - and not, for example, trade or defence - which dominates relations between the UK Government and the local government. Thus if the UK government wishes to signal its support or displeasure the main instrument of policy is the aid programme. In sub-Saharan Africa, the 'foreign policy' considerations which affect the aid relationship in this way can take several forms. First, the UK government may be concerned at the policies of governments towards UK citizens: for example on their pension entitlements or residence rights in the event of discriminatory legislation. Second, the UK government may be concerned at policies affecting UK commercial interests such as restrictions on foreign remittances or unsettled company nationalizations. Third, the UK government may take into account the policies adopted towards UK positions on matters affecting third countries, particularly for example the countries of southern Africa.

In 1979 the incoming government attempted to make more explicit the role of UK foreign policy interests in the aid programme. The Overseas Development Ministry (ODM) ceased to be a separate ministry and was placed under the jurisdiction of the Foreign and Commonwealth Office (FCO). Partly to ensure that aid policy reflected foreign policy, a new joint FCO/ODA Aid Policy Department (APD) was formed.

In practice, these changes in themselves have not affected significantly UK aid to the countries of East and Central Africa, which are not among the more sensitive regions in UK's relations with the developing world. UK political considerations continue to affect these aid programmes as they have under previous administrations: for example, relations with Tanzania have been throughout the period influenced by differing perceptions among UK political leaders of that country's domestic and international stance. And the 'Diplomatic

Wing' (or the FCO) remain the main source of influence within Whitehall on ODA decisions at the country level. This has been the case since the negotiation of independence and the inclusion in negotiations of such items as land purchase (for example in Kenya and Tanzania) and the provision of budgetary aid (for example in Malawi).

These immediate post-colonial agreements apart, the role of political considerations in aid provision has not generally affected the composition of aid and, as a result, the agricultural sector has not been specifically influenced. Yet agricultural aid is more vulnerable than most sectors to the sorts of sudden shifts in priorities that political intrusion can lead to. For example, the relatively slow disbursing and long maturing agricultural projects are often the most vulnerable to any general lowering of aid expenditures. And as a corollary, when there are political pressures to rapidly increase aid provision or to identify new initiatives, only rarely is the agricultural sector able to produce proposals to compare, for example, with a proposed hospital annexe or a new road.

The other main Whitehall influence on ODA generally is the Department of Trade and Industry (DTI) which has had a growing role in determining aid allocations. Since the 1979 Aid Policy review, ODA has worked more closely with DTI in attempts to obtain greater benefits for UK trade. Within DTI there is a branch of the Projects and Export Policy Division particularly responsible for liaison with ODA and DTI views are sought on all project submissions to ODA's Projects Committee. DTI does not simply respond to ODA initiatives however: it gives general guidance on those products and projects which the aid programme should seek to promote. Main priorities are heavy and industrial electrical plant and process and metallurgical plant.

DTI influence in linking UK commercial and industrial interests to development aid has been much less marked in East and Central Africa than in more commercially important countries, in Asia for example; although the DTI has been closely involved in decisions to use aid allocations to finance UK imports into Kenya and Malawi through forms of programme aid.

The influence of the DTI and the FCO are relatively permanent features of aid policy. The influence of political lobbies and thinking within

political parties has been more fitful. Despite a strong interest in development issues among the academic and the more serious journalistic communities in the UK and a strong commitment among various voluntary organisations, there has not been a sophisticated level of debate about the quality and direction of the aid programme in the UK. As a political issue, aid has largely been a question of volume and general objectives rather than content and effectiveness. It was only in response to the 1985 famine that these questions narrowed to a specific aid policy issue when support to the agricultural sector in Africa became the focus for the World Development Movement (a national lobby organisation). Their campaign of parliamentary pressure was paralleled by similar 'development education' efforts by agencies such as Oxfam under its 'Hungry for Change' initiative.

Both major political parties have constituencies interested in development issues. Some Conservative opinion has taken an antagonistic view of aid which, it claims, is used to sustain over-regulated and inefficient economies. Such wholesale criticism of official aid has not, in practice, persuaded Conservative governments to discriminate severely against aid spending but the arguments have reinforced government conviction that aid is legitimately used as an inducement to encourage liberalisation of prices and exchange rates and to stimulate the private sector profile in third world economies.

The main mechanism for determining aid allocation decisions is the 'Aid Framework' which sets levels of anticipated expenditure on a three year rolling plan basis. The Aid Framework itself is determined largely by adjudicating between bids from ODA spending departments. In this way, aid policy in some respects is simply a continuous, even ad hoc, process of individual country aid decisions, only broadly influenced by general considerations of poverty focus, trade promotion or sectoral priorities.

This geographical basis of aid decisions is unavoidable but it is, nonetheless, is an obstacle to attempts to put into operation any significant functional or sectoral initiative such as the mid-1970s 'rural development' policy or, more recently, the 'manpower initiative' and 'sector aid'. Geographically based priorities are much more sensitive to local political or commercial considerations

and to the specific demands of recipients which may not conform to ODA's own general thrusts of policy.

Policy Guidance Notes (PGNs) have been issued in recent years on such matters as Aid Policy and Environment, and Sector Aid. But the initiative for identifying and developing new projects and programmes is left substantially to officers working at the Development Division level within the main regions (which include Eastern Africa, based in Nairobi, and Central and Southern Africa, based in Lilongwe).

Up to 1980, the main aid recipients were subject to regular (one to three yearly) Country Policy Papers which included assessments of economic performance and capacity for effective use of aid funds. The papers were abandoned following the 1980 Management Review of ODA which found their value in planning to be very limited. The papers are, in fact, largely records of decisions already taken incrementally. However the need for some form of country strategy statement remained (for senior officials and ministers at least) and in 1984 a new initiative was undertaken to prepare Country Policy Papers. These are now prepared initially in the various Development Divisions and eventually contain stronger sections on political and commercial considerations. It would be difficult to argue that they represent an advance on the old CPPs in terms of planning country aid programmes but nonetheless, the CRPs are one of the few mechanisms available to senior management and professional heads, such as the Chief Natural Resources Adviser, to subject a highly disaggregated aid programme to serious strategic scrutiny.

For project aid, the process of project selection is normally a two-stage business. Initial identification missions (PIMs) which include either London-based or Development Division agricultural advisers consider proposals put to ODA. Formally such proposals are put by governments but in practice the record has been that government ministries are encouraged by ODA officials to present particular proposals to a PIM.

In countries such as Malawi in the early 1970s when ODA had a large TCO presence and a spread of small projects in the agricultural sector, project proposals were often instigated by TCOs working within their Ministries. On the other hand, in the latter 1970s a number of

ODA agricultural projects in the region had their origins in preparation or appraisal documents prepared by other donors, particularly the World Bank. For example the Tabora Land Use Project (in Tanzania) and the Bura Irrigation Project (in Kenya) were components of larger projects prepared in advance of a formal ODA identification mission.

Increasingly, however, projects are being prepared by recipient government ministries themselves. In response to the large donor influence on the agricultural development budgets, ministries of agriculture have increased the size of their planning divisions so that fairly large departments now exist in most countries simply to develop, negotiate and supervise donor-assisted projects. These departments are staffed at senior levels by local staff but at the middle and advisory levels all the countries studied have large components of expatriate staff financed by donors. The UK influence is particularly strong in that most project planning offices have some UK training under the aid programme and in that British staff are strongly represented among the expatriates, although only a minority are ODA engaged.

Following identification, ODA moves to appraisal and the preparation of proposals for Projects Committee (PEC) approval thereby combining the separate preparation and appraisal stages adopted by donors such as the World Bank). In practice a senior-level identification mission recommendation for appraisal is taken by receiving governments as a firm UK commitment and there is pressure on agricultural advisers to bring projects on-stream.

The tying of UK aid to procurement in the United Kingdom has been a feature of the aid programme throughout the period and the proportion has barely changed. In 1983, around 75% of UK bilateral aid was tied to UK goods and services: that is both capital and technical cooperation aid. As the 1986 Public Expenditure White Paper notes, the TC aid programme in 1983 meant the award of 161 consulting contracts to UK firms at a cost of £30 million, 5,500 man-years of training and 3,800 man-years overseas. Yet it is capital aid-tying which arouses most controversy with claims that plant and equipment is often unsuitable and that UK commercial considerations are allowed to outweigh development needs.

For the agricultural sector in Africa we have no evidence sufficient to establish this as a general case. But what is evident is that aid-tying produces biases against the agricultural sector and in its implementation there is often a stringency of application of the rules which creates delays and local resentment.

Tying has introduced a bias in the overall bilateral programme towards projects which are UK-export intensive. The prominence of power projects (in Africa as well as India), of telecommunications and of process plant, is at the expense of agricultural projects which often have few offshore costs other than TC salaries. The maintenance of a large stream of aid expenditure on the Songea Road in Tanzania while other programmes were running down is largely explained by the difficulty of pulling out of such a project but a further factor was the importance attached to UK contracting interests in Tanzania.

The dangers of procurement policies getting in the way of efficient aid practice are amply illustrated in the case studies of agricultural projects. For example, in Malawi and Tanzania we heard of major delays involving motor cycles - an industry which died in the UK a full two decades ago. Insistence that UK aid should only finance Yamaha motor cycles which had been assembled in the UK or procured from a UK supplier have caused planning difficulties in both countries. The system puts the onus on the recipient government (or the local ODA officer) to apply for a DTI waiver on the grounds of a lack of suitable UK product or, exceptionally, on the grounds that the project completion makes the procurement of non-UK equipment essential. Although recipient governments are aware of the possible costs of procurement tying, they normally channel their requests for aid towards those donors who have a comparative advantage in the sector or products concerned. As a consequence, a picture emerges of donors going to inordinate lengths to follow their own rules on tying while, in our experience, there is a much more relaxed view of the matter from the governments concerned. Governments appear to consider it normal that the bulk of, say, UK bilateral aid for capital goods imports should be spent on UK supplies rather than those of another donor, and they direct their aid requests accordingly. Such an attitude is not far from the forms of 'gentlemen's agreements' which held sway in the 1960s, and which operated on the understanding that more aid would be forthcoming in future if broadly 'appropriate' procurement patterns were followed in the present.

A more important issue for most governments is not the tying of aid itself but the insistence by donors on a high proportion of off-shore spending in projects. A closely related issue (which concerns governments much less) is the preference in projects for new equipment rather than support for maintenance. This is particularly evident in the case of regions such as Mtwara-Lindi in Tanzania where many 4WD vehicles are, in effect, replaced every three years under different donor-assisted programmes.

ODA policy on local costs support has not changed significantly over the period. For project aid expenditures it is rare to find ODA allowing much above 25% of total provision for local cost components, although in rural development projects a more liberal ceiling is often allowed. The 1975 White Paper recognised that rural development projects would involve a higher local cost component, although there was only a guarded undertaking to consider higher levels of local cost financing in exceptional cases. Both The EMI programme in Kenya and the Phalombe IRDP in Malawi have been 'exceptional cases' although in both projects the expenditures have been relatively modest.

The provision of local recurrent costs is an even more difficult issue for ODA. Up to 1978, ODA was reluctant to consider local recurrent costs support, partly on the well-established grounds of fungibility. At that time it was accepted that some local costs could include a recurrent component although it should be confined mainly to maintenance of capital stock rather than 'routine' expenditures (such as salaries or fuel) and should be allowed only where proper accounting procedures were in place. Yet despite this ruling and ODA acceptance of the 1979 DAC guidelines, recurrent cost financing remains a source of considerable reservation especially in agricultural projects. In some cases, there is ingenuity in devising mechanisms whereby selected items (such as 'incremental' posts or extension agent allowances) are put on the development account and thereby made eligible for financing.

Where local recurrent costs provisions do appear in project memoranda, they are normally conditional upon a reducing scale of contributions matched to recipient willingness to increase their own contributions. But these conditions are rarely monitored satisfactorily and are not, in practice, used as a trigger for the release of funds. As a

consequence, doubts concerning government intentions and capacities accumulate during the project period until local recurrent costs and staffing become major obstacles to approving further phases of funding, as the Phalomba RDP illustrates.

In strict terms, agricultural aid is administered by officials in geographical departments and Development Divisions, but the term 'administration' includes the identification, preparation, professional supervision and monitoring of projects and TC appointments; and in these areas it is the Natural Resources Advisers who determine the precise shape and course of the agricultural aid programme.

There has always been some concern expressed among the advisers about the volume of responsibilities they have been asked to undertake and this concern has been heightened in recent years by manpower savings in ODA. To form a preliminary view on the validity of this concern - and the way it affects aid effectiveness - it is necessary to look at the functions of NR advisers, their organisation and numbers and their professional backgrounds.

Advisers are responsible for discussing with governments and other donors their intentions in the natural resources sector and for bringing project proposals forward for financing. It is normally the job of advisers themselves to prepare detailed project proposals with the Economic Planning Service (EPS) also fully engaged in the larger projects. For programme aid there is less NR advisory input. In practice, 'policy dialogue' is undertaken by multilateral agency officials rather than ODA staff, and in any event EPS are more involved than the NR group. However, where there are specific agricultural end-users for forms of programme aid (as in support for the Kenya private farm sector), NR Advisers have a more prominent role.

The numbers and disciplinary responsibilities of NR Advisers have not changed greatly over the period despite the establishment of Development Divisions. Despite these overall reductions in the advisory cadre following the Review, the ratio of advisers to volume of agricultural spending has in fact increased over the period, as has the ratio of advisers to technical assistance posts overseas. But

this apparent lightening of the load of NR Advisers should not be taken at face value. Advisers have a larger programme of monitoring work than in the past when smaller projects were effectively monitored by reports from ODA-appointed TCO project managers and when ODA projects were often administered by British supplemented staff within Ministries.

Yet it is evident that while other agencies (such as the World Bank) have been willing to commit more substantial resources of time and staff to project preparation, they have also run up against the difficulty of designing projects for developing the more traditional systems of crop and livestock production in Africa and for improving rural incomes and welfare more generally. The country case studies suggest that the insufficiency of advisory resources have contributed to ODAs generally disappointing record in integrated rural development.

#### AGRICULTURAL PRIORITIES EXAMINED

##### Integrated Rural Development

As Table 1.9 has shown above, over the late 1970s and early 1980s a clear spending priority for ODA in African agriculture has been a series of area-based integrated agricultural development or IRD projects, often in marginal environments and invariably concentrating upon low technology, low income farming.

ODA has now become very critical of IRD projects seeing them as over-ambitious and poorly-prepared (in terms of their basis in improved agricultural technology). This ODA view is an aggregate of formal and informal project evaluations from northern Ghana, western Sudan, Swaziland and Lesotho - as well as Phalombe RDP in Malawi, EMI Districts Programme in Kenya and Mtwara-Lindi RIDEPs in Tanzania. This study has examined the three latter projects and concludes that the evidence of performance does not wholly bear out the prevailing view on over-ambitious design and poor preparation as an explanation of weak performance. Above all, the design and content of the three programmes varies greatly.

The ODA approach to EMI was a slow build up of specific interventions largely under the supervision of TCOs. In the first three years of

the programme, the main responsibility for preparing projects (and ensuring their incorporation into central ministry and district budgets) fell upon a TCO appointed to the post of Adviser to the Provincial Planning Office, which covered all three districts.

The first phase ODA capital allocation was only £2.6m, of which 85% was authorised for local costs expenditures. Very little expenditure was incurred directly in natural resources until 1982 when the main group of five TCOs arrived to develop projects in soil and water conservation, afforestation and goat and sheep improvement.

The main problems for EMI as a whole have been administrative and financial and ODA appears to have been taken unawares by the difficulty of managing the programme within a conventional framework of aid provision. Difficulties over financial administration caused exasperation in ODA but the real cost has been the time and effort expended by TCOs recruited primarily because of their technical ability and expertise in working in marginal environments.

Yet there have been significant achievements given the relatively low costs of UK aid. There are, of course, a number of physical changes attributable to ODA support: the goat and sheep station, soil and water conservation works, forest nurseries etc. But the main achievement has been to improve the capacity of line departments of the MALD in Meru and Embu district to undertake technical work of direct relevance to farmers. Financial aid supported by long-term technical assistance and consultancy (much of it based on the work of LRDC staff) bolstered the work of the Departments of Agriculture (in soil conservation and agronomy), Livestock Development and Forestry. The conditions for such institutional strengthening appear to be twofold: recognised UK competence (which permits acceptance of expatriate manpower) and technical interventions which are appropriate to field services capability and management. It is because such conditions are lacking that it is difficult to envisage, at present, any similar institutional strengthening in the animal health and range management services in Isiolo district.

Paradoxically, in the one explicit 'institution-building' component of the programme, ODA has not been particularly successful. The post of Adviser to the Provincial Planning Office was designed to develop the

capacity of district and provincial authorities to manage effectively a decentralised planning and budgeting system; the role of 'co-ordinating' ODA projects with the government system was secondary to this longer-term objective. However, there is little evidence that, in the long-term, planning capacity has been enhanced. As in Mtwara-Lindi in Tanzania, ODA has been somewhat naive in expecting its TCO staff to have any significant influence in building the capacity of local representative institutions.

In Mtwara-Lindi, the ODA programme had some capital components but it was primarily a major planning exercise. At the most advanced stage in the programme, seventeen expatriate planning officers were to be posted and billeted in two new housing compounds with a vehicle maintenance unit established in support. The natural resources component of the programme was particularly evident in the resource survey work undertaken by LRDC and the number of small projects within the regional plans that were identified and implemented as a result of the UK aid involvement in the regional planning exercise. In this respect, Mtwara-Lindi represents - like EMI in Kenya - an aid 'strategy' for difficult environments.

Yet the range and scale of small projects instigated was generally unsatisfactory to visiting advisers and TCOs in the regions, who felt that any significant long-term improvement in natural resources was unlikely until the system of government agricultural support overall was improved. This view was accepted by the 1981 Review which stressed the importance of addressing constraints in extension, research and credit and inputs delivery.

The emphasis upon the 'extension' improvements remained largely unquestioned (the term 'extension' included the supply of improved planting materials and other inputs). In the original project submission 'substantial increases' in marketed output of cassava (as flour and animal feed) were envisaged; rice could be 'expanded greatly' and there were 'good' prospects for introducing high-yielding sorghum varieties. The 1981 Review team saw the scope for an extension programme in crops (and livestock) as 'recommendations already exist'. As a result of this confidence, the second major phase of Mtwara-Lindi was closely linked to decisions on a proposed Extension and Training Programme (ETP). This came to be

regarded as the 'core project' of ODA natural resources and in Mtwara-Lindi it was recognised that this would involve a relatively high level of support for staff, vehicles and buildings for the Ministry of Agriculture's field operations.

But by 1984 the case for the ETP had collapsed. In the 1981-86 Mtwara RIDEP document it was held that 'data will be available to formulate effective packages' (for crop extension), yet within two years the Natural Resources Adviser formed the view that the data pointed in the opposite direction. Reviewing the evidence from LRDC and from the TCO Agronomists on existing practices of land preparations, fertiliser use, seed selection, disease control and agronomic practices, the Adviser from EAAD concluded in January 1984 that 'there are no extension packages that would markedly improve farmers' living standards' and the individual practices proposed would be of 'insufficient merit to justify an expansion of the (crop) extension service'.

By 1985 the level of ODA agricultural aid overall had been reduced to a few small programmes: a pilot extension services project for goat husbandry, collaboration with several other donors on health services for cattle, aquaculture development, a fisheries survey, and rice development. There was no longer any involvement in the 'institution-building' area of regional planning and implementation capacity.

This reduction in the scale of ODA support was done deliberately. It had always been the intention to withdraw TCOs from planning roles and put them in 'project' positions; and by 1986, ODA had moved away from the RIDEP approach to what it termed 'project oriented interventions'. In fact the capital aid part of the programme had always been small projects and little attempt had been made by ODA to present these as 'integrated' in the sense of an area development strategy simultaneously addressing key constraints. The problem for ODA was that support for such an integrated strategy would have meant a major investment in services such as extension and a high level of local recurrent costs support.

It is tempting to attribute the overall lack of success of Mtwara/Lindi to wider issues of policy direction in ODA: the growing

scepticism towards integrated rural development in poorer regions, the deteriorating relations with Tanzania, the primacy attached to projects with higher levels of UK procurement. These have all been factors in ODA's reconsideration of support for Mtwara/Lindi. But of equal importance for ODA has been the lack of confidence in the contribution that the aid programme could make to Mtwara/Lindi in natural resources. This lack of confidence can be traced to the origins of UK involvement.

As a natural resources development programme, Mtwara/Lindi was neither fish nor fowl. Unlike EMI, it was not a series of relatively well-prepared and restricted technical interventions reflecting UK expertise (although it eventually became closer to this); and unlike Phalombe it did not represent an endorsement of government agricultural service and input supply initiatives in a specific area.

At the outset, there was insufficient consideration of the most appropriate form of ODA support to Mtwara/Lindi and thus of the contribution ODA could make to the region. This lack of clarity and purposes was then exacerbated by a prolonged period of vacillation as, first, the ineffectiveness of the programme became apparent and as, second, the different UK and Tanzanian perceptions of ODA's role became evident.

Phalombe RDP has been the largest of the three IRDP Projects examined. In cost terms, the Phalombe was largely an extension project. The number of extension workers was doubled and provision made for staff housing and training centres. The project also covered the costs of supporting the increased extension effort: administration, fuel and vehicles, rents, etc. In fact, a large part of the extension effort consisted of credit administration, but ODA support for loans was limited to little over £200,000 made available to ADMARC on the understanding that the equivalent value would be expended on UK procurement of agro-chemicals and fertiliser. Other major items of expenditure were feeder road improvement and storage depots. The emphasis, therefore, was primarily upon crops and inputs for improved cropping. Agricultural research consisted of a single Technical Officer plus labourers.

ODA support was largely in financial aid. Towards the end of the project period, a planning post was filled under OSAS terms and,

following an advisory visit, a women's extension component was introduced with a TCO appointment. This component - using group extension - was based on survey work which pinpointed the issue of female access to extension services and it has had an impact on the design of extension in other RDPs. There was no direct ODA involvement in the technical design of recommendations, although there were still a number of OSAS posts in the Ministry of Agriculture nationally.

There are a number of lessons from the Phalombe RDP. First, Phalombe could hardly be a better example of the much-vaunted objective of 'co-ordination'. It was designed as part of a national strategy supported by several donors, its components and approach were broadly identical to similar projects elsewhere and, above all, it was fully integrated into the administrative and planning system of the Government of Malawi. This is unusual for most IRD projects in Africa but, in practice, Phalombe RDP was a straightforward agricultural services project, not an integrated multi-sector development initiative.

'Co-ordination' itself is not enough if there are deficiencies in the strategic approach or its implementation. In the case of Phalombe, it remains unclear whether the assumptions on the importance of credit and extension are correct or otherwise, but it is evident that the lack of economically-sound technical messages has held up agricultural improvement, and that insufficient attention was paid to research. The intention to frame recommendations for different 'extension planning areas', for example, has meant little in practice. A centrally-determined package remains the dominant pattern of extension.

In short, ODA paid insufficient attention to research in Phalombe RDP. This does not necessarily mean that a stronger UK technical assistance programme should have been designed and incorporated within the project itself: but it does suggest the decisions on UK support elsewhere in the agricultural research system could have paid more attention to the low rates of adoption encountered in what became the largest UK agricultural sector project. In some respects, ODA kept a professional distance from Phalombe RDP: it would be impossible to say whether ODA was 'good' or not at such projects as there was very little technical direction provided. Only in the area of women's

extension was there a distinctive ODA contribution to the design of activities directly in support of agriculture.

An important feature of all three IRD programmes was the lack of confidence, in varying degrees, expressed by agricultural advisers and the failure of expressed doubts to influence project selection and design. In the case of EMI the doubts were generally about low crop potential of the drier regions and the reluctance to support further livestock development work in Isiolo. In some respects this was simply a re-run of long-standing differences of view between 'greenlanders' and 'brownlanders'. In the case of Mtwara-Lindi, there was initial reservation about the size of the UK agricultural input with pressure successfully extended to increase UK support beyond the intended limited investigational project. In Phalombe, there was also considerable scepticism about the scale of UK aid and the form it took.

'Over ambitious' and 'poorly prepared' inadequately describe the IRD programmes. Phalombe largely accepted an existing package of agricultural services and only latterly began questioning the economic and technical assumptions on which it was based; whereas in Mtwara-Lindi ODA established a detailed series of resource studies and finally found very little in which to invest according to conventional economic criteria. In EMI, ODA selected a small number of interventions for support within the district agricultural services.

The lessons of ODA's poverty-focussed agricultural projects suggest that the particular technical difficulties of marginal and remote areas require stronger research efforts and are most likely to be effective where specific technical services are supported. General support for district development projects in utilities and welfare services does not appear to have the inherent benefits to the agricultural sector which IRD advocates anticipated and ODA technical assistance has been generally ineffective in building local planning and management capabilities.

#### AGRICULTURAL RESEARCH

In the period immediately following the independence of former British colonies, national and regional agricultural research services were given UK assistance in two main ways: the provision of a proportion

of their annual budget, and the supply of staff to fill key positions for which no experienced national scientist was available. Project aid began to be substituted for budgetary aid in the late 1960s with the moving away from sustaining research programmes (which were now regarded as the primary responsibility of the governments themselves) towards solving specific problems outside the financial or technical capacity of local programmes.

There had been a strong colonial legacy of export crop research but in the independence period direct ODA investment in export crop research declined as the industries concerned and the Commonwealth Development Corporation assumed more importance, often with some UK technical assistance support. Emphasis shifted towards food staples in the 1970s although by this time the emergence of the CGIAR centres reinforced the British decision to remain apart from long-term research programmes of plant-breeding and to concentrate upon 'problem-solving' where the strengths of TDR are particularly evident.

Prior to the 1983 merger, both the Centre for Overseas Pest Research (COPR) and the Tropical Products Institute (TPI) had developed strong traditions of work in developing countries: the COPR had its origin in the Commonwealth Institute of Entomology formed in 1929 for research on the desert locust; the Tropical Products Institute had its origins in the Imperial Institute founded in 1894 to promote the commercial and industrial potential of natural products.

Further UK-based specialist support for agriculture overseas has been provided by a number of liaison scientists supported by ODA since the early 1970s. Based on scientific establishments in the UK, and with some support staff, they have provided advice in their disciplines to the staff of overseas Ministries of Agriculture. From nine liaison scientists in the early 1970s, cuts in the aid programme led to reduction in their numbers in the early 1980s to a biometrician, at the Rothamsted Experimental Station, and a plant pathologist at the Commonwealth Mycological Institute, Kew.

The experience of agricultural aid since 1970 suggests that budget support for agricultural research systems was withdrawn too soon and that short-term project aid made limited impact largely because it was

deficient in training and institutional development. Local costs were rarely adequate and at the end of UK involvement, the level of funding and activity in the project's field of research declined further.

In the study, there are detailed case studies of relatively successful UK research aid which include support for cotton and tobacco research in Malawi, veterinary work in Kenya, and cotton in Tanzania to the early 1970s. All of these cases illustrate the importance of long-term research aid with a series of initiatives to assist institutional capacity to address problems. Less successful research aid, such as maize in Kenya and Malawi and potato in Kenya, can involve significant technical advance but ultimately little impact has been made because of discontinuity and a limited range of support measures.

#### AGRICULTURAL TECHNICAL SERVICES

TORI services are one part of ODAs continuing involvement in 'public sector agricultural technical services'. There have been several different forms of aid support. In project aid, the most important components have been the provision of planting materials and breeding stock, animal health services, crop protection services and soil conservation services and minor irrigation. This can be distinguished from research services more generally in that they are designed to promote specific technical services in areas where neither Ministries of Agriculture (nor the private sector) have the scientific and managerial expertise to provide adequate support to farm production. Nonetheless, UK support for the public sector agricultural services draws heavily upon the manpower resource which also bolsters the UK agricultural research effort.

The figures on training aid (not enclosed) also show that there has been a strong bias towards courses at ODA-supported research centres on seed technology, pest management, crop storage, agricultural engineering and veterinary services. CDC investment has also made major contributions to agricultural services in both smallholder cash crop inputs and in developing seed industries.

Table 1.10 illustrates the pattern of demand for TORI services in the three countries of the study. These figures combine the long-term assignments (normally on TCO terms) with the short-term (four months and below) visits.

Table 1.10: TDRI UK Aid Programme Assignments \* 1973-1984 in Kenya, Tanzania and Malawi

(Man Months)

	Post-Harvest	Pest Management	Total
1973	76	5	81
1974	87	14	101
1975	47	5	52
1976	20	4	24
1977	40	27	67
1978	48	72	120
1979	32	66	98
1980	33	72	105
1981	45	78	123
1982	41	98	139
1983	20	85	105
1984	27	64	91

The volume of short term visits to the three countries increased from a total of 211 man-weeks in the five years 1970-74, to 667 man-weeks in 1980-84. In pest management, visits have been concerned with such diverse activities as field trials in pesticide application and the use of pheromones in the control of cotton pests in Malawi; termite research in Kenya; advice on the use of aquatic biocides in Malawi; and a survey of banana pests in Tanzania. Increased activity in Kenya and Tanzania in recent years is associated with field activities in African armyworm control. In the post-harvest field, short-term visits have been made to all three countries in connection with marketing studies and storage problems at farm and bulk level.

The main successes of UK agricultural aid have come in technical services and inputs supply. In the study examples are given (eg. East Coast Fever work in Kenya, army worm control in Tanzania and seed development in Malawi and to a lesser extent, Tanzania) which show the importance of long-term support involving capital and technical assistance aid; but there are also examples where support has not been sufficiently long-term. The range of technical services where ODA has capability are fairly wide but there are few successes in either agricultural extension or marketing; and the long-term impact of land use planning services is unproven.

Most strikingly, however, ODA missions have rarely explicitly considered the work of Ministries of Agriculture as a whole and sought to assist specific activities of ministries. This is despite the fact that supplemented UK officers formed an important part of the framework of ministry of agriculture services to the end of the 1970s in Malawi and to the early 1970s in Kenya and Tanzania. If there is one area above all where UK could claim a 'comparative advantage' among donors it is in agricultural technical services and the generally modest performance in this area (in terms of expenditure) warrants further scrutiny.

#### SMALLHOLDER EXPORT CROP AUTHORITIES

CDC has been supportive of seed industries, and estate agriculture, but the main emphasis of CDC's work in agriculture has been the establishment of smallholder crop authorities or schemes where farmers are encouraged to participate either as outgrowers attached to a

nucleus estate, or through scheme tenancies. Table 1.12 shows the importance of such investments in CDC's agricultural portfolio in the three countries.

In setting up these schemes, smallholders have been given access to production opportunities which had previously been denied them partly because of the production characteristics of crops such as coffee, tea and flue cured tobacco, which require a large managerial input if they are to be produced successfully. Since the mid-1960s CDC have specialised in extending the production of these crops to smallholders by providing the necessary inputs in order to allow smallholders to overcome the above constraints. This has generally involved the provision of capital for development of scheme infrastructure, processing capacity and working capital, along with technical and managerial support to provide the supply of inputs and production services (such as field preparation, extension and crop marketing).

The problem for CDC is that they have the management and investment skills to support a model which is becoming increasingly difficult to replicate, and it is significant that there has been little private investment in smallholder crops willing to adopt the CDC model.

The earlier success of the Kenya Tea Development Authority (which is discussed in detail) can be partly attributed to the role of CDC in establishing its structures of incentives and accountability, although there was also strong support from the existing tea industry and generally high world prices. But the overall record of CDC investments in the smallholder production of 'natural' estate crops such as sugar, tobacco and coffee has shown that the level of factory throughput and the ability of smallholders to pay for services is constrained by their low yields compared to estate performance. The case of the Kasungu Flue-cured Tobacco Authority in Malawi shows that substantial subsidy payments have been necessary. CDC management skills and venture capital remains an important resource in the UK aid programmes however, even though the opportunities for their development remain restricted.

#### PROGRAMME AID

Current policies mirror, albeit imperfectly, other forms of non-project aid which were important in the 1960s and early 1970s, and

Table 1.1.2: CDC Agricultural Sector Commitments by Category in Malawi, Kenya and Tanzania 1970 - 1985 (£'000)

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Smallholder schemes (incl. nucleus estate development)	675	1,513	210	10,461	0	800	3,650	7,889	2,730	14,600	3,300	0	1,350	0	0	0
Estates and Ranches	0	125	298	0	0	0	0	900	0	0	1,100	983	0	506	6,459	5,500
Agricultural Inputs	23	0	0	0	152	0	42	570	934	0	0	0	0	0	0	0

which included formal non-project related conditions agreed with the receiving government and relating to agricultural and domestic public expenditure policies. Examples include the land transfer programme in Kenya and the last years of budgetary aid in Malawi. In the 1970s there are fewer examples of programme aid and these were often designed (as in Tanzania) largely to relaunch a suspended bilateral programme and provide balance of payments assistance. Such programme aid allocations did not have either an specific agricultural focus or requirements for macro-economic policy change.

ODA - like other donors - now perceives the effectiveness of much agricultural project aid in Africa as being defeated by a paralysis in the policies of the receiving governments. Programme aid is thus designed both to relieve import and balance of payments constraints and to address agricultural policy reforms. The need to exercise aid leverage - given the now relatively small impact of UK bilateral aid spending in the sector - is also seen as requiring a more concerted approach with other donors and lenders.

The trend is summed up in the 1986 UK Public Expenditure White Paper which claims that 'aid spending will be fully effective only if the domestic policies and programmes pursued by recipient governments are appropriate.' For most African countries in balance of payment difficulties the 'appropriate' policies are taken to be those prescribed by the IMF and World Bank. The current fast disbursement programme aid approach is that the supply of tied inputs should be agreed in collaboration with other donors. In practice this collaboration is more often with the World Bank on SAL programmes and the non-donor IMF rather than with other bilateral donors or the EFC (which has less scope for leverage because of its pledged levels of Lomé Convention spending).

Aid is once again therefore being used as policy leverage, but with the receiving government cast as the other partner in a policy dialogue on reforming policies and institutions. However, where such a dialogue proves difficult, as in the case of Tanzania, the bilateral aid programme itself has been allowed to mark time, without suspension altogether. And in practice the UK has not made prior agreement with the IMF and the World Bank a sine qua non of continued aid provision, as our case study of programme aid illustrates.

The practice of programme aid is that (in the case of the East and Central Africa countries) ODA states to the government which goods and services are eligible for procurement with foreign exchange provided by programme aid (the 'positive list' system). ODA agrees with the government the main sector to benefit (often agriculture in fact) and the government itemises its requirements. Agreement is negotiated with ODA on the categories of end-users. Once agreed, programme aid end-users are monitored by virtue of their commercial arrangements administered by ODA and the Crown Agents, but there is no attempt to monitor the use of counterpart funds generated.

In this study Programme Grants to Malawi and Tanzania and 'National Resources Private Sector Aid' are considered. For ODA there are two aspects to programme aid - policy leverage and agricultural inputs aid - and the two do not sit uncomfortably together. In the case of the 1984 Malawi Programme Grant there were no specific agricultural targets and finance went to manufacturing industry and services, which at the time of actual disbursement did not suffer any serious foreign-exchange problems. Yet the grant was useful leverage for a World Bank-led programme of adjustment measures in agricultural policy and institutions in a series of SALs reflecting a growing understanding of the Malawi agricultural sector and the constraints within which it operates.

In Kenya, Private Sector Natural Resources Aid was directed at major stockists of UK farm machinery and suppliers operating in the commercial sector. This was much less attached to SAL negotiations than occurred in Malawi and when difficulties arose for the World Bank from Government reluctance to deregulate the domestic grain trade, there was no suggestion of a discontinuation of UK agricultural aid to an important market which, as in Malawi, was only temporarily affected by foreign exchange difficulties. In Tanzania an altogether more robust approach was adopted with programme aid and new project aid withheld pending IMF agreement, and despite a series of agricultural reforms in the mid-1980s. On agreement with the IMF, programme aid included a substantial agricultural inputs package.

The experience overall suggests that agricultural inputs aid (however 'fast-disbursing' and helpful to governments in the generated counterpart funds) is not particularly valuable to agriculture where foreign exchange is not severely constrained. And agricultural inputs aid conditional upon

policy reforms does not easily allow a careful preparation and targetting of aid on selected institutions requiring rehabilitation.

#### IMPACT OF UK AGRICULTURAL AID

In terms of supporting institutions, ODA is now more explicitly concerned with the long-term impact of its agricultural aid. It is stressing both 'sector aid' and a 'manpower initiative'.

The arguments for both must be placed in the wider context of donor perceptions of the limitations of project aid which became evident in the late 1980s. There were doubts about the absorptive capacity of government institutions, the ability to finance recurrent costs and the performance of public sector institutions generally. All of these issues were highlighted by the 1982 World Bank World Development Report and re-inforced by the subsequent Berg Report on Accelerated Development in Sub-Saharan Africa. The way forward appeared to require a stronger donor involvement in strengthening the capacity of the public sector to plan and manage its scarce resources within a policy framework more conducive to efficient operations of publicly-controlled production and trading agencies, especially those operating in agriculture.

ODA endorsed this diagnosis in its review in 1983 of Manpower Aid to Africa. The review was conducted against the sharp decline in number of TCOs and supplemented staff. This had not been planned but it was an inevitable consequence of a shrinking bilateral aid programme which included a number of large and relatively long-term, capital commitments. The review made the case for an enhanced manpower aid programme to Africa (both training and manpower provision itself) claiming that the withdrawal of expatriate manpower has been a factor in the declining performance of institutions and that, as a consequence, UK aid should be directed towards re-building those institutions whose 'efficient functioning is critical to development'.

Sector aid, unlike programme aid, is directly targeted so that (in theory at least) the effectiveness of UK assistance should be subject to clearly identifiable indicators of performance in the receiving institutions. In practice 'sector aid' does not represent a new departure for ODA in the agricultural sector. It has always been the case that capital projects have been linked to training and manpower

aid; and 'sector aid' is largely a reiteration of the need for the effective management of different forms of aid.

In reality it is specific areas of activity which constitute sector aid in the UK programme. The current emphasis upon developing specific public sector industries such as Kenya's Agricultural Development Corporation give sector aid a distinctly new focus, especially where rehabilitation and maintenance of existing assets is emphasised rather than acquiring new capital assets.

Nevertheless, ODA current interests in institution-building are inadequately thought through as far as they apply to African agriculture. In ODAs view, inadequate public sector management can be remedied by selected support in training and capital and manpower aid. Yet there are agricultural institutions (such as the Agricultural Information Centre in Kenya and the ADC itself) which are underperforming despite substantial UK support in manpower and training over a long period.

The evidence of this report suggests that ODA's strengths in institution-building are unlikely to be in areas where political and commercial interests impinge upon performance, and they have been ineffective at national level generally. ODA lacks the leverage (and possibly the will) to influence directly the trading position of public agencies or major resource allocation decisions. Yet ODAs record shows significant achievements in institution-building in more narrow and specialised areas involving technical and research skills, as the previous sections illustrate.

The more general issue of holding onto staff qualified to work in agriculture overseas has been an ODA preoccupation for many years. The Extended Home Base Scheme was designed to provide finance for posts in UK institutions (particularly the Scientific Units) which would then pledge an equivalent proportion of staff time to work overseas under the aid programme. With the expenditure cuts in the period after 1979 the Scheme was allowed to run down but under the Manpower Initiative a new approach is being attempted whereby selected institutions (such as Stirling University, Department of Fisheries) become 'Manpower Supply Centres' offering a mix of short-term contracts, short consultancies and training in specific sub-sectors.

Apart from some difficulties in recruiting specialists for particular crops, recruitment for agricultural posts is not a major problem according to ODAs Agricultural Advisers and its Recruitment Executive. There is little doubt that British universities and colleges will continue to train people prepared to work in important technical positions in agriculture in the tropics where they are requested. The much less certain area is identifying and providing manpower needs in those senior management positions which can turn around the performance of those key agricultural institutions and government departments to which ODA attaches such importance.

In terms of impact on policy, the overall impression from this study from this study is of an ad hoc, incremental approach to agricultural aid, with a strong demand-led element, nationalised - rather than determined - in occasional country policy papers. There is also evidence that the 'demand' element is often strongly influenced by recipient government priorities agreed with the World Bank and other donors.

This attachment to the World Bank was deliberate project aid in the late 1970s and early 1980s and reflected confidence in the much larger World Bank professional input into agricultural planning (much of it undertaken by UK nationals well known to ODA). It also reflected ODA support for donor coordination over nationally-agreed strategies (such as NRDP in Malawi, ASAL in Kenya). Where there is rather less confidence (as in the Burra Scheme in Kenya) World Bank support is still likely to influence ODA agricultural aid policy decisions. The level of confidence in European (EDF) aid execution in the agricultural sector is much lower, although there has been a major diversion of UK aid finance to the EEC over the past decade. There has been little development of aid collaboration and coordination as a consequence.

Another measure of policy impact is to consider the agricultural aid programme as a whole in each country and examine how far it has established policies and institutions that would not have been established without aid or would not have been established in the same way had UK aid not been involved. There are a number of instances of UK aid supporting activities that would have occurred anyway: grain storage in Kenya and Tanzania, fertilizer credit and extension services in Malawi, agricultural information centres in Kenya and Malawi. Examples where UK aid (as opposed to no aid

or aid from an alternative donor) has been most influential are - once again - in the more specialised and technically-based areas of agriculture: cotton research in Tanzania and Malawi; smallholder tea extension and processing in Kenya and Malawi; land-use planning and conservation work in Kenya and Tanzania; animal health services in Malawi and Kenya; seed production and quality control in Malawi and Tanzania.

The effectiveness of UK agricultural aid has been constrained in three main ways. Domestic agricultural policies have been detrimental to projects: in some cases this is where prices regulated by government have posed a disincentive to production (eg. cotton in Tanzania) or where public marketing organisations have been allowed to trade inefficiently (eg. seed in Malawi or livestock in Kenya). But the more widespread constraints have been the inability or unwillingness of governments to provide appropriate budgetary and staff resources to activities where ODA has committed resources. This is a particular constraint in areas such as research and pest and disease control where staff and equipment costs are such a major feature of recurrent expenditures.

There are also constraints within the aid programme itself. Although there are some instances of UK procurement leading to long delays and inappropriate technology, the practice of aid-tying is not generally damaging to ODA agricultural projects; and local costs provisions have been considerably more generous than in other sectors. Nonetheless, the general bias within the aid programme as a whole towards the commercial returns of aid to the UK has meant a significant bias in spending to UK-procured infrastructural investment, notably transport and power, which have little direct benefit to agriculture. Within agriculture itself, there is also a bias towards factory, roads and warehouse construction which meant a reduction in smaller, service-oriented programmes in areas of proven UK competence. In short, the effectiveness of UK agricultural aid has been diminished by the overall decline in agricultural aid provision, especially in the numbers of UK staff and the range of initiatives with which they were identified in the 1960s and 1970s where small projects, led by TCOs were the staple instrument of support.

The administration of ODAs agricultural aid has also occasionally acted as a constraint to aid-effectiveness. Particular difficulties have been caused by the various IRDPs where technical directions are often unclear and further confused by conflicting views of ODA Advisers. This

vacillation in aid administration also extends to more straightforward construction projects and, in this case, is largely explained by the reluctance of ODA to cease disbursements even where serious questions are raised about performance (grain storage in Tanzania and Burra Irrigation are examples). But in the more complex and long-term projects to assist low-income farming, the frequent periods of ODA vacillation are not entirely blameworthy. Caution and scepticism are natural traits in what remains a very experienced cadre of professionals who tend to resist the pressures for rapid aid disbursement. In at least two instances in this study (Kenya Livestock and Mtwara-Lindi) such caution has been vindicated by subsequent poor project performance.