

URBAN BIAS IN DEVELOPMENT REVISITED
POVERTY REDUCTION STRATEGIES IN TANZANIA

Tom Alberts
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Executive summary

In the mid 90s a crisis developed between Tanzania and its major development co-operation partners. The partners' main criticism was the lack of the Government's commitment to reform, fiscal mismanagement, poor governance and corruption. To address the crisis, a team of highly respected professionals was named and produced the Helleiner Report which was subsequently accepted both by the Government of Tanzania (GoT) and the donors. As a result, development co-operation has since then increased and today Tanzania is receiving twice as much aid money, in real terms, as it did in the mid 90s.

In the 90s it was increasingly recognised that the foreign debt of many poor countries would be next to impossible to serve and, in addition, the servicing of the debt would impose undue hardships on the poor people. Thus, the Highly Indebted Poor Countries Initiative, known as HIPC, was launched, sponsored by the World Bank (WB) and the International Monetary Fund (IMF). While the initiative has been criticised by many NGOs for not being sufficiently radical in reducing the foreign debt, the resources involved are substantial. In the case of Tanzania, towards the end of 2001, the WB and IMF decision implied a reduction of the foreign debt without about USD 3 billion over time.

In order to qualify for debt relief a *Poverty Reduction Strategy Paper* (PRSP) had to be produced. Tanzania had already started the work as part of regaining donor confidence and its long-term development, *Vision 2025* was already published in 1998. The shift from macro-economic policy to poverty reduction was established. Tanzania qualified already in 2000 for debt reduction and her goals coincided with those of the International Millennium Decennium Goals.

As is stated by the WB and the IMF, *Freed resources were to be used to support poverty reduction strategies developed by national governments through a broad consultative process.*

In the light of experiences, the initial strong focus on poverty reduction and social services such as health and education has given way to a more strategic development approach. The PRSP can be seen as a first step in developing an over-all developing strategy for Tanzania. Whilst the PRSP focussed on a sector approach, the next phase has seen a shift of emphasis and it is now called *National Strategy for Growth and Reduction of Poverty* which is being finalised. Economic growth is now seen as a prerequisite for poverty reduction.

Various reports suggest that while poverty eradication has made advances in Tanzania, inequalities have also been growing. Thus, while poverty in the capital, Dar es Salaam decreased with 11 percentage points, the rural sector has only seen a decrease of 2 percentage point. These facts underscore the conclusions of Michael Lipton in the 70s who claimed that there was an urban bias in development. The experiences from Tanzania support his hypothesis. Almost 90 per cent of the poor in Tanzania live in the rural sector. Moreover, while equity is proclaimed a national objective, there are no specific targets such as stating how much of the income the 40% poorer are presently receiving and how much this should increase over time. Monitoring indicators of the rural sector have not been sufficiently developed.

The new Strategy focuses on outcome results and is much less linked to the activities of various ministries. The link between these over-all development objectives and targets and local level activities remains weak if not non-existent. Thus while the new Strategy states a target of agricultural growth of 10 per cent per year towards the end of the planning period, the various ministries of agriculture have agreed that a sustainable rate of growth would be in the order of 5 per cent per year. How this increase in growth is to be accomplished has not been demonstrated. – The Strategy envisages an annual growth rate of the budget for agriculture with 20 per cent but provides little information and how the additional resources will be spent.

In fact, many of the objectives/goals/targets seem to be mere desirable outcomes rather than the result of intentional government policies.

As in many other Sub-Saharan African countries, decentralisation has become important in Tanzania. The concept used in Tanzania is devolution of power. Tanzania has 114 councils (districts) and power is being transferred to these. District development plans are being developed and significant donor funding will be available. How these local plans are to be reconciled at the national level is not yet clear. The links between budgetary allocations and activities/targets remain weak.

According to Transparency International, there is “rampant corruption” in Tanzania. The ongoing decentralisation process will pose special problems in this respect and the donors have not yet addressed this problem. One way of reducing corruption would be to link the amount of donor funding to decreases in the levels of corruption. To this end agreed corruption indicators would have to be developed.

Apart from corruption, the donor-GoT interface has led to many mechanisms for increasing the costs of development co-operation. They include high daily subsistence allowances, sitting allowances, the provision of transport, photocopying facilities and access to free telephone communications. In light of these comments, decentralising, or devolution, might imply very high administration costs with few tangible benefits for the rural poor.

The shift in international development co-operation modalities has important repercussions on Sida’s organisational set-up. This is particularly evident in the case of rural and agricultural development. The problems faced by farmers often lie outside the competence of a ministry of agriculture or Sida’s department of agriculture and environment. The Swedish over-arching development co-operation objective is poverty eradication. Since rural poverty is the major cause of poverty, the present organisation of Swedish development co-operation does not seem to be adequate to address the problem of poverty eradication.

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List of abbreviations

ASDP	Agricultural Sector Development Programme
ALAT	Association of Local Authorities of Tanzania
BAS	Budget Allocation System
BEST	Business Environment Strengthening for Tanzania
CBO	Community Based Organization
CSO	Civil Society Organisations (this includes NGOs, CBOs and FBOs)
DHS	Demographic and Health Survey
DPG	Donor Partners Group
DSA	Dissemination, Sensitisation and Advocacy
FBO	Faith Based Organization
GDP	Gross Domestic Product
GoT	Government of Tanzania
HBS	Household Budget Survey
HIPC	Highly Indebted Poor Countries
HIV and AIDS	Human Immune-deficiency Virus and Acquired Immune Deficiency Syndrome
ILFS	Integrated Labour Force Survey
JAS	Join Assistance Strategy
LGA	Local Government Authority
LGRP	Local Government Reform Programme
LSMS	Living Standards Measurement Survey
MAFS	Ministry of Agriculture and Food Security
MCDGC	Ministry of Community Development, Gender and Children
MCM	Ministry of Cooperatives and Marketing
MCT	Ministry of Communications and Transport
MDA	Ministry, Department, Agency
MDG	Millennium Development Goals
MEM	Ministry of Energy and Minerals
MHA	Ministry of Home Affairs
MIT	Ministry of Industries and Trade
MJCA	Ministry of Justice and Constitutional Affairs
MKUKUTA	Mpango wa Kukuza Uchumi na Kuondoa Umasikini Tanzania (Swahili for NSGRP)
MLHS	Ministry of Lands and Human Settlement
MLYDS	Ministry of Labour, Youth Development and Sports
MNRT	Ministry of Natural Resources and Tourism
MOEC	Ministry of Education and Culture
MOF	Ministry of Finance
MOH	Ministry of Health
MOW	Ministry of Works
MSTHE	Ministry of Science, Technology and Higher Education
MTEF	Medium Term Expenditure Framework
MWLD	Ministry of Water and Livestock Development
NACSAP	National Anti-Corruption Strategy and Action Plan
NBS	National Bureau of Statistics
NEMC	National Environment Management Council
NGO	Non-Government Organisation
NPES	National Poverty Eradication Strategy
NSGRP	National Strategy for Growth and Reduction of Poverty (See also MKUKUTA)
PAF	Performance Assessment Framework
PER	Public Expenditure Review
PHDR	Poverty and Human Development Report
PMMP	Poverty Monitoring Master Plan

PMO	Prime Minister's Office
PMS	Poverty Monitoring System
PO- PP	President's Office-Planning and Privatisation
PO-PSM	President's Office-Public Service Management
PO-RALG	President's Office-Regional Administration and Local Government
PO-SH	President's Office-State House
PPA	Participatory Poverty Assessment
PRBS	Poverty Reduction Budget Support
PRS	Poverty Reduction Strategy
PRSC	Poverty Reduction Support Credit
PRSP	Poverty Reduction Strategy Paper
RDS	Routine Data System
SMEs	Small and Medium Enterprises
TACAA	Tanzania Civil Aviation Authority
TACAIDS	Tanzania Commission for AIDS
TANROADS	Tanzania Roads Agency
TAS	Tanzania Assistance Strategy
TATEDO	Tanzania Traditional Energy Development and Environment Organization
TBS	Tanzania Bureau of Standards
TFNC	Tanzania Food and Nutrition Centre
THA	Tanzania Harbours Authority
TIC	Tanzania Investment Centre
TRA	Tanzania Revenue Authority
TRC	Tanzania Railways Corporation
TSED	Tanzania Socio-Economic Database
TTCL	Tanzania Telephone Company Limited
TUCTA	Trade Union Congress of Tanzania
VPO	Vice President's Office

Foreword

This assignment has been very interesting and challenging. Challenging, because rural development is intimately linked with the over-all development in any country, including the agricultural sector.¹ Usually an assignment is focussed on a narrow topic. This time it has been possible to reflect on poverty in a broader context.

The number of documents available is staggering. I am most grateful to all the people who have freely shared information with me.

Two aspects have emerged as central to poverty eradication in Tanzania. The first one relates to rural development at large and the second one refers to economic growth and its distribution. A review of the development of current policies might be useful.

The Report has been written for people who are engaged in rural² and agricultural development. The objective is to put the Tanzanian rural and agricultural development in a larger context and in this case the Poverty Reduction Strategy will be used. Poverty eradication is also an over- arching Sida development objective.

In order to make the Report digestible, many important aspects have been dealt with as end-notes.

Any constructive comments will be well received: t.alberts@devpro.se

Introduction

The Terms of Reference (ToR) can be found in Appendix 1 and are quite extensive. The overall objective can be considered as a fact-finding mission or as is stated in the ToR:

No other Sida programme country has come farther than Tanzania in the operationalisation and monitoring of its PRSP, donor harmonisation and overall coordination of development efforts. This is why a case study of Tanzanian experiences is particularly interesting. In other countries where Sida is involved in sector programmes (Mozambique) or large scale area development programmes (Ethiopia, Zambia), the experiences from Tanzania are needed.

Since the total time available for this task was 15 working days³, there was a need to sharply focus on a few key issues raised in the ToR. One important aspect is that the client is the Natural Resources and the Environment Department of Sida. Therefore, the links between the agricultural and the rural sector in poverty reduction should be a focal point. This is also clear from the first major heading in the specific tasks to be accomplished:

- *To make a brief **inventory** and summary at macro level of documentation on **IMF and WB experiences from the first phases of PRSPs** – on a general level, but preferably also with some focus on Sida's programme countries and rural development related issues.;*

The ToR also outline a series of other tasks to be accomplished, including:

- **Poverty focus.** Does the PRSP include any “operational” definition(s) of poverty, criteria for prioritization and/ or other measures to improve poverty focus? ...
- How is **rural development** defined and treated as an area of importance for national development? ...
- Describe the **links between the PRSP and sector policies** in most relevant areas for rural development ...
- **Goal setting and monitoring.** Describe the system and indicators. ...
- What are the **major experiences from reviews of the PRSP so far?** ...

The following two sections, (**Urban bias in development** and **Economic growth and equity**) put the Poverty Reduction Strategies in a historical development co-operation context in general and with a focus on Tanzania.

These two sections provide background information and the following section focuses on a summary **Overview of the experiences from the first phase of PRS** followed by **The background and design of Tanzania’s PRS.**

While the original focus of HIPC was on poverty eradication , there is now a shift towards more comprehensive development strategies and this trend is discussed in **Towards a national development strategy.** This section is followed by **Goal setting and monitoring** focussing on Tanzania. During latter years there has been a strong trend towards decentralisation. This raises special problems, which are summarily discussed in the section **Decentralisation.**

Many of the Swedish developing partner countries are poor. The available resources are often not well used and sometimes the cause is corruption. This is discussed in the section **Corruption and wasteful use of scarce resources.** A few comments are made in the section on the: **The Government of Tanzania and the donor interface.** The final section, **Concluding remarks,** attempts to summarise the main policy challenge to eradicate poverty.

Urban bias in development

Michael Lipton coined the expression urban bias in development in the 70s.⁴ His hypothesis was that rural people responded to negative policies for the rural sector by voting with their feet, migrating to the urban areas. With a relatively successful economic growth in Tanzania during latter years, the question of the lack of rural development has come onto the agenda again. Unfortunately, there are no easy solutions, which might partly explain the prevailing wishful thinking.

As is recognised in a great number of documents produced, almost 90% of the poor people in Tanzania live in rural areas. Thus, the PRS has a focus on rural development. In terms of monitoring progress, available statistical information may not be sufficient to monitor the development of the rural sector.

There is no Sector Wide Approach (SWAp) for agriculture in Tanzania. Moreover, some years ago the existing Ministry of Agriculture was split into three ministries⁵:

- Ministry of Agriculture and Food Security;
- Ministry of Cooperatives and Marketing; and

- Ministry of Livestock and Water.

In addition, the Office for Local Administration and Local Government in the President's Office has an important bearing on rural development and agricultural growth. On the one hand there is a fragmentation of donor support and on the other hand various functions of a "normal" Ministry of Agriculture have been divided among several ministries.

As part of the PRS system, there is a Research and Analysis Working Group and an institute REPOA, Research on Poverty Alleviation, which plays a major role in preparing *Poverty and Human Development Reports*.⁶ Key Staff members of REPOA also filled an important role in preparing the original Poverty Reduction Strategy Paper.

The *Poverty and Human Development Reports* are of high quality, analytical, relevant and also include important methodological development. The first Report, 2002, highlights the "Rural-urban disparity". Still several of the indicators are aggregated so there is no information on the rural and urban sectors. In the 2003 Report, the sector approach is again back and for example, the Executive Summary does not discuss the rural poverty problem and in fact, it does not even contain the word "rural".⁷

Simultaneously the GoT is producing Progress Reports. The last one, from April 2004, has a more traditional approach and there is no analysis of rural development. Agriculture is treated in a very traditional way, corresponding to the administrative organisation, and is reported under the following headings:

- Crop Sub-Sector
 - Irrigation development
 - Extension services and Training
 - Crop research services
 - Improved Seeds
 - Agricultural Equipment
 - Crop pests
 - Inputs credits
- Livestock Sub sector
 - Animal Health Services
 - Dairy production services
- Cooperative development

The indicators used may be good for monitoring at lower levels but are probably rather useless even for policy makers within the Ministry of Agriculture. For example, at higher levels one would like to know about the impact of agricultural extension on agricultural growth⁸. What is the importance of for example?

- *Nine new breeder seeds ... were generated from research institutions*
- *Training of 6,688 farmers*
- *77 gender balanced farmers groups were formed*

Each major chapter has *Lessons and Challenges*. For the agricultural sector there are 7 bullets (p. 56) and one of them should suffice to indicate how little has been accomplished in translating over-all objectives into specific action programmes with clear and verifiable targets.

- Inadequate extension services (technology dissemination) causing low adoption of agriculture technologies by farmers.

One would have expected some specific measures to be proposed to address the inadequacy of the extension services, which we know have existed for decades. Why should Tanzanian taxpayers and donors continue to pay for something which is yielding few benefits? There are always alternative uses of scarce resources.⁹

We know from various documents that roads are important for rural development, not least feeder roads. One would have expected that pieces of information on this important problem area were provided. There are no expenditure figures, only budget figures are given. And the complaint is that:

- Only 17% of the District road network is in good condition (requiring recurrent maintenance). The rest are in fair and poor condition, which require development budget. (p. 37)

If the Estimated Total Sector Requirement was 260 and the Allocation (*ex ante*?) was 208 million Tsh, one would have expected an analysis of what priorities were used in allocating the resources. It can be noted that out of allocated 208 million, rural roads were to receive 24 million Tsh. Is this a reflection of addressing the rural poverty issue?

Fortunately, the 2003 Report provides some additional information. Out of a total of about 80 000 km of roads, 50 000 km are now under the jurisdiction of local governments. The Plan for 2002/03 indicates that out of a total of 13 000 km of proposed maintenance activities¹⁰ of roads only 4 000 km were within the jurisdiction of local governments. Moreover, “The PRS ... proposed the rehabilitation of a total length of 4,500 of rural roads in twelve of the poorest regions ... The rehabilitation programme outlined in PRSP was not undertaken. ... The funds were used to rehabilitate roads other than those specified in the PRSP.” (pp. 11-12)

What is also disturbing is that major policy decisions have been made which are neither reflected in the plans/programmes nor in the follow-up monitoring and evaluation activities. Many countries have subsidised agricultural inputs as an instrument to increase agricultural growth. So has Tanzania done in the past. A critical review of agricultural policies in Tanzania can be found in Cooksey 1999. The conclusions were that neither growth nor equity was attained by these subsidies. Tanzania has recently introduced subsidising fertilizer transport costs in the order of USD 7 million for the current budget year.

In summary

During the implementation process, policies of addressing poverty, particularly rural poverty, are not translated into specific action plans and become distorted.¹¹ Moreover, the monitoring system is not systematically analysing the development of the rural sector.

Economic Growth and Equity

During 50s, economic growth performance was at the centre of the discourse on developing countries. In the 60s equity issues started to emerge and for example FAO made a series of studies in Latin America where the income distributions were much eschewed. Simulations

were done by assuming different income distributions and their effects on domestic demand for agricultural goods. It was shown that a more equitable income distribution would result in both an improved nutrition and also a higher domestic demand for agricultural goods. This in turn would attenuate the effects of falling world market prices for agricultural goods. ILO launched various employment programmes and the basic needs concept became widely accepted.

Many socialists and Marxists claimed that a better distribution of income and wealth would only be possible with a socialist revolution. Worried about the very uneven distribution of income and wealth, the World Bank launched a series of studies in the 70s on the issue and the most famous book was *Redistribution with Growth*.¹² With the demise of the socialist systems towards the end of the 80s structural readjustment programmes were implemented and with macro economic stability attained and accelerated growth, the focus has once again come to equity (distribution) issues.

While the PRS did not explicitly focus on growth, there has been a growing focus on this subject. The 2003 Report states that: “Economic Growth is an essential condition for poverty reduction in Tanzania.” The importance of good economic policy is clearly demonstrated in Tanzania. “Growth appears to have increased steadily since the mid-1990s and by 2002 had surpassed the six per cent target defined in the PRSP. This impressive performance probably reflects economic and fiscal reforms undertaken during the 1990s ...” (p. 7)

The new PRS, being prepared, now called *National Strategy for Growth and Reduction of Poverty (NSGRP)*, raises the issue very clearly:

The basic tenet is that growth is necessary but not sufficient for poverty reduction: equity issues need to be taken on board. Tanzania needs fast but equitable growth, focusing on reducing inequalities and increasing employment and livelihood opportunities to the poor and universal access to public services. (p. 16)

The urban bias in the present development pattern is clearly demonstrated by the fact that income poverty has fallen 11 percentage points in Dar es Salaam, 3 points in other urban areas and only 2 points in rural areas between 91/92 and 2000. (NSGRP, p. 5) At the same time the income distribution has become more uneven in both urban and rural areas.

Overview of the experiences from the first phase of PRS¹³

The origin of the Poverty Reduction Strategies was the untenable foreign debts of many developing countries, not least the poorest ones. In 1996, the International Monetary Fund (IMF) and the World Bank (WB) introduced the HIPC – highly indebted poor countries initiative. One condition for debt reduction was that a country would have to present a plan for poverty reduction – *Poverty Reduction Strategy Paper* – PRSP¹⁴. These discussions between IMF and the WB have led to a closer co-operation between these two institutions.

In 1999, IMF and the WB also agreed that nationally owned PRS would not only be a condition for debt relief under the HIPC programme, but also for all soft credits/loans from the WB and IMF. While earlier, emphasis was on *Policy Framework Paper*, with its focus on macro economic policy, focus was now on poverty eradication.

The two overarching objectives are economic growth and poverty reduction. This is an important change from earlier since macro economic equilibria now have to be seen in the context of poverty eradication. This has meant an important change in IMF's policy.¹⁵

Although a PRS can vary from country, some elements must be included¹⁶:

- A description of the participatory process in the formulation of the PRS
- A diagnosis of the poverty in the country
- Objectives, targets and monitoring system
- Prioritised public sector interventions

In parallel international co-operation partners developed the Millennium Development Goals – MDG, (or the International Development Goals) and they are

Millennium (International) Development Goals (IDG)

1. Reduce the portion of people living in extreme poverty by half between 1990 and 2015.
2. Enrol all children in primary school by 2015.
3. Make progress towards gender equality and empowering women by eliminating gender disparities in primary and secondary education by 2005.
4. Reduce infant and child mortality rates between 1990 and 2015.
5. Reduce maternal mortality rates by two three-quarters between 1990 and 2015.
6. Provide access for all who need reproductive health service by 2015.
7. Implement national strategies for sustainable development by 2005 so as to reverse the loss of environmental resources by 2015.

Source: Brobäck and Sjölander, p. 11.

Some of the conclusions of the recent World Bank's evaluation of Poverty Reduction Strategies (2004) are summarised below.

There has been an improved focus on poverty and a marked improvement in data quality. A more result oriented focus is emerging though monitoring is still weak in many countries. The integration of the macro economic policy framework and sector strategies is poor. The main focus is on public expenditure and on social expenditures rather than on infrastructure and rural development.

The PRS have strengthened local governments in their dialogue with donors. Donor co-ordination could be improved and their programmes could better reflect the PRSs.

The evaluation also highlights the need to design the PRS according to a country's needs:

Tailoring of the Initiative to country conditions should be actively promoted, including establishment of goals and benchmarks that are appropriate to country circumstances and that respond to domestic priorities. (p. xvii)

The background and design of Tanzania's PRS¹⁷

Tanzania has a long history of development co-operation, not least with Sweden. In the Early 1990s the development partners of Tanzania were concerned and questioned the GoT's commitment to reforms, the fiscal mismanagement and not least corruption. The GoT in turn considered that the donors made unrealistic demands and were not delivering the promised resources. The inflow of foreign aid decreased.

As a response a team of highly respected advisers was commissioned in 1994 and in 1995 published a report known as the Helleiner Report.¹⁸

At the beginning of 1997 the GoT and its Development Partners jointly adopted the recommendations in the Helleiner Report and 18 Agreed Notes were formulated. Development co-operation improved significantly.¹⁹

These Notes included a long term Vision (2025) and it was finalised in 1998. Interesting enough the Vision broadly agrees with the objectives of the Millennium Development Goals (MDG) referred to earlier.

In 1997, Tanzania prepared its National Poverty Eradication Strategy which proved to be a useful input into the Poverty Reduction Strategy elaborated in 2000 for a three year period. (2000/01 – 02/03).²⁰

Towards a National Development Strategy

The new phase, *National Strategy for Growth and Reduction of Poverty (NSGRP)*²¹ is being finalised²². It is interesting to note that there has been a successive shift in focus over time. While the first PRS almost exclusively focused on poverty and the provision of public services, particularly in education and health, we are back to seeing the emerging of national development strategies.

The first PRS included a great number of poverty indicators and taken together they provide an operational definition of poverty. A review of the indicators used in the 2003 Report provides interesting information. They are grouped into the following areas:

- Income Poverty: Growth, Employment and Roads
- Education
- Survival, Nutrition and Health
- Water and Sanitation
- Extreme Vulnerability
- Poverty-Environment Linkage²³

It would take us too long to enter into the details of all the indicators proposed. The ambition to have indicators which state *from ... to* is to be commended. As an example can be mentioned, *Repaired 15,000 kms of rural roads annually by 2010 from 4,500 kms in 2003*. The previous Poverty Reduction Strategy had a strong focus on social issues and they are well covered in the new Strategy. Agricultural and rural development still remain weak areas with respect to targets.

The 2002 Report develops two interesting indices. One is called the Human Development Index (HDI) and the other one Human Poverty Index (HPI) on a regional basis (20 regions). (For details see pp. 55-60) The figures reveal large regional differences. Unfortunately, no information is provided on the rural-urban aspects.

An interesting change is taking place. While the first PRS was broadly focused on traditional sectors, the new one, *National Strategy for Growth and Reduction of Poverty (NSGRP)*,

... moves away from the earlier priority sector approach to focusing on outcomes and activities in three broad clusters, namely:

1. Growth and income poverty reduction
2. Improvement of quality of life and social well-being
3. Governance and accountability

This avoids the previous neglect of other sectors, which are equally important in the poverty reduction process, and allows for mainstreaming cross-cutting issues, such as gender, environment and HIV/AIDS, as well as for more effective linkages with the MDGs. (Tanzania's experience, p. 8 and New Strategy p. 24)

For each broad cluster there are several **broad outcomes** and **goals**. For each goal there are **operational targets**. Some targets are well defined while others are only loosely defined.

For example, the target of "Repaired 15,000 kms of rural roads annually by 2010 from 4,500 kms in 2003" is quite specific and can be monitored. The activities are also largely within the scope of public sector activities and budget allocations. On the other hand, "Increased technological innovation, upgrading and use of technologies" is very vague and cannot, in its present form, be monitored.

To illustrate the planning methodology an example will be used. Under Cluster 1, an operational outcome is **Goal 2. Sustainable and broad based growth is promoted.**

Operational Outcomes	Sub-category	Cluster Strategies	Intervention package	Sector or areas of collaboration	Actors
1. Increased agricultural growth from 5% in 2002/03 to 10% percent by 2010.	Agricultural growth	Increase number of irrigation schemes and development of more efficient use of water schemes.	Infrastructure development	Agriculture, water	MWLD, MAFS, private sector, research institutions
			Natural resources management		
		Increase area under irrigation and promote water use efficiency in irrigation schemes and encourage utilization of low cost technologies	Agriculture sector development	Agriculture, Private Sector	MAFS, PORALG, LGAs Private Sector
			Policy review		
			Technology		
		Promote rain water harvesting incorporating small, medium and strategic large scale dams and reservoirs.	Rainwater harvesting	Agriculture, Private Sector, water	MAFS, MWLD PORALG, LGAs Private Sector
			Infrastructure development		
		Increase productivity in existing agricultural activities through adoption of and investment in more productive technological packages in agriculture (farming and husbandry)	Agricultural productivity	Agriculture, Private Sector	MAFS, PORALG, LGAs COSTECH, IPI, CAMATECH, Private Sector
			Agricultural farm technology		
		Increase training and awareness creation on safe utilization and storage of agro-chemicals (including agriculture and livestock inputs, e.g. cattle dips), and the use of integrated pest control, eco-agricultural techniques, and use of traditional knowledge. Improve human resources capacity and efficiency in agricultural services delivery	Training and awareness raising	Agriculture Livestock, and Environment	MAFS, MWLD, NEMC
			Natural resource management		
			Capacity development		
		Strengthen capacity for timely control of crop pests and disease outbreaks in particular <i>Quelea quelea</i> , armyworms, locusts, rodents and trans-boundary crop and animal disease, promote Integrated Pest Management (IPM).	Capacity development	Agriculture	MAFS, PORALG, MWLD LGAs Training Institutions
			Integrated Pest management		
Improve and increase access to support services with particular focus on research and extension meeting the needs of farmers, fishermen, foresters and livestock keepers; and increase communication and collaboration in delivery of extension services.	Access to support services	Agriculture, livestock, water	MWLD, MAFS, research institutions, CSO, private sector		
	Communication and collaboration				

It is very difficult to see how these cluster strategies will lead to a doubling of the rate of growth of the agricultural sector, from 5 to 10 per cent.²⁴ Are these interventions really addressing the problems of the sector? What role do the Ministries of Agriculture have in, for example, securing that feeder roads are being maintained and repaired?²⁵ And like in Mozambique, the Ministry is engaged in activities, which lie outside its strategy from 2001 such as subsidising fertilisers.²⁶

The intervention package in the case of extension and research is summarised as: “Access to support services; Communication and collaboration”.

The NSGRP identifies the actors involved but the macro-micro links are hardly discussed. This issue was recognised as a problem by several people interviewed.

Many of the people interviewed considered that the NSGRP is a framework and much work remains to be done to make the Strategy operational, not least in the agricultural sector.

The development of the **private sector**, and here agriculture and agro-industry are key components, is an important issue and has not yet been fully addressed in the new Strategy. Still some important steps have been made. Mention is made in the new Strategy of a series of measures to be taken such as:

- Promoting investment in the productive and service sectors
- Implementing the BEST programme (Business Strengthening for Tanzania)
- Maintaining a predictable business environment
- Protecting property rights

The list contains a number of additional bullets. While the Strategy lists desirable outcomes, the means to achieve these are much weaker. With respect to private sector development, a series of what has been called *nuisance taxes* has been abolished at the district level. This has improved the business climate, particularly in the rural sector, though has affected the revenue raising capacity of the councils/districts negatively. It has not been possible to study the taxation system in detail.

The incapacity of Sub-Saharan Africa to attract foreign direct private investments has not been clearly addressed in Tanzania. The development of the private sector still needs to be addressed conceptually and not least in implemented policies. Here the issue of corruption is of paramount importance and will be discussed later.

Goal setting and monitoring

Nobody would dispute that the Broad Outcome and Goals outlined in the NSGRP are desirable. The targets set reflect a further elaboration of the international Millennium Development Goals.

While targets may be **desirable** they may **not** be **feasible**. Some may be feasible if a number of conditions are met, such as improving the agricultural research and extension system. One impression one gets from reading the various plans and policies is that Tanzania has primarily focused on its Vision and desirable outcomes and less on what would be feasible.²⁷

At the national level there is a monitoring system in place and it is called the Poverty Monitoring System (PMS).

As is stated in the Report on Tanzania's Experience in Aid Coordination, Harmonization and Alignment from November 2004:

The PMS is the primary monitoring tool of Tanzania's Poverty Reduction Strategy. It is implemented through four sub-groups, consisting of representatives from the Government, Development Partners, civil society organizations, the private sector, and local research and academic institutions. (p. 19)

The responsibility for the PMS lies with Vice President's Office and it plays a strategic role for all partners involved.

In order to carry out its tasks there are four Technical Working groups:

- Censuses and Surveys;
- Routine Data Systems;
- Research and Analysis; and
- Dissemination, Sensitization and Advocacy.

Like in most other countries Tanzania has various sources of information as reflected by the four Technical Working Groups. One of the most interesting sources is the Household Budget Survey carried out in 1991/92 and again in 2000/01. This type of surveys will be continued and will generate key information for monitoring poverty eradication.

In order to systematise the various pieces of information DFID and UNDP have supported the creation of a *Tanzania Socio-Economic Database* and the link can be found in the Appendices. Another important link is www.povertymonitoring.go.tz. The ongoing decentralisation will require additional efforts to generate statistics. For example, maintenance of feeder roads has now become the responsibility of the 114 Councils and it is not yet clear how statistical information will be collected and processed.

The 2nd Draft Strategy, *National Strategy for Growth and Reduction of Poverty*, highlights several shortcomings of the existing system, not least that the 2nd Technical Group on Routine Data Systems is not yet operational. (pp. 50-55)

As was mentioned earlier, the Research and Analysis Group has produced the best reports. Interestingly enough, many members have been trained in various Swedish-Tanzanian co-operation programmes such as the twinning programme between the departments of economics at Lund University in Sweden and the University of Dar es Salaam.

Decentralisation²⁸

The donor community has for a long time been concerned about the relatively small impact on rural and agricultural development of its support to development efforts of various governments. In the aftermath of the various restructuring programmes focus shifted from the Central Government to Local Governments. Decentralisation or devolution of power became important on the co-operation agenda.²⁹

The Tanzanian Local Government Reform has been guided, since 1998, by the Local Government Reform Policy. The Local Governments (LGs) depend heavily on transfers from the Central Government (CG), mainly donor funding. Only a fraction of the Budget for the Ministry of Agriculture is channelled to the District Level. The CG exerts a strong control over the use of the resources. In Tanzania there are several layers of Local Governments. The Higher levels of local governments are composed of 114 Councils. The number of lower level of various types of government is about 10 000.³⁰

The World Bank has played an important role in this process and has approved USD 52 million for the *Local Government Support Project (LGSP)*, the GoT USD 15 and bi-lateral donors some USD 66 million. These funds will be pooled together into a *Local Government Development Grant*.³¹ The funding will be channelled to the Councils (Districts). The Councils will have to meet certain criteria to be eligible for receiving money. For this reason, there is an important capacity building component.³²

The LGs have been given an important and growing role in primary education, primary health care, district and feeder roads and agriculture. For example, in the case of extension, the agents are now employees of local governments. Recently, the Councils have been given the right to hire and fire personnel.

There will be far reaching implications of the decentralisation. In the past, a major part of the state budget was channelled through the various ministries and in the future the resources will be allocated to the Councils. This means that the budgets of the various National Ministries, not least those of agriculture, will be reduced significantly.

The issue of decentralisation (devolution) is important, not least involving allocation of scarce resources, and is subject to discussion in Tanzania. Key NGOs in Tanzania have created the **NGO Policy Forum** and it has raised several concerns regarding the *National Strategy for Growth and Reduction of Poverty*. A typical Council would have about 200 000 people. The question one could raise is to what extent will the resources channelled to the Councils contribute to a poor people growth strategy. As the Policy Forum states:

*In Tanzania, and elsewhere, good policies have a tendency to remain 'on paper' and at the 'national level'. In order to have impact, the PRS needs to be implemented at local and community levels. For this reason it needs to articulate linkages with local government and other major public service reform programmes. Then comes the very important statement: The implications of the various PRS II strategies for communities (beyond district councils) need to be well understood and articulated.*³³

In the past there were no clear rules regarding allocations to the Councils. With the new massive support by the donor community to decentralisation (devolution) there has been important discussions. One line of thought has been to allocate money according to "best proposals" from the Councils and the other one to allocate resources according to national objectives, e.g. the number of pupils in primary schools. This issue has not yet been resolved. In other words, the rules of the game on how to allocate scarce resources within Tanzania have not yet been settled.

One major concerns remains, raised by the NGO Policy Forum, how to secure a pro poor growth strategy? How to secure that the funding to the Councils really contributes to rural development where the poor people live has not been resolved?

Both the ongoing PRS and the new one, Draft National Strategy for Growth and Reduction of Poverty, have so far had a top down approach. With the decentralisation much of the planning and, not least, implementation will be transferred to the District (Council) Level. Over time there will be Council (District) Development Plans.³⁴

The *Report on the 1st Annual National Conference on Public Sector Reforms* (November 2004) raises serious questions regarding the ownership of the reforms. It appears as if only a small elite of donor representatives and top-level government officials have an overview of the reform processes taking place.

The various documents reviewed have rarely discussed the possibilities of providing funding outside the Tanzanian state institutions. The Mozambican planning of PROAGRI II explicitly recognised the necessity of providing funding on a competitive basis where the public sector, civil society, NGOs, the private sector and farmers could compete for funding. It does not appear as if the massive Tanzanian Local Development Grant will provide financing outside the institutions of the public administration.

Corruption and wasteful use of scarce resources

The negative effects of corruption are increasingly recognised by governments. Peter Eigen, Chairman of the Transparency International, stated in his speech in London on 20 October, 2004 that:

A total of 106 out of 146 countries score less than 5 against a clean score of 10, according to the Transparency international Perceptions Index, published today. Sixty countries score less than 3 out of 10, indicating rampant corruption.

How is the situation in Tanzania and some neighbouring countries?

Tanzania	2.8
Mozambique	2.8
Uganda	2.6
Zimbabwe	2.3
Kenya	2.1

While Tanzania scores “better” than some of the countries in the region, it is still a country with “rampant corruption”.³⁵

With all the efforts made by the GoT and donors to establish monitoring systems for the PRSs, very little progress has been made in relating progress in combating corruption to agreed and verifiable indicators. It would seem rational that funding would be related to performance in combating corruption.

Apart from overt corruption the donor-recipient government interface has opened up new avenues of rent seeking behaviour. In the Evaluation *Sida Supported Environmental*

Research Projects in Tanzania it was noted that the DSA (Daily Subsistence Allowance) was a major source of income for the researchers at the University of Dar es Salaam.

A Swedish consultancy company in Tanzania has noted that the monthly salaries in the Districts vary between USD 70 and 120 while the DSA is in the order of USD 40 per night.³⁶ Other fringe benefits include sitting allowances, transport, access to photo copying facilities and telephones. These benefits are not treated as corruption and have become accepted norms both by the GoT and the donors.³⁷

While the devolution process is an important step in Tanzanian development, the associated costs might become unsustainable. There are 114 councils with their administrative set-ups. Providing the customary fringe benefits might soon become unsustainable. Moreover, to what extent lower levels of government, e.g. the villages will benefit remains to be seen.

The Government of Tanzania and the Donor Interface³⁸

The Government of Tanzania has produced an interesting paper called *Tanzania's Experience in Aid Coordination, Harmonization and Alignment* which was presented to an African workshop in November this year.

The Ministry of Finance has played a key role to develop a *Tanzania Assistance Strategy (TAS)* which was published in June 2002. The GoT prefers *direct budget support*. Pooling various donor support mechanisms into basket *funding are encouraged as a transition measure from project aid to budget support*. (p. 12).

As the study further states:

In order to facilitate harmonization and alignment among Development Partners, they reorganised themselves into a formal Development Partners Group during the FY 2003/2004. The DPG has an inclusive structure and comprehensive terms of reference and is co-facilitated by UNDP and a rotating bilateral partner (currently the Netherlands). (p. 17)

The Tanzanian development partners are currently discussing what has been called a Joint Assistance Strategy (JAS). This Strategy would be an important step forward in co-ordinating aid. According to the above mentioned study:

This would entail merging individual country assistance strategies into a single strategy, which is aligned to the PRS. Participating Development Partners would streamline their review, reporting and other procedures, and plan and utilise their resources collectively. These should be delivered through the Government budget system. (p. 22)

There have been discussions on how to move forward and a Draft JAS has been prepared including donor comments. Many donors are not yet willing to provide full budget support. To address this problem the study highlights:

In addition, it is proposed to introduce a concept of selectivity, whereby individual Partners' activities are concentrated on only a few sectors, depending on their

comparative advantage in specific areas of activities. In each sector a 'lead donor' would represent other supporting partners in interacting with the Government. (p. 23)

The Study further highlights the benefits of such an arrangement by pointing out that:

The JAS would be highly beneficial in reducing the transaction costs for both Government and Development Partners and increasing aid effectiveness. It would permit Development Partners to focus on their areas of expertise, hence using their resources more effectively, would minimize duplication, reduce uneven distribution of Partner activities, and strengthen the focus on shared results. (p. 23)

Concluding remarks

After the crisis in development co-operation between donors and the Government of Tanzania at the beginning of the 90s, the co-operation has since improved significantly. Tanzania today receives more than the double of aid at that time.³⁹

The number of ongoing reform programmes is impressive and the number of strategies, policies and programmes is staggering. Much focus is on desirable goals and much less on implementation. Poverty is concentrated to the rural sector and while there has been a significant reduction in the poverty in Dar es Salaam, very little progress, if any, has been made in the rural areas.

While everybody agrees on the need to accelerate agricultural growth to overcome rural poverty, in substance very little has happened. While equity has become a key objective no specific targets have yet been set. Policy actions to “Redistribute with growth” are next to non-existent.

End notes

¹ Non agricultural rural income is important in Tanzania. NSGRP, p. 8.

² There is no common definition of the *rural sector*. It varies from country to country and even within a given country the definition might change over time. The 2001 Rural Development Strategy (RDS) defines the rural areas as:

Rural development concerns geographical areas in which primary production takes place and where populations are found in varying densities. These areas are characterised by activities related to primary and secondary processing, marketing and services that serve rural and urban populations. Therefore, rural development concerns a wide range of farm and non-farm activities. In order to achieve rural development the linkage between rural and close by small towns and urban centres is crucial. For Operationalisation of the RDS, therefore rural areas include villages and small towns/nearby urban centres. (p. 1)

³ The consultant, Dr. Tom Alberts, Devpro AB, arrived in Nairobi in Kenya on 4 December for a briefing with the Swedish Embassy there. He then proceeded to Tanzania, Dar es Salaam, on 6 December, and returned to Amsterdam on 23 December.

⁴ Michael Lipton. *Why Poor People Stay Poor. Urban Bias in World Development*. Maurice Temple Smith, London, 1977.

⁵ In fact there is also the Ministry of Tourism and Natural Resources. Forestry falls under this Ministry. See Cooksey 2003 for details.

⁶ Two reports have been produced, 2002 and 2003. During 2004 focus has been on preparing the second PRS, now called *National Strategy for Growth and Reduction of Poverty (NSGRP)*- in Swahili *Mkukuta*.

⁷ During discussions held with WB officials I was informed about deposits and loans of one of two banks in one of the poorer regions in Tanzania, Kigoma. Total deposits amounted to about USD 250 million coming from 2 000 clients. The loan portfolio consisted of 5 loans totalling USD 250 thousand of which one was USD 240 thousand. Thus, almost **USD 250 million** was transferred to the Bank's office in Dar es Salaam.

⁸ Monitoring the impact of agricultural research and extension is not an easy task, but can be done. The sampling of household surveys could include information on the extent of extensions services received. Also, the extension agents themselves should monitor the impact of their activities and their supervisors would have to ensure that the information provided is reliable.

⁹ Cooksey 2003, p. 19, states that: *For example research and extension are frequently referred to as public goods that have to be provided by the state (market failure). Yet decades of state/donor support for research and extension have failed to spread these public goods in ways that provide palpable benefits to small holders (state failure).* The problems with agricultural research and extension are also analysed in Alberts *et.al.* 1999.

¹⁰ Routine and recurrent maintenance. See Report 2003, pp. 11-13.

¹¹ The SUNDET Report states that: *Regional and district hospitals were disproportionately favoured in terms of human and financial resources vis-à-vis health centres and dispensaries. Likewise schools situated closer to district centres had higher teacher to pupil ratios and had a better supply of school books.* (p. 9) And further on: *An analysis of recorded expenditure on 'other' charges for education and health in Kigoma and Babati districts shows that the councils spent the majority of funds on activities that directly benefited the council, rather than schools and health centres.* (p. 10)

The joint IMF/World Bank Progress Report from September 2003. *Tanzania: Joint Staff Assessment of the Poverty Reduction Strategy Paper* notes that: *The Progress Report acknowledges that there is **uncertainty regarding the extent to which the significant macro-level gains since 1966 have translated into poverty reduction.*** (p. 2)

¹² While the socialist option was to redistribute existing wealth and income, revolution, the WB position, reformist, was that a major share of the growth should be earmarked for the poor. In the Final Report I might add some references. The discourse was interesting and is very relevant for today's PRSs.

¹³ This section is mainly based on information from the WB and IMF evaluation of 10 country case studies, including Tanzania, from July 2004; the WB *The Poverty Reduction Strategy Initiative. An Independent Evaluation of the World Bank's Support through 2003*. And a paper *PRSP and Rural Development: Reflections, experiences to date and implications* by Felicity Proctor, date September, 2002. The study by Brobäck and Sjölander, 2001, also contains important information.

¹⁴ This is why PRSP and PRS are both found in various documents. We will use PRS for both.

¹⁵ As is stated in the IMF – WB Evaluation "The introduction of the PRSP was accompanied by the transformation of the Enhanced Structural Adjustment Facility (ESAF) – the IMF's concessional lending window – into the Poverty Reduction and Growth Facility (PRGF), with a view to giving a more central role to poverty reduction and pro-poor growth considerations in the design of IMF-supported programs in low-income countries." (p. 4)

¹⁶ In addition prioritised activities within a three year period; a description of the country's macro economic framework; public expenditures and allocations; policy decisions, institutional reforms and a schedule for implementation should be included. (Brobäck and Sjölander, p. 11)

¹⁷ This section relies on: *Tanzania's Experience in Aid Coordination, Harmonization and Alignment* from November 2004.

¹⁸ The Commission was composed of Gerald K. Helleiner, (Chair person), Tony Killick, Benno J. Ndulu and Knud Erik Svendsen.

¹⁹ Reviewing the Notes, it is interesting to note that most of them are still being valid and are guiding the development cooperation in Tanzania.

²⁰ July-June.

²¹ The Strategy is referred to as *MKUKUTA* in Tanzania.

²² In the new Strategy it is pointed out that there will be a Medium Term Plan for Growth and Poverty Reduction covering a five year period, 2005/06 – 2009/10. The end point of this Plan coincides with the end date of the National Poverty Eradication Strategy (NPES).

Moreover, the Strategy is one step forward towards making the Vision 2025 operational.

²³ UNDP is sponsoring a study, financed by DFID, on *Development of Poverty Environment Indicators in Tanzania* and a Draft Phase II Report was submitted in November 2004. It has an interesting discussion on criteria for indicator assessment, pp. 3-4 and Appendix A, p. 9. In its present form it is a rather academic study.

²⁴ In 1980 I was working with the Indicative Perspective Plan in Mozambique and made a comparative study of long run agricultural growth for about 50 countries. The figures showed that attaining an agricultural growth rate above 5 per cent was very rare.

²⁵ During the last decade the agricultural growth rate, 3.2% p.a., has been slightly above the population growth. The *Agricultural Sector Development Strategy*, October 2001, raised serious considerations about the possibilities of accelerating agricultural growth:

The PRSP Progress Report 2000/01 set extremely ambitious growth targets for the agricultural sector for the coming five years. However, this was set before a full analysis of the constraints facing the agricultural sector had been completed. In the light of these consideration, a more realistic target for the overall agricultural sector would be to achieve an average annual rate of growth of 5 per cent p.a. over the 3-year period 2005/07. (p. vii)

The *Rural Development Strategy*, from December 2001 states that for the agricultural sector: *The minimum growth rate required to reduce poverty is 6 percent. (p. 1)* And in an article in the newspaper *The Citizen* it is stated that: *Agricultural Researchers estimate 11 per cent as the minimum agricultural growth rate if the sector is to reduce poverty. (21 December 2004, p. 24. Special Report by Mr. Leonard Chacha)*

The ASDP Newsletter from January 2004 presents different figures. On the cover page it states that: *The ASDS emphasizes that it is through a rapid transformation of the agricultural sector, increasing its annual growth to a steady rate of over 7% that the PRSP targets can be achieved. On p. 2. it is stated that The main objective of ASDP is therefore to achieve greater agricultural production, profitability and farm incomes that aim at achieving an increase in agricultural growth from the current 5% p.a. to 8% p.a. by 2007.*

If the agricultural sector were to increase its rate of growth significantly what would happen to the Tanzanian agricultural markets? There has been no serious discussion of where to market a growing agricultural surplus. In many countries agricultural production statistics are not very reliable. This appear to be the case of Tanzania as well:

The production figures used as a basis of growth estimates are subjective estimates provided by district officers, based on their knowledge of conditions in the area. It will be important to crosscheck these figures with information from the forthcoming agricultural survey. (PHDR 2003, p. 9)

²⁶ Personal communication from WB staff member.

²⁷ In this case, the donor community also shares responsibility. The great number of international conferences and agreements on various desirable outcomes are easily picked up by various donors. They in turn have to convince parliaments to allocate budget for development cooperation. The time horizon is usually very short so focus is often more on presenting attractive development objectives and plans rather than concrete possibilities of development. While the donor community needs Plans, during the last decade we have seen a proliferation of PRS and the new *National Strategy for Growth and Reduction of Poverty* is coming very close to the type of development strategies produced in the 60s and 70s.

The Socialist experiences of rapid development resulted in serious disequilibria and harmed long run growth. The *Great Leap forward* in China, the Cuban target of reaching a production of 10 million tonnes of sugar and later the Mozambican strategy to overcome underdevelopment in 10 years (in the 80s) all resulted in large distortions in the economies. On the other hand there were development plans with little bearing on the economic and political realities were also produced.

In Tanzania the number of documents produced is staggering. For any political issue there seems to be policy documents and plans. To what extent these are actually used in *de facto* policy making and implementation is difficult to ascertain. At least, officials in development cooperation, Tanzanian government officials and consultants are secured employment. Can one claim that there is a rent seeking behaviour?

²⁸ This section is primarily based on *Final Synthesis Report. A Comparative Analysis of Decentralisation in Kenya, Tanzania and Uganda* by STEFENSEN, Jesper *et.al.*, NCC, August 2004 and *Mid term Review of LAMP*, 2nd Draft, December 2004.

²⁹ An interesting case is Swedish support to the Land Management Programme in four districts in Tanzania. It started in 1988 in one district Babati and mainly focused on community management of natural resources. Over time, more emphasis was also laid on empowerment, growth and poverty eradication. For details see *Mid term Review of LAMP*, 2nd Draft, December 2004.

³⁰ For details see *Synthesis Report Annex 9.2* and p. 21. In the terminology used in the Report, there are 10 054 Lower level local governments, having *legislative power*.

³¹ The idea is also that some recurrent costs will be covered through the funding mechanism.

³² The practical difficulties involved are staggering. None of the four districts supported by LAMP has yet met the criteria.

³³ The NGO Policy Forum comments on the new Strategy can be found in Appendix II.

³⁴ There are 2 City Councils, 12 Municipal Councils, 8 Town Councils and 92 District Councils. The councillors are elected. The country is divided in Wards, 2 040 in total and each Ward elects one councillor. In each district there is a District Executive Director and a Director of Agriculture and Livestock Development Officer, DALDO. These public employees report to the District Council and can be hired and fired by the Council.

³⁵ A National Anti-Corruption Strategy was formulated in 1999. Thus far, there has been little impact of this strategy.

³⁶ At the beginning of the 70s the salary for a water technician was in the order of Tsh 500-700 per month. The DSA was then about Tsh 5 per night, only a smaller fraction of the salary.

³⁷ The way Northern Europeans view corruption might differ significantly from how corruption is perceived in the South. Millions of Kroner of Swedish taxpayers money have been used in Mozambique to finance scholarships and travel tours of friends and relatives of senior officials in the Ministry of Education and the University of Eduardo Mondlane in Maputo. No action has yet been taken by the Mozambican authorities.

³⁸ The Evaluation Report, Daima *et.al.* identifies the following donors (p. 17): *14 external financing agencies currently providing GBS (in grant or loan form) to the Government of Tanzania. This group of external financing agencies is collectively referred to as the "PRBS Development Partners" (Poverty Reduction Budget Support) and includes the following agencies:*

- *African Development Bank (through AFD)*
- *Canada*
- *Denmark*
- *DFID, UK*
- *European Commission*
- *Finland*
- *Germany (KfW)*
- *Ireland Development Cooperation*
- *Japan (JICA)*
- *Netherlands*
- *Norway*
- *Sweden*
- *Swiss Development Cooperation (SDC)*
- *World Bank (through IDA)*

³⁹ Daima *et.al.* p. 10