

Agricultural Sector Budget Allocations at Local Level

Key issues from Selected Districts

Presentation made at British Council

Breakfast Talk
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CONTENTS

1. Background on local level plans
 - Process involvement (women, youth)
 - Budgets and funds availability
 - LGA commitment to agric % from LRR
2. Allocations for some selected LGAs
3. Key issues
 - Coordination & involvement
 - Access to information
 - Timeliness on funds release
4. Conclusion

BACKGROUND

- With 10% budget allocation, and sustained 6% growth
 - Reduced food insecurity
 - Better livelihoods & reduced poverty
- Plans and priorities in the sector consider
 - Local and national context -mostly strategic plan
 - Guidelines from national level
- Process - 3 year rolling plans -phase in & phase out
 - O&OD, village/community agric development plans
 - Ward and district level compilation - WFT support
 - Wide range of stakeholders (women, youth, processors,)

BACKGROUND

○ Budget levels

- Consideration on ceilings & revenues (treasury & domestic)
- Support from other actors - CSOs joint work
- Pulled fund arrangement at local level?

○ Funds availability

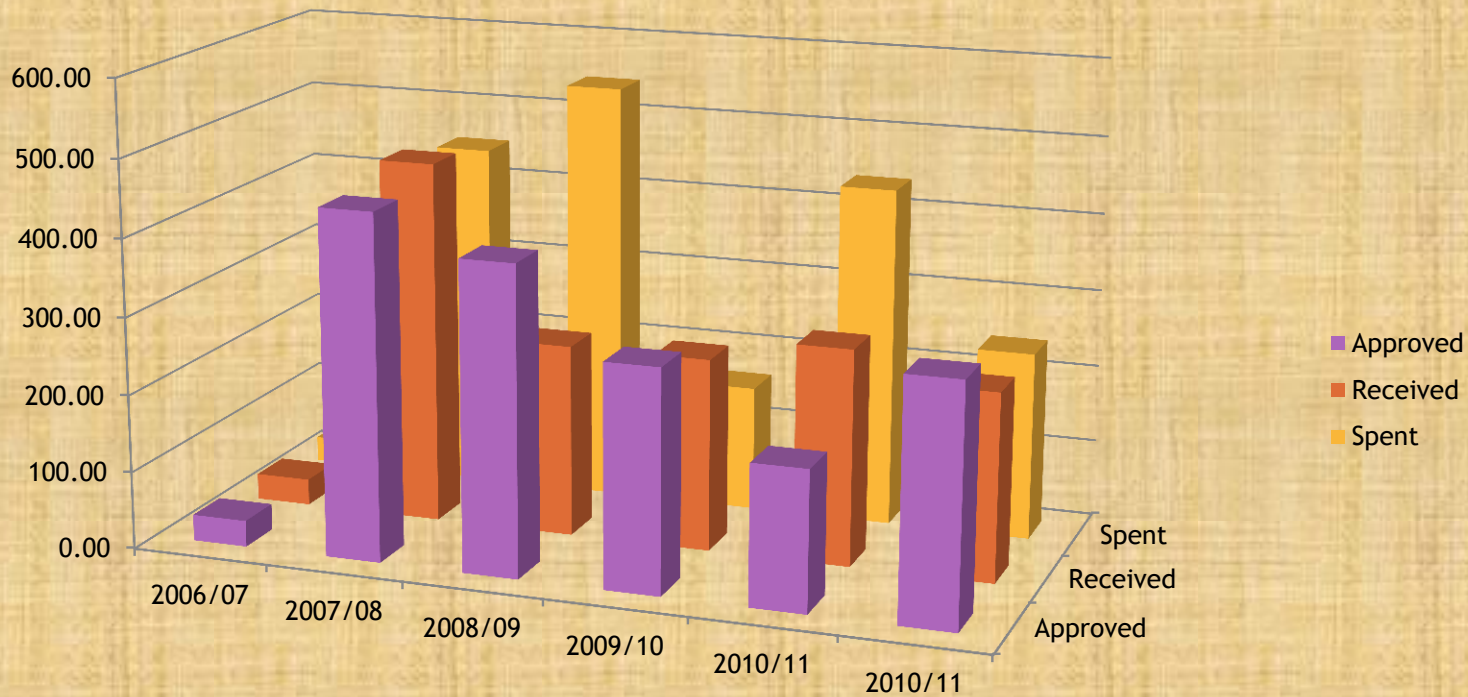
- Central government transfers
- Agric sector (crop cess and permit to procure produce)

○ Local governments commitment to agric

- Generate incomes to most LGAs
- Significant % of agric budget to community level

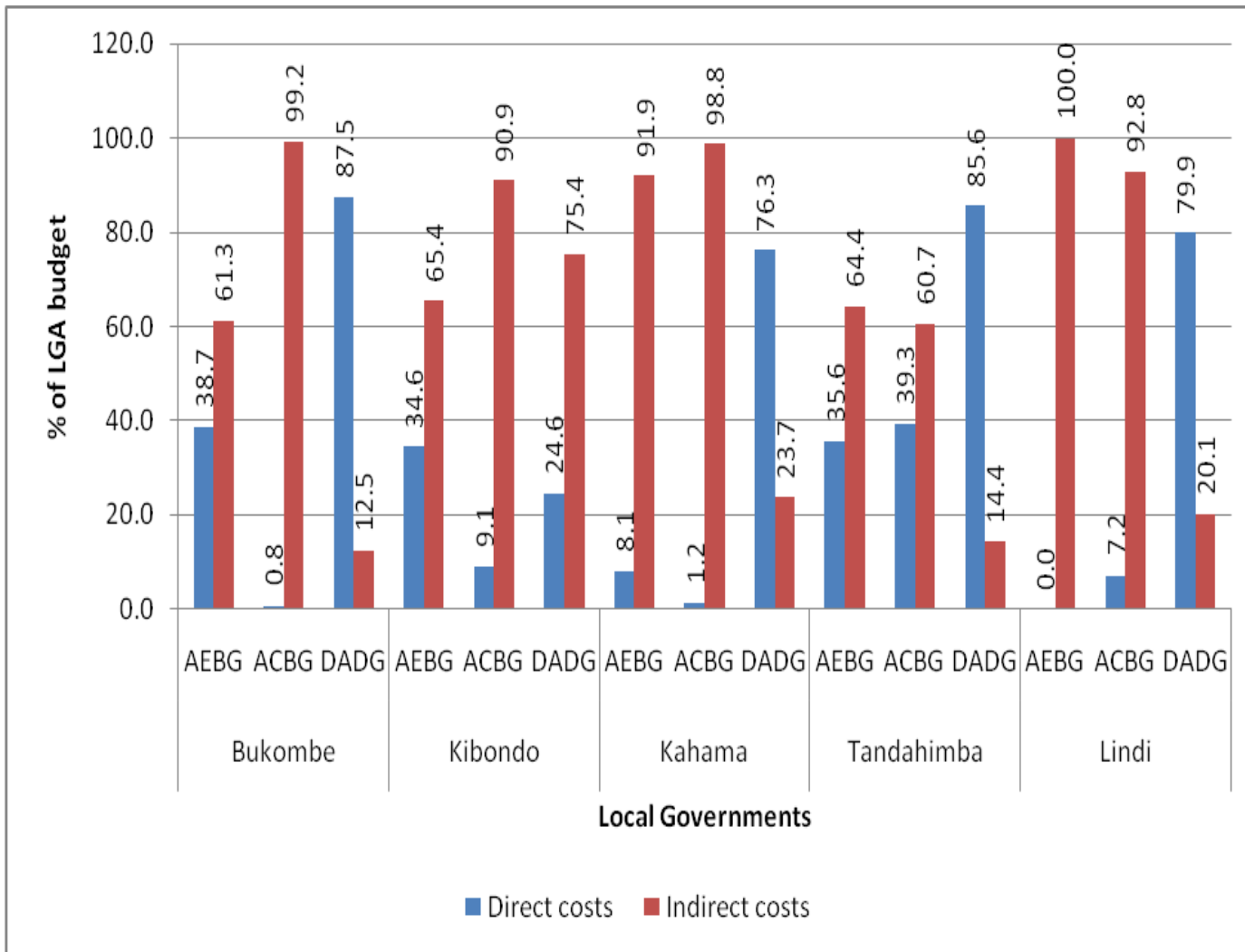
BUDGET ALLOCATIONS -SELECTED LGAS

Approved Budget Vs Received Vs Spent (2006/07 - 2011/12)



Data presented here are from Lindi, simanjiro, Kisarawe & Mbeya LGAs

Facilitation costs vs investment costs at LGAs

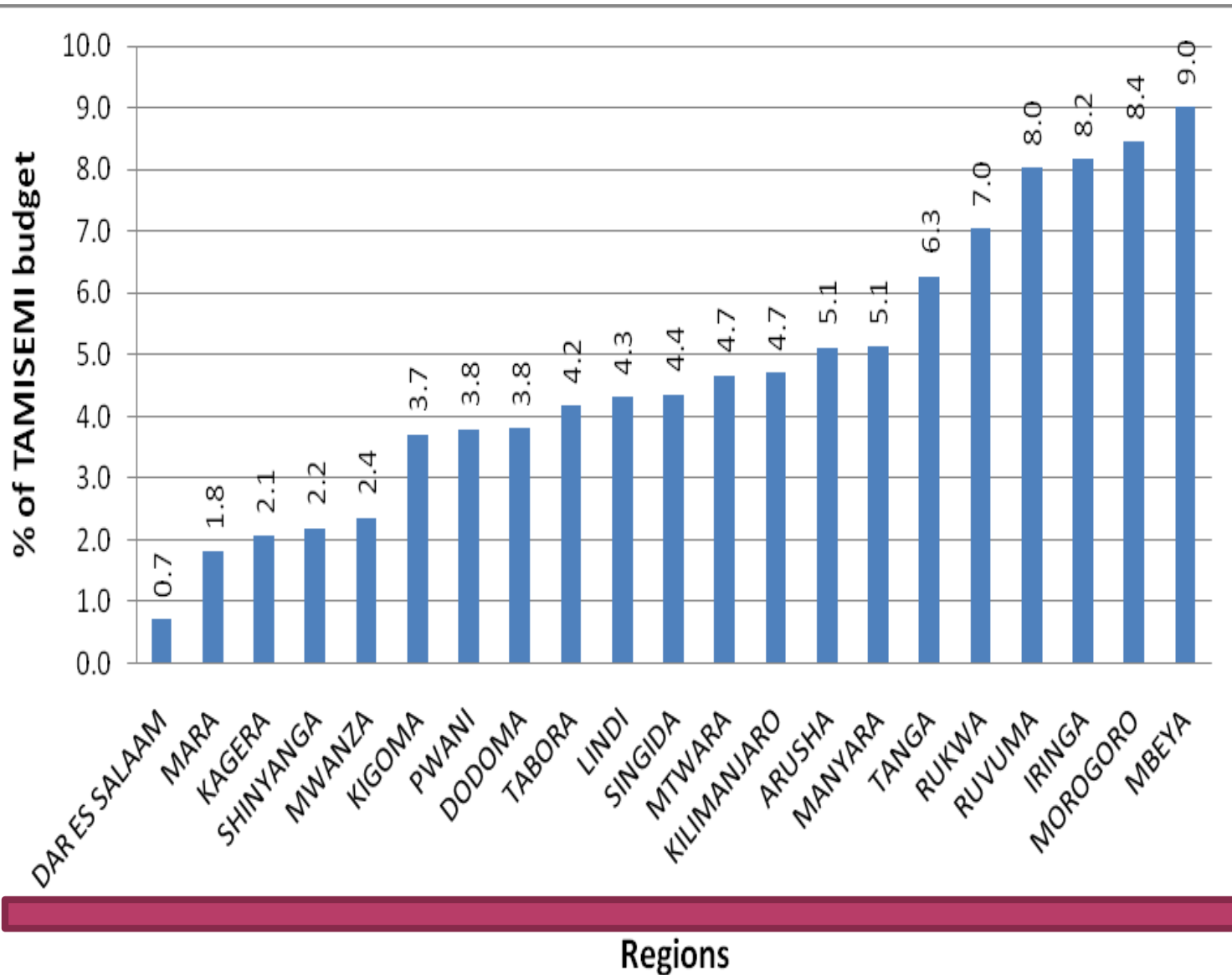


- Overall, indirect costs are higher than direct costs

- In some LGA investment component (DADG) has higher indirect costs e.g. Kibondo

DADG = District Agriculture Development Grant
 ACBG = Agricultural Capacity Building Grant
 AEBG = Agricultural Extension Block Grant.

% Budget Allocation vs Agric Production Potential



Agric. potential regions receive highest allocation

Kigoma receives only 3.7% of the PMO-RALG budget

BUDGET ALLOCATIONS IN SELECTED LGAS

- ◉ Work in progressbut
 - ◉ Increased allocation in indirect costs vs direct investments
 - ◉ Focus on strategic interventions (no SPs)
 - ◉ Less than 5% of agric revenues ploughed back into agric
- ◉ Lacks contributions by other actors - CSOs
 - ◉ Parallel programmes/projects at LGAs
 - ◉ Reports do not include the work by other actors

KEY ISSUES

1. Coordination & involvement

- Districts except Mbeya - do not indicate budgets by other actors
- Limited consultation with wider stakeholders, in developing strategic plan & annual plans
- Missing opportunities for cross-learning, and optimum resource use

2. Access to information & transparency

- High level of silo-system of planning
- Documents not accessible (revenues, CAG reports, budget summaries, financial reports e.t.c)
- Councillors - confusion on audit opinions
- No clarity on implementation of CAG recommendations

KEY ISSUES

3. Timeliness - Treasury funds release

Slight improvement

- 2006/07 -transfers were done during 3rd & 4th quarter
- Approved budget honoured by treasury - transfers
- Single transfer by the first quarter -cash flows for Mbeya, Kisarawe, Simanjiro & Lindi

However

- Delays if LGA has audit query
- Lack assurance on exact dates on transfer
- Why punish end users and not implementer?
- No single format in presenting plans - difficult to analyse

CONCLUSION & RECOMMENDATION

- Budget & Planning
 - Guidelines on minimum amount for investment component need to be assessed
 - Condition on own source allocation??
- Need for better coordination of actors - (value chain, cross-learning, optimal resource)
 - More emphasize on strategic plans
 - Stakeholder analysis and coordination
- Regional potential vs poverty levels - spill-over?
- Support LGAs to have website - updated with information
- Enhance capacity of councilors
 - Regular review of audit reports - follow up on recommendations

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