

witnessed a proliferation of rules by the Treasury on how and when government ministries could spend money. For example, in 1983 as the financial situation of federal government deteriorated the regulation limiting expenditure authorization by various officers was suspended. In its place the Treasury ruled that any cheque in excess of N20,000 'shall henceforth be subject to cash clearance with the Treasury'.<sup>2</sup> As a result of this, some of the departments that had at one stage indicated some targets of performance discontinued the practice, as the budget was not a reliable guide to funding at the implementation stage. The uncertainty in funding of programmes was further compounded by the unscheduled change of government through military intervention in December 1983. The military government set aside Shagari's budget 'against all evils' for 1984, and prepared its own so that two separate budgets were prepared for the 1984 financial year.

### CONCLUSION

The above description indicates that Nigeria has joined the 'League of Nations' where PPBS was tried but failed to influence government decisions according to the rules of programme budgeting. It is debatable whether the whole PPBS exercise was not just a retreat from the reality facing Nigeria. In the first place the government that wanted to upgrade the use of budgeting to promote efficiency in the public service was still to tackle the problem of feedback control to ensure accurate accounting for expenditure of public funds. Secondly, while the notion of efficiency was being preached in the public service some government contractors were collecting mobilization fees (prepayment before commencement of contracts) for services not rendered, and until the military coup of 1983 no serious effort was made to recover them. Thirdly, at the time the government was laying emphasis on long-term budgeting, promises made in the annual budgets were not being honoured as there was no stable commitment of funds at the implementation stage. The short-term budget therefore lacked predictive value. Finally, in spite of the importance of data-gathering for PPBS the government did not make any serious attempt to improve its data base.

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## Policy reform and rural development assistance in Tanzania<sup>1</sup>

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SUMMARY

Tanzania for a long time refused to reform its economic policies along the lines recommended by the World Bank and IMF. Eventually the foreign exchange crisis forced the government to make the changes advocated by its own pragmatic economists and the Western donor community. The reforms were necessary, but not a panacea for all the problems which had plagued rural development programmes over the past decade. Three big problems still face basic-needs programmes: the government administration has very little capacity to manage or back up programmes; neither the national nor district governments can afford them; and rural residents have not compensated for either of these deficiencies through their own participation and contributions. This article looks at two basic-needs programmes in the rural water supply sector to illustrate how these long-standing problems continue to affect implementation. Both programmes are funded and implemented by donors. The conclusion is that donors have not been sufficiently self-conscious and innovative in grappling with the more intractable problems facing rural programme assistance in Tanzania.

### INTRODUCTION

In 1986, in the wake of the worst international depression in fifty years, two propositions are widely accepted: Most developing countries must make major changes in their policies and institutions to adjust to changed economic circumstances and resume growth. And most need substantially increased net capital flows in order to adjust and grow. The spotlight is therefore on policy-based loans (Nelson, 1986, p. 67).

Tanzania is one of the countries which must make these major changes. Until recently its policies were a catalogue of what donors and development scholars blame for economic stagnation. The government could pursue these policies despite their consequences, because bilateral donors were willing to continue assistance without policy change.

As the crisis continued and deepened, sympathetic donors realized that Tanzanian policies in the key sectors would have to change before recovery could begin. Donors rightly faulted these policies for undermining their rural development programmes in the country as well as hurting overall economic performance.

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<sup>1</sup>The views expressed in this paper are those of Dr Kleemeier alone, and do not represent the views of Hesawa as a programme or of other Hesawa implementors. The Fulbright Africa Research Programme financed the research which led to this paper. The research was carried out January-August 1986.

Donors put various kinds of pressure on the Tanzanian government to reform its policies. Some donors cut assistance. Others held back previously committed assistance, or made clear that they would not increase assistance until policies changed. Meanwhile economic conditions in the country stagnated. In 1985 Tanzania reached informal agreement with the IMF, the first step in its reforms.

Will rural development programmes begin to perform better as a result of the new national economic policies? Does project assistance seem likely to succeed, now that the 'right' economic policies are in place? Or has all the attention to policy reform caused donors to ignore other, equally important, factors which cause rural development programmes to fail in Tanzania?

### DOMESTIC POLICY VERSUS RURAL DEVELOPMENT ASSISTANCE IN THE 1970s

In late 1978 Tanzania entered a foreign exchange crisis which the World Bank called 'unprecedented in its magnitude, duration, and impact on virtually all spheres of economic activity' (World Bank 1983, p. 5). Since then Tanzania has spent about twice as much on imports as it has earned on exports, despite a decline in the volume of imports. In 1985, Tanzania's exports paid for only 33 per cent of its imports. This foreign exchange crisis in turn created other economic problems: government deficit; inflation; industry working at 20-40 per cent capacity; and a growing parallel market.

To some extent external shocks contributed to this crisis: the break-up of the East African community; the Ugandan war; and the second oil price rise (van Arkadie, 1983; Bienefeld, 1982; World Bank, 1983, pp. 1-2). Poor harvests in 1980 and 1981, and a decline in the terms of trade, constrained recovery (van Arkadie, 1983, p. 129). However, domestic policies were responsible in large part. Agricultural policies and institutions caused agricultural exports to decline. Meanwhile Tanzania's industrial strategy increased imports without significantly raising manufactured exports. Food imports continued.

The IMF and the World Bank began early in the crisis to press the Tanzanian government to reform its policies. IMF negotiations continued sporadically for 7 years without result, because President Nyerere refused to devalue the shilling.<sup>2</sup> The Bank maintained assistance levels in Tanzania during the imbroglio, but made clear that levels would not rise until policies changed.

Tanzania's largest bilateral donors, the Nordic countries and the Netherlands, at first implicitly supported Tanzania against the IMF, by switching project assistance to import support. At the time, these donors foresaw the economic crisis as lasting only until the early 1980s. However, Tanzania needed more foreign exchange than such donors were willing to provide. By 1984 they had told the Tanzanian government that only an IMF agreement would resolve the crisis (SIDA, 1984).<sup>3</sup>

Substantial changes in economic policy became possible when Nyerere decided to

Interviews with the then Minister of Finance, Washington DC, March 1985; and Head of the 1979 IMF Mission to Tanzania, Stockholm, January 1985.

Interviews with former SIDA Deputy Director-General, Stockholm, January 1985; former SIDA Director-General, Stockholm, January 1985; DGIS Tanzanian Programme Coordinator, The Hague, January 1985.

step down as president. In mid-1985 the Tanzanian government asked the World Bank for assistance in drawing up an economic recovery programme which the IMF would find acceptable. The programme was ready by April 1986, and the Bank called a meeting of Tanzania's donors in May. Donors pledged increased assistance on the understanding that this programme would be implemented.

The 1986-1987 budget reflected the new programme. The shilling was devalued for the third time in less than 3 months, and would continue to be adjusted periodically. Producer prices were raised. In real terms, recurrent spending dropped and development spending stayed the same. Agriculture received the largest share of the latter. Taxes were raised on a wide range of goods (*Africa Research Bulletin*, 1986). Farmer cooperatives had already been reintroduced in 1984, to take over many marketing and supply functions from the parastatals. Thus, by 1986, policy reform was well under way in Tanzania.

Policy reform addresses one of the problems which hurt rural development programmes in Tanzania during the 1970s. These rested on certain assumptions about domestic policies and institutions—administrative and political as well as economic—in the recipient country (Kleemeier, 1984a). The first of these assumptions was that government would support through appropriate policies economic growth based on smallholder agriculture. This growth would pay for development, including rural social services. Previously Tanzanian agricultural policy had not provided incentives for the smallholder to increase productivity, or even production.<sup>4</sup> Policy reform represents an effort to reverse this trend.

But policy reform does not directly address other problems which plagued Tanzanian rural development assistance in the past. These problems relate to three other assumptions underlying rural development programmes aimed at the direct alleviation of poverty. As in the first case, Tanzanian reality did not conform to these assumptions, hence rural development programmes failed.

The second assumption was that community participation would solve problems which had affected previous assistance programmes. Through participation, implementors would learn how to 'fit' activities with local conditions (Korten, 1980). However, in Tanzania, political policies inhibited rural popular participation. The state abolished independent local organizations, such as district councils and farmers' cooperatives. It attacked traditional social organization through villagization. The state replaced these organizations with ones controlled from the centre, principally the party.

Third, the programmes assumed that a decentralized government structure would facilitate participation and problem-solving. Decentralization would lead to better understanding of local conditions, faster implementation, better coordination among government departments, and more use of technical experts in the field. The Tanzanian government decentralized in 1972. In practice, this further centralized power. Moreover the system did not solve a series of persistent problems, e.g. unrealistic budgeting, scarce resources, and poor management.

Fourth, at least the basic-needs programmes assumed a large government invest-

<sup>4</sup>Government policy served to extract a surplus from agriculture in order to finance the expansion of the state sector and industry. The principal mechanisms in this appropriation process were a declining producer share in total product value, an overvalued foreign exchange rate, and a consequent deterioration in the relative prices for agriculture.

ment in rural social services. Donors would pay for the construction, but the government would have to maintain them. While the Tanzanian government placed a high priority on rural social service investment, this was not matched by a commitment to maintain and operate the projects (Green, Rwegosira and van Arkadie, 1980, p. 45). For instance, a study of rural water supply in the Lake regions concluded that the construction of new schemes barely compensated for the deterioration of existing ones (Allmanna Ingenjorsbyran, 1980, ii, 8).

Tanzania attracted a massive amount of rural development assistance in the 1970s for several reasons, prime among which was the donor perception that conditions in the country conformed with the above four assumptions. Hindsight, however, shows that Tanzanian policies and institutions undermined the conditions necessary for the successful implementation of poverty-oriented rural projects.

National economic policy reform in Tanzania was necessary in order for rural development programmes to succeed—but is it sufficient?

## TWO CASE STUDIES

Sweden and Germany are among Tanzania's largest donors, and both invested heavily in rural development programmes in the 1970s. Sweden invested the largest share of its assistance to Tanzania in the 1960s and 1970s in rural drinking-water supply. Germany's showcase investment in the rural sector has been an integrated area development programme in Tanga region.

The Swedish water programme in the 1970s was an obvious failure, largely because the government could not operate and maintain the diesel-powered schemes. The Germans and Tanzanians were relatively satisfied with the progress of the Tanga programme, but it had not produced many sustainable achievements by the end of the decade. The problems facing the two programmes were related, albeit in different degrees and fashions, to the four assumptions described above.

The two donors have continued to finance the programmes in the 1980s, but with significant changes in the concept underlying each. Will policy reform in conjunction with programme changes now produce results?

### Hesawa

SIDA, the Swedish assistance agency, took a series of steps in the early 1980s to salvage its rural water programme in Tanzania. As a first step, SIDA stopped funding projects through the Ministry of Water. Instead, it concentrated its water assistance in a regional programme. Now Swedish assistance would go to regional and district water departments in Mara, Mwanza, and Kagera, instead of the ministry.

Second, SIDA hired a Swedish consultant to assist in implementing the Lake regions programme. Consultant staff had direct responsibility for procurement and the financial accounts for Swedish assistance. Other staff advised the regional or district departments implementing the programme.

Third, SIDA rapidly phased out support to diesel-powered schemes. The new SIDA water strategy said that technology had to be simple and inexpensive. Villagers and district departments had to operate and maintain water schemes without assistance. The Lake regions programme as a result financed mostly hand-pump and gravity water projects.

Fourth, SIDA decided that the Lake regions programme should be an integrated water, health, and sanitation programme. The programme was renamed 'Health through Sanitation and Water' (Hesawa). Integration meant additional projects run by the Health and Community Development Departments. Community Development also had responsibility to promote participation in all programme activities. Finally, the Prime Minister's Office (PMO)<sup>5</sup> and SIDA decided that programme activities should be implemented through district rather than regional departments.

## TIRDEP

Altogether donors funded seven integrated rural development programmes in Tanzania. None of them did very well, because they proved extremely vulnerable to the domestic policies and conditions outlined above (Kleemeier 1986). The Tanga Integrated Rural Development Program (TIRDEP) was one of the few to survive.

GTZ, the German assistance agency, was generally pleased with TIRDEP because the money was spent and accounted for, and targets met. The obvious problem was that there seemed little prospect of handing TIRDEP over to the Tanzanians to run without German assistance.

The TIRDEP Coordinator who arrived in 1981 initiated changes to address this problem, and to deliver benefits more directly to the rural residents. First, much more emphasis was placed in each project on involving the rural recipients. Second, the composition of TIRDEP changed. One of TIRDEP's largest components through the early 1980s was an agricultural extension project, which produced few results given agricultural policy and the project's top-down approach. This project was drastically cut, and a pilot project to support small-scale village projects was built into a major TIRDEP component.

The Village Development Project (VDP) supports development activities initiated by village governments or cooperatives. The village group must agree to finance half the project cost by contributing cash, labour, and local materials. In return, VDP provides the remaining finance, imported materials, and technical advice. Some common activities are milling machines, fish ponds, road improvements, and women's group projects such as vegetable gardens and small hotels. Recently, VDP has become involved in the Village Water Supply Project, another TIRDEP component.

The new features of Hesawa and TIRDEP represent innovative donor responses to problems facing rural development assistance during the 1970s. The programmes are also being implemented in a new economic policy environment. What is the effect of policy reform on the programmes and their environment? Do participation, decentralization, and recurrent finance present the same problems as they did in the 1970s? Hesawa and TIRDEP contain different activities, but both programmes have a rural water supply component. The remaining sections will focus on this activity in answering the preceding two questions.

<sup>5</sup>The Prime Minister and First Vice-President's Office *inter alia* handles regional affairs. The PMO appointed a senior officer to oversee the Lake regions programme from Dar es Salaam.

## POLICY REFORM

In the short run, policy reform has some obvious negative effects on rural water supply programmes. For one, it removes the implicit subsidy which the overvalued exchange rate provided hand-pumps. Without this, villagers can pay only a small portion of the costs for improving their water supplies. Villagers are supposed to contribute 50 per cent of the costs for a VDP project. Even before devaluation, villages could rarely afford to pay this high a percentage for water projects. For example, VDP assisted Mapatano village to get a shallow well. Table 1 shows the division of costs between the villagers and TIRDEP. Villagers paid 23 per cent of the cost for their well before devaluation. The costs of hand-pumps, hardware, cement, and transport will at least double, due to devaluation and the new 50 per cent tax on diesel. If Mapatano villagers were to build the same well today, they would pay a very small percentage of its actual cost. Maintenance will also be more expensive, because of rising costs for spare parts.

The situation is the same for Hesawa. Formally, Hesawa has nothing so ambitious as the 50 per cent village construction target for VDP-assisted shallow well projects. Hesawa initially demanded a TSh.3000 cash contribution per well, with villagers doing the manual work in surveying and construction. The required cash contribution will rise by TSh.1000 every year until villages are paying TSh.5000-6000 per hand-pump. In practice that means villagers are contributing about the same for ringwells under TIRDEP and Hesawa.

Hesawa also constructs drilled tubewells. These wells are on average much more expensive than ringwells, but villager contributions are the same. Therefore villagers will contribute a much smaller share of costs.

On the other hand, TIRDEP and Hesawa rural water components will benefit in the long run from policy reform, if the new policies succeed in raising rural incomes and increasing the availability of manufactured goods. If rural incomes were higher,<sup>6</sup>

Table 1. Shallow well<sup>a</sup> costs: village and TIRDEP contributions (Tanzanian shillings)

Item	Village contribution	TIRDEP contribution	Total cost
SWN 80 hand-pump	3000	2250	5250
Technicians' labour <sup>b</sup>		4000	4000
Hardware and materials		6700	6700
Cement		1400	1400
Transport (lorry)		4800	4800
Sand and stones	1000		1000
Unskilled labour	1680		1680
<b>Total</b>	<b>5680</b>	<b>19,150</b>	<b>24,830</b>

<sup>a</sup>Three metre ringwell, finished March 1985. Mapatano village, Muheza District, Tanga.

<sup>b</sup>Technicians' labour calculated at TSh.100 per day times four technicians for 10 days; unskilled labour at TSh.28 per day times six labourers for 10 days.

<sup>c</sup>Transport calculated as four return lorry trips of 80 km each at TSh.15 per kilometre.

Source: interview with Assistant Head of Shallow Wells Division, Regional Water Department, Tanga, July 1986.

villagers could pay more towards improving their water supply. For instance, individual households could afford to construct their own rainwater catchment systems or hand-dug wells. To do this, materials such as cement and iron sheets would have to be available in the rural areas.

## PARTICIPATION

Participation in rural water supply programmes is supposed to be important for two reasons: to increase people's utilization of clean water, and hence the health impact from the programme; and to motivate people to assume most of the responsibility for operating and maintaining the projects. Although both Hesawa and TIRDEP have increased participation in their rural water supply projects, it has not had these effects.

Hesawa has succeeded in increasing participation in construction compared to earlier donor programmes. Previously Sweden funded diesel schemes, which essentially excluded villager participation in planning, construction, and maintenance. The schemes were a failure because not even the government could operate them, owing to a diesel shortage. Shallow wells technology is an improvement on this. Villagers participate more in Hesawa than they did under the shallow wells and self-help components of the World Bank integrated rural development programme in Mwanza, because Hesawa promotes its activities in the villages more effectively.

However, Hesawa technology also limits the scope for increasing villager participation in construction. Shallow wells take about 6 months to a year to complete, from when the villagers raise the cash to when the water starts flowing. During this time, villagers are actively involved for only about 2 weeks to a month. The villagers contribute a token amount of cash and their labour. The district water department has the following tasks: surveying; supplying equipment; supervising construction; handling supply procurement and transport; installing and fixing pumps; and financing over 90 per cent of the total cost, and all of the foreign exchange costs. Thus villagers play a very limited role.

The TIRDEP Village Water Supply Project (VWSP) has had much the same experience, even with projects in which VDP is involved. The regional water department handles most aspects of construction, with the role of villagers limited to contributing cash, clearing sites, digging holes, and loading sand and stones on lorries. Intensive intervention by VDP staff cannot expand a role defined by the choice of technology.

Neither Hesawa nor VDP lived up to their own objectives for involving villagers in planning the design of the water projects. But especially in Tanga, the major limit on participation was the technology itself, and not programme strategies for promoting participation.

Research has repeatedly shown that the most important criteria to villagers for improved water supply are convenience, reliability, taste, and appearance (Andersson, 1982, 1984; Andersson and Hannan-Andersson 1984; Kleemeier, 1986).

<sup>6</sup>Per capita income in Tanzania declined by 11 per cent between 1980 and 1985. Tanzanian national income rose by 2.3 per cent (real prices) in 1985/1986, compared with a population increase of 3.3 per cent. In 1984, national income rose 3.2 per cent. Thus, real rural incomes have declined this year at an accelerated rate (Africa Research Bulletin, 1986).

Shallow wells do not usually meet these criteria in Tanga, because suitable shallow aquifers are difficult to find. As a result wells are often far away from where people live. The water is sometimes salty or rusty, and frequently disappears during the dry season. Then women must walk as much as 15 km to get water, and wait several hours at the traditional source for it to recharge.

Thus villagers still have little influence on what in their eyes are the most important aspects of their village's water project: where, what kind, and how much water will be produced. If Hesawa and TIRDEP water supplies do not meet the criteria of convenience, reliability, taste, and appearance, people will not rely on them. The health impact from water projects will remain low, and villagers will probably not maintain wells which do not meet the above criteria.

### DECENTRALIZATION

TIRDEP and Hesawa differ markedly in their organizational relationships to the districts since 1984. VWSP and VDP organization remained unchanged. Both projects continued to be administered at the regional level, under close expatriate control. Hesawa, on the other hand, has switched to using the district departments as implementing agencies, with relatively little expatriate intervention.

TIRDEP assistance to rural water supply began in 1980 as a project to establish a shallow wells division within the regional water department. German aid paid 93 per cent of the division's costs, including all supplies, spare parts, workshop equipment, maintenance, transport, wages of direct employees, and topping off of the government staff's salaries and allowances. Procurement, vehicles, and stores were kept separate from other divisions in the water department, under the direct control and supervision of five expatriates. One expatriate served as division head. The project, in short, created an enclave within the regional water department (Kleemeier, 1984b, p. 132).

Since 1984, VWSP has undergone several changes. The expatriates have been reduced to one, the division head. The project was expanded at the Regional Water Engineer's request to procure pumps and pipes for rehabilitating piped schemes; district water departments can buy these supplies from VWSP in local currency. Whereas formerly the project paid villagers to dig the wells, VWSP requires the villages to contribute labour, sand, and stones. Finally, the project attempted to hand over maintenance responsibilities to the districts and villages.

Purchasing imported materials for the district water departments represents a significant change, but organizationally leaves VWSP as a regional project. Moreover the project remains a German enclave with the regional water department. In 1984-1985 the Tanzanian government contributed TSh.500,000 to project costs, but this dropped to TSh.200,000 in 1985-1986. The project runs on German aid—and German supervision to see that VWSP resources do not 'leak' to other divisions in the water department.

VWSP has so far failed in practice to transfer functions from the region to the districts and villages. In 1985 VWSP attempted to decentralize hand-pump maintenance from the regional Shallow Wells Division to the districts and villages. Selected district staff received training, tools, and bicycles to carry out their new responsibilities as pump attendants.

In some districts, for instance Korogwe, the pump attendants did nothing. But even

in districts with good water departments, such as Muheza, the system did not work well. Those Muheza pump attendants stationed at the district office, under the direct supervision of the very capable District Water Engineer, did their jobs. Villages around Muheza town had pumps repaired fairly quickly. The rest of the district, though, is served by just two attendants. At least one of these did not do his job.<sup>7</sup> Hand-pump maintenance in Tanga is actually quite good, but because the regional department continues to do the work.

VDP also operates much as an organizational enclave, although it is formally under the Regional Community Development Department. It is run by three expatriate managers and two Tanzanian counterparts seconded from the regional department. Up until the present, the only role for the district community development departments has been to help distribute letters to the villages apprising them of the programme.

By contrast, Hesawa was redesigned in an effort to use the district administrations as implementing agencies. The PMO demanded that district departments be put in charge of planning, budgeting, and implementing Hesawa activities. The regional departments were to advise and provide technical assistance to their district counterparts. The districts, not the regions, would control the resources of the programme.

So far, decentralization has had a negative effect on the implementation of Hesawa's rural water supply component. The number of wells constructed per month fell by up to two-thirds after decentralizing implementation to the districts. Hesawa adopted the same maintenance strategy as VWSP: the programme provided training, tools, and bicycles to several water department technicians in each pilot district so that they could maintain hand-pumps. The problem with this maintenance system is that the technicians are slow to go to the villages. Hesawa has just introduced training for villagers in pump maintenance, in an effort to reduce dependence on the water department. The latter still is the only source of spare parts.

District community development departments had difficulty implementing their Hesawa activities, and promoting the programme as a whole, before decentralization. Transferring more functions and responsibilities to these departments exacerbates the problem, at least initially. District Community Development Assistants (CDAs) are supposed to oversee Hesawa implementation in the villages. The study of Hesawa in Magu showed that the CDAs do not do their jobs properly, including Hesawa promotion and supervision, for two reasons: poor incentives and morale; and poor supervision and reporting.

The first problem is endemic within the Tanzanian civil service. The salaries for CDAs, as for all Tanzanian government staff, are wildly out of line with the cost of living. Under such circumstances the CDAs undoubtedly calculate that they owe the government a very small amount of work in return for their salaries.

Second, poor supervision hurts CDA performance. The CDAs need a steady supply of information and advice, especially concerning their new Hesawa duties. But district officers almost never visit the CDAs, for basically the same reasons that CDAs do not perform their jobs well: low salaries and morale; and poor district staff management.

The reports from CDAs are so general that the CDAs copy large sections from preceding reports into subsequent ones. In principle the CDAs report monthly, but in

<sup>7</sup>He left a pump unrepaired for 3 months, even though the problem was a very simple one of screwing together the pump rod which had become disconnected.

practice they send in three or four reports a year. The District Community Development office therefore cannot distinguish between energetic CDAs and those who do nothing. For instance, the only report in 1985 to receive a critical comment from the Magu District Community Development Officer came from the one CDA who had volunteered to live in a more remote village, and had succeeded in organizing women's self-help groups there.

### RECURRENT FINANCE

In 1971 the party promised the peasants free social services, *inter alia* a piped water supply within 400 m of all Tanzanians by 1991. This target was later revised to 'a source of clean, potable, and dependable water to every village by 1981 as a free basic service'. The fiscal implications of such massive and rapid investment in education, health, and water services were huge. The World Bank estimated the recurrent cost of such investment would be TSh.14.5 million (in constant prices) by 1990, compared to TSh.3.6 million in 1974.<sup>8</sup>

When Tanzania experienced its first major balance of payments crisis in 1974-1975, the government nonetheless continued to expand basic services to the rural sector. However, the government made the strategic decision not to increase recurrent

Table 2. Regional capital and recurrent expenditures for rural water supply, Tanzania 1974-1978 (TSh. '000 in constant 1970 prices)

Region	Development expenditure	Change in recurrent expenditure	Ratio of maintenance adequacy
	1974-1977 (a)	1974-1978 (b)	(b)/(a)*
Arusha	5051	683	13.5
Dodoma	4888	-2591	-53.0
Iringa	4712	226	4.8
Lindi	5845	270	4.6
Mara	6870	-171	-2.4
Mbeya	4806	-330	-6.9
Morogoro	5570	838	15.0
Tabora	4815	398	8.3
Rukwa	4226	1136	26.9
<i>Total</i>	46,783	459	1.0
<i>Total excluding Rukwa and Dodoma</i>	37,669	1914	5.1

\*Expressed as a percentage.

Sources: expenditure data from United Republic of Tanzania, *Estimates of Public Expenditure Supply Votes (Regional)*, Vol. 3 in *Estimate of Public Expenditure as passed by the National Assembly* (Dar es Salaam: Government Printer, 1974/5 to 1981/2), and United Republic of Tanzania, *Mipango ya Maendeleo—Wizara ya Mipango na Maendeleo—Mikoa*, Vol. 4 in *Makadirio ya Fedha za Serikali kama ilivyopitishwa na Bunge* (Dar es Salaam: Government Printer, 1975/6 to 1981/2). National Consumer Price Index from Bank of Tanzania, *Economic Bulletin*, Vol. 12, No. 1, March 1980.

<sup>8</sup>The government revised its targets several times. This estimate is for the original goals (World Bank, 1975, p. 51).

expenditures in proportion to development investments (Green, Rwegasira and van Arkadie, 1980, pp. 43, 45). The World Bank estimates annual recurrent costs of rural water schemes as about 20 per cent of the original capital expenditure in constant prices (World Bank, 1975, p. 51). The last column of Table 2 estimates this ratio for nine regions by comparing capital expenditure with the change in recurrent expenditure for rural water supply. Only one of the nine regions achieved 20 per cent.

As Tanzania's second major economic crisis continued and deepened, national leaders realized that the central government could not afford to deliver rural social services without recipients bearing a much larger burden of the cost. From the government's perspective the 1982 decision to re-establish district councils represented a means to transfer financial responsibility for social services from the central budget to district council budgets (Svendsen, 1984). (District council revenue comes from a poll tax reintroduced about the same time as the councils.)

In the two years during which the councils have been in operation, they have not been able to assume these social service costs. District councils still run on subventions from the central government budget. Actual recurrent spending in 1985-1986 was TSh.2.5 billion over the amount budgeted in the national budget due to these subventions, as well as increased national debt payments (*Africa Research Bulletin*, 1986).

Despite the subventions, district councils remain poor. Some district governments periodically stop normal operations due to lack of funds. During this time, department heads are each put in charge of collecting the head tax from peasants in a different section of the district. Trucks full of district staff sweep into villages and, with the help of the local party and militia, collect enough money for the district administration to resume operation.

TIRDEP has not asked the districts to contribute towards the recurrent costs of the rural water supply programme. When the region fails to pay its contribution, the Germans make up the difference. Hesawa has taken a much different approach as of July 1986. From then on the district have to pay for staff allowances, diesel, and recurrent costs. This money comes almost entirely from central government subventions.

### CONCLUSIONS

Macroeconomic and agricultural policies were one set of problems facing rural development assistance in Tanzania during the 1970s. However, these policies had a more severe and immediate effect on agricultural development programmes than on basic-needs programmes such as rural water supply. The effect of policy reform on the latter programmes may not be visible until the next century, when rural incomes and the economy have recovered.

Now that policy reform is under way, the more intractable problems facing rural development assistance become apparent. Basic-needs donors have not ignored the problems connected with participation, decentralization, and finance which face their programmes. On the other hand, donors have not been very successful in coming up with solutions.

In rural water supply programmes donors have put too much faith in hand-pumps and shallow wells as the answer. Neither villages nor district councils can afford the

technology, especially after policy reform (i.e. devaluation). District administrations are still too weak to manage the programmes. Participation is not going to solve either of these problems.

Donors have to consider how well their rural assistance programmes deal with these problems. This represents the criterion by which donors should evaluate the programmes and guide their development. As Korten (1980) and Rondinelli (1983) point out, good development projects are good because they have evolved in order to adapt to their environment. In Tanzania, good rural water supply programmes will be those which deal most successfully with low villager participation, the government's inability to execute activities, and the government's poverty.

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## Local government involvement in national development planning; guidelines for project selection based upon Nigeria's Fourth Plan experience

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### SUMMARY

This article is concerned with effective local government participation at the project selection stage in the development planning process. The context for analysis is Nigeria's first experience with local involvement in national planning. A novel evaluation scheme is elaborated and applied in assessing the proposals submitted by two local governments, Kaduna and Bauchi, for inclusion in the Fourth National Development Plan. The findings reveal serious distortions in both local development plans and demonstrate the utility of employing an uncomplicated multidimensional impact analysis scheme in the evaluation and selection of project proposals.

Nigeria's Fourth National Development Plan (1981-1985) for the first time included input from the local government level. The incorporation of local government development projects in the Fourth Plan is the result of a deliberate policy of encouraging grassroots participation in the national planning process. Another consideration officially reported to have influenced the adoption of this approach is the presumed improvement in LG staffing, organization, performance, and finance brought about under the 1976 reform (Nigeria, FMNP, 1979, p. 11; Aliyu, Koehn and Hay, 1980; see also Orewa and Adewumi, 1983, pp. 208-216 on the pre-reform planning record of local authorities). The Second Republic Constitution enshrined the new policy in Article 7, section 3: 'It shall be the duty of a local government council... to participate in economic planning and development of the area...'

The process of project selection, or plan formulation, involves identification, design, costing, appraisal, choice, weighting, and incorporation into the final document. It is important to focus on plan formulation because considerable effort is devoted to analysis and intervention at this stage of the development planning process and 'many crucial decisions are taken or pre-empted' at this point (Chambers, 1978, pp. 209-210). Judgement plays a major part in all aspects of project selection. The type of questions asked about a project can greatly influence the outcome of the final 'yes/no' decision (see Chambers, 1978, pp. 212, 217).

Given that cost-benefit analysis is of limited utility, and can be misleading in most local government areas (Conyers and Hills, 1984, pp. 11-12, 85, 138, 195-201; Kent and McAllister, 1985, pp. 66-67, 16-17; Gran, 1983, pp. 298-299; Chambers, 1978, pp. 210-215; Rondinelli, 1982, p. 50), development planners need to adopt more appropriate appraisal techniques and to consider a more diverse set of factors at the project selection and priority-setting stage of the planning process. One goal here is to illustrate how this might be done, and what some of the advantages might be. The

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