

## MAJOR AGRICULTURAL EXTENSION PROVIDERS IN TANZANIA

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**ABSTRACT** While agricultural extension services in Tanzania have mostly been provided and financed by the public sector, the landscape is changing with regard to the provision of extension services in the country. Observations reveal that several non-governmental organisations (NGOs) and farmer-led initiatives have, over time, supplemented extension service delivery of the public extension services with cost-sharing, but these experiences have not been formally integrated into the extension system nor has their potential to reduce public expenditure and improve quality of extension service been considered. As the government continues to face financial difficulties, it has started to reconsider the issue of public extension service and is currently entertaining the possibilities of gradually divesting the public sector of extension, leaving the private sector and users to take an increasing responsibility. This paper brings to light major providers of extension services in Tanzania to help inform decision-makers on how various actors can support agricultural extension on a sustainable basis.

**Key Words:** Public extension service; Agricultural extension providers; Cost effectiveness; Private extension service; Tanzania.

### INTRODUCTION

Agricultural extension in Tanzania, besides being a core function of the government, has been and still remains almost entirely financed by the public sector. Over the years, there has been too much government dominance in the management of the sector with declining resources, while coordination with the private sector, church-based organizations, and other Non-Governmental Organizations (NGOs) has often been very minimal. Observations reveal that several NGO and farmer-led initiatives have, over time, supplemented extension delivery of the public extension service with cost-sharing, but these experiences have neither been formally integrated into the extension system nor has their potential to reduce public expenditure and improve quality of extension service been considered (Ministry of Agriculture and Cooperatives, 2000). As the government continues to face severe financial difficulties, funds are curtailed for support services to agriculture, including extension. Under these circumstances, the government has started to reconsider the issue of public extension service and is currently deliberating on pluralism in extension services delivery and the possibilities of gradually divesting the public sector of extension, thus leaving the private sector and users to take on an increasing responsibility.

Of late, the Ministry of Agriculture and Cooperatives (MAC), has been restructured in order to create a small manageable organization, which is more efficient and responsive to farmers' problems and needs. In parallel, the Government at large has been undergoing major reforms under which its role would be limited to the core functions of governance, the commercial activities would be passed on to the private sector, the roles and functions of Ministries would be rationalized and consequently the civil service downsized. The regional government has been restructured and trimmed down, with the district focus enhanced by transferring resources from the national and regional levels to the districts and making district administration community-based. The thrust is to have the extension services well-nested at the lowest level of government. Under the Regional Administration Act, 1997 and the Local Government Act No. 6 of 1999, the responsibility for implementing extension services lies with the local government authorities.

In view of the above, the landscape is changing with regard to the provision of extension services in the country in terms of key actors, approaches and management styles of extension services. At the same time, it is becoming increasingly evident that the extension services are being more and more dependent on donor funds, be it through the Ministry or NGOs (most of whom depend on external sources of funds).

In a drive to increase smallholder productivity, the government with the assistance of the World Bank and the International Fund for Agricultural Development (IFAD) launched two projects, namely the National Agricultural and Livestock Extension Rehabilitation Project (NALERP) in June, 1989 and the Southern Highlands Extension and Rural Financial Services Project (SHERFSP) in 1991, respectively. Besides NALERP achieving its goal of increasing agricultural output given the number of farmers covered by the extension staff, at the time of termination of NALERP in May 1996, it was apparent that agricultural extension was more supply-driven than demand-driven and that issues of relevance, cost-effectiveness, ownership and sustainability were not adequately addressed. As a follow-up to NALERP, the National Agricultural Extension Project Phase II (NAEP II), a World Bank-funded project, was launched in October 1996 to continue to improve the delivery of extension services to smallholder farmers for increasing their incomes and productivity, while improving its relevance, cost-effectiveness and sustainability. In addition, the project is expected to initiate a process of private sector /NGO/farmer participation in agricultural extension including selective privatisation, where feasible, and enhanced research (extension)-farmer linkages.

This paper, which is based on a countrywide study (Mattee & Rutatora, 2000), describes major providers of extension services in Tanzania, including their organizational structure, methodology, coordination, funding, effectiveness and sustainability. While assessing the performance of past and current agricultural extension providers in the country, reference was made to the 1997 report, "Sustainability of Agricultural Extension Services in Tanzania" (Bureau of Agricultural Consultancy and Advisory Services, 1997), the current consultancy study by Isinika (2000) and a report by the National Task Force on Agricultural Extension Reform (MAC, 2000).

## PAST AND CURRENT AGRICULTURAL EXTENSION PROVIDERS SINCE 1988

Prior to 1988, during the two major periods, namely, the post-independence (1961-1966) and the post-Arusha Declaration (1967 to the mid 1980's), efforts were aimed at transforming peasant agriculture to large-scale and improved agricultural production, respectively. While the post-independence period was characterized by liberalization of markets for agricultural produce, the unique feature of the post-Arusha Declaration was the state control of major means of production. During the two periods, the government was a major provider of almost all major services, including extension under the rubric of public services. It should be noted that during the post- Arusha Declaration period, neither the private sector nor civil society was encouraged to offer such kind of services.

Since the mid-1980's, however, the public sector has been withdrawing from direct production and provision of goods and services as well as reliance on centralized control and state ownership of the major means of production. This shift is reflected in increased private sector and NGO participation in the production, processing and marketing of agricultural inputs and produce.

Since 1988 to date, the major extension providers (Appendix 1) can be identified as follows:

1. Ministry of Agriculture and Cooperatives
2. Local government authorities under the Ministry of Regional Administration and Local Government
3. Non-governmental organizations
4. Donor-supported projects
5. Private agribusiness
6. Community-based organizations (CBOs, e.g. farmer's groups, associations, cooperatives, societies and networks)

Categories (1) and (2) above can be classified as public extension services, while categories (3), (5), and (6) fall under private extension. Category (4) remains in between as they involve both the public and private extension services.

### I. Public Extension Service

#### 1. *The Ministry of Agriculture and Cooperatives*

As mentioned above, most of the agricultural extension services in Tanzania almost for the entire period since independence were provided by the government, through MAC. During that period (i.e. before decentralization of extension services to local authorities), MAC had the mandate for the provision of extension services to the whole country.

#### Organizational structure

For a period between 1988 to 1999 before the new MAC organizational structure became effective, the responsibility for agricultural extension services was under the Commissioner for Agriculture and Livestock Development (CALD), who was assisted by the Assistant Commissioner for Extension Services (ACES). The World

Bank-supported project, namely, the National Agricultural and Livestock Extension Rehabilitation Project (NALERP) launched in phases in sixteen regions of Tanzania mainland since 1989 initiated the organisational structure in place during the period between 1988 and 1999.

For each of the 16 regions and their respective districts, the extension services were the responsibility of the regional and district extension officers, respectively, being supported by subject matter specialists. The detailed description of the responsibilities for agricultural extension from the MAC headquarters to village level can be found in the BACAS report of 1997. According to the 1997 BACAS report, the government extension system was found to be steeply hierarchical in structure, typical of government organization, and subject to centralized control and decision making.

After the adoption of the new MAC structure in 1999 as a result of the Ministry's rationalization of its functions in conformity with the general government reforms, the responsibility for extension services in terms of policy formulation, issuance of guidelines and provision of technical backstopping to local authorities, is under the two Directorates, namely, the Crop Development and Livestock Development Divisions, being assisted by their respective Assistant Directors.

With the decentralization of extension services (as per Local Government Act No. 6 of 1999), the overall function of MAC in as far as extension services are concerned has come to providing technical support to the local authorities and an enabling environment for extension services to function properly at the farm level.

#### Extension methodology/approach

Extension methodologies and/or approaches that were used prior to 1988 can be found in the document entitled "The Need for Agricultural Extension Reform in Tanzania" (MAC, 2000). Effective 1988, the Government launched the National Agricultural and Livestock Extension Rehabilitation Project (NALERP) based on the training and visit (T & V) system as an approach to improve agricultural extension. The basic features of the T & V system include: professionalism, single line of command, concentration of efforts, time bound trends, field and farmer orientation, regular and continuous training, and linkage with research (Benor & Baxter, 1984).

The T & V system of extension has been hailed as an innovative approach in extension organization and management, and as having resulted in the streamlining of the government system to make more efficient use of staff resources. At the conclusion of the NALERP in May, 1996, NALERP results showed that it had achieved its goal of increasing agricultural output given the number of farmers covered by the extension staff (MAC, 1996), among other successes including increased farmers' awareness of specific technical advice and increased rate of their adoption.

However, during the implementation of NALERP, it was apparent that agricultural extension was more of supply-driven than demand-driven and that issues of relevance, cost effectiveness, ownership and sustainability were not adequately addressed. Other observations were that:

- Extension and government staff have, over time, not paid adequate attention to participatory approaches.
- Several NGO and farmer-led initiatives that supplemented delivery of the public

extension with cost sharing have neither been formally integrated into the extension system nor has their potential to reduce public costs and improve quality of extension services been fully exploited.

NAEP II, launched in October 1996 and which builds upon what was achieved under NALERP, followed the essential elements of the T & V system, while adopting a more participatory approach. Observations revealed that even with the modified T & V system, the focus of extension services was on the transfer of technology (rather than extension education), which assumed that there was knowledge on one side and ignorance on the other, and that knowledge flowed from the source down. At the same time, the T & V system of extension did not lend itself very well to the organizational empowerment of the farmers. Little regard was paid to organizing the farmers into viable grassroots organizations that could request public services and initiate locally based actions without external support. In addition, extension officers approached real-life problems too academically. Besides, extension officers lacked communication, leadership and participatory problem solving skills, and were ignorant of participatory experiential approaches.

#### Coordination and linkages with other services

Institutions and services requiring coordination in NAEP II (and even during the time of NALERP) include services offered within MAC, services offered by other Ministries and those currently undertaken by the private sector.

Although the Ministry explicitly recognizes the need to coordinate extension efforts in the country and tried to set up coordination/linkage mechanisms (e.g. utilization of committees and fora) (MALD, 1992; BACAS, 1997), in reality the level of coordination is not satisfactory. For example, within the MAC, link between extension and other service departments like research, cooperatives and training is still very weak, while at regional and district levels coordination with other stakeholders including non agricultural sectors, suppliers of credit, inputs, markets and transport in most cases is virtually non existent.

Various studies (BACAS, 1997; MAC, 1999) have revealed that there has been only a limited level of cooperation between the government extension services and NGOs, private sector and other projects. Cooperation was found mainly in the form of seconding government extension staff to the external institutions, but there was rarely coordination of objectives, activities, approaches or strategies including coordination for resource allocation and information exchange to maximize complementarity as required by the Agriculture and Livestock Policy (MAC, 1997).

Ideally, coordination and desire for strong relations should focus on promotion of information sharing, priority setting, development of sound strategies and rationalization of functions and resource allocation, among others.

Under the NAEP II, although the District Extension Steering Committee (DESC) was responsible for coordinating extension services within the district, in many districts, the DESC meetings were held sporadically and reports were not submitted to relevant authorities (e.g. MAC headquarters) (BACAS, 1997; MAC, 1999; MAC, 2000; Isinika, 2000). The DESC met regularly and effectively only where the District Commissioner was committed to, and took a keen interest in, agricultural

development.

With the decentralization of extension services to the local authorities, it is hoped that the role of DESC will now be assumed by existing statutory committees of local authorities. Since local authorities have the mandate for carrying out extension activities in their respective councils and overseeing the overall agricultural and livestock development, they need to establish and/or strengthen fora where different providers and stakeholders including farmers themselves who operate within a particular district meet, interact and exchange information in a partnership.

### Funding

Although the funding of agricultural extension services has traditionally been through public funds channelled through the Ministry responsible for agriculture, currently, financing of extension services is highly dependent on external funding, mainly through the World Bank-financed NAEP II project. Observations made by BACAS (1997) are still valid today that funding of agricultural extension activities by the government has been declining in real terms. The government budget is only able to meet salary costs of Ministry staff. Stakeholders and donor community have raised concerns following this unsatisfactory situation and have argued that activities are likely to cease as soon as donor funds run out. Even as extension activities have been decentralized to local authorities, MAC still needs funds for various activities that are meant to facilitate the smooth running of extension activities at district level. For example, provision of technical support to local authorities, enhancement of linkage/cooperation activities with research and other key players in agricultural production, development of sound extension policy and implementation strategies ought to be the continuing responsibilities of MAC.

### Financial and organizational sustainability

Sustainability can be looked at from a financial and organizational point of view. Financially, most of the agricultural extension activities are highly dependent on external funding. The two major projects, namely NAEP II and SHERFSP (the credit component), are scheduled to end by the end of 2001. It is not clear whether or not the government (both central and local) will be able to take up the duties and continue financing them to ensure efficient provision of services. The situation is further worsened, as mechanisms for institutionalization are not clearly outlined in the project documents.

From the organizational point of view, the government extension system offers a high degree of institutional stability even if it is confronted with occasional organisational changes. Thus, the idea of privatising extension service, should be very well thought out so as not to jeopardize the national interests. Hence there appears to be a need to: identify extension services that can be provided by the private sector, identify committed and trustworthy providers who can offer such services, develop mechanisms (including regulatory measures) in order to ensure that the relevant services are provided in a cost-effective manner and are sustainable and, identify enterprises that are likely to generate incomes which can make farmers pay for extension services.



### Effectiveness

Before the extension services were decentralized to the local authorities, the Ministry's extension services under NALERP, SHERFP and NAEP II had the following advantages:

- National coverage that ensured that various categories of farmers could be reached
- Guaranteed minimum funding and staff resources
- Aims at addressing common issues of national interest, e.g. environmental conservation
- Concern with all the enterprises of the farmers, and
- Provision of staff training opportunities

On the other hand, the Ministry's system suffered from the following weaknesses:

- Tendency to treat all farmers as a homogenous group with same characteristics
- Too thinly spread out resource mainly due to extensive coverage
- Creativity and innovativeness of the staff stifled by national T & V approach
- Inability of the Ministry and its staff to link and collaborate with other providers
- Tendency of national extension programmes to be too bureaucratic and uncoordinated with other services
- Supply-driven national extension programmes that did not embody cost sharing, farmers' capacity building and self-reliance, where programme ownership by farmers was very little
- Little attempt at helping farmers solve their production and marketing constraints
- Poor supervision of field staff

### 2. Local authorities

For many years extension programmes have been implemented by MAC, using its staff from the national level down to the field level. All extension staff since 1983 has been under the MAC. Many authorities have viewed this arrangement as bureaucratic, ineffective, and too far removed from farmers. Furthermore, local authorities considered the MAC headquarters incapable to adequately supervise its field staff. Thus, effective 1998, the government decided to transfer its entire field staff to local government authorities in line with the district focus policy.

With the Local Government Act No. 6 of 1999, the local authorities are now the implementing agencies for the agricultural extension services in their respective areas. They work closely with the MAC and the Ministry of Regional Administration and Local Government (MRALG) in implementing relevant policies related to agricultural production.

### Extension methodology/approach

The new set up of agricultural extension gives mandate to MAC on policy and regulatory functions including devising appropriate extension strategies and/or methodologies for implementation of extension services, while local authorities are expected to implement agricultural policies, guidelines and procedures, (MAC,

2000). Thus, the T & V extension approach has been transferred to local authorities along with the NAEP II, which continues to fund extension services at least up to 2001. Many district extension staff are too used to the T & V system to the extent that it impairs them from thinking of any innovative extension approach (Isinika, 2000). According to Isinika (2000: 20), "In almost all the districts that were visited there was no evidence from the District Agricultural and Livestock Development Officer (DALDO), District Executive Director (DED) or Councillors on any efforts or the need to change the extension methodology in order to enhance effectiveness. However, in Kondoa District there are deliberate efforts to use more participatory approaches and they are having some positive results." This is only possible where local authorities collaborate with NGOs or CBOs or donor-funded projects. For example, Kondoa District is supported by Dutch government under the Kondoa Integrated Rural Development Programme. Observations made reveal that; in general, agricultural extension staff are deficient in participatory problem-solving skills.

#### Organizational structure

The affairs of the district local authority are managed by the DED under the direction of the respective council consisting of elected councillors from each of the wards in the District. Information obtained from the District authorities reveals that the same organizational structure will be maintained except that agriculture and livestock will be an additional department within the local government structure. In this case, the DALDO is answerable to the District Council through the DED on all administrative issues, while technically a link will continue to be maintained with the MAC through the Regional Secretariat.

#### Coordination and linkages with other services

Like the MAC, the level of coordination at district level is still quite weak. Prior to decentralization of extension services, experience shows that there were no specific fora at village, ward, district or Regional level where specific extension issues were discussed. There were no efforts made to establish and/or strengthen the coordination mechanisms or linkages. Now that extension services have been decentralized, maybe the situation will change given the efforts made by the government and donor community in terms of provision of enabling environment that enhances coordination. Besides, local authorities are called upon to establish and strengthen fora or avenues where different providers and other stakeholders who operate within a given district meet, interact and share their experiences, knowledge and strategies.

#### Funding

Prior to decentralization of extension services the central government and donors were the main financiers of agricultural extension programmes. With the decentralization of extension services it is expected (as per rationalization of functions) that local authorities will allocate funds from their own sources to cover the costs of extension services. However, discussions with DEDs during field visits revealed that the amount of revenue collected by councils is hardly enough to meet the many development activities in the districts (for additional information, BACAS, 1997; MAC, 2000; Isinika, 2000). While local authorities are differently endowed with



regard to agricultural resources and the incomes which can be derived there from, it is obvious that the major source for the districts will continue to be crop cess and livestock levies. What is important is for the local authorities to redirect their resources so that more go to support agricultural development, than is currently the case. Perhaps, the MAC and MRALG can encourage this by instituting a mechanism of matching funds (with a certain minimum level in order to avoid marginalizing districts with lower potential).

#### Financial and organizational sustainability

As revealed above, the financial situation of local authorities varies from district to district. Under such circumstances, the budgetary allocation to district extension services will also vary tremendously depending on how much income is being derived from agriculture, and DED or local councillors' vision of development.

The ability of local authorities to sustain agricultural extension services at acceptable levels without central government or substantial donor involvement is very low. This is particularly so, as currently the financing of agricultural extension activities is highly dependent on external funding. Thus efforts should be made by central and local authorities and other stakeholders to see how extension services can be sufficiently funded in order to ensure efficient provision of services.

From the organizational point of view, it is expected that once arrangements for transfer of staff and reform exercises have been completed it will be possible to design and implement extension programmes based on local opportunities and constraints while encouraging community involvement. In the meantime, there are still elements of organizational insecurity, especially amongst extension staff (Isinika, 2000).

#### Effectiveness

The idea of decentralizing extension services to local authorities is likely to lead to several advantages: there is a high possibility of designing extension programmes that are community-based and drawing on local opportunities and constraints. It is more likely in the long term to instil a sense of ownership of extension service to local leaders and to demand accountability from extension staff and other collaborators, possible to work with staff with wide range of technical skills, and easier to institute mechanism for cost recovery for extension because services can be made more accountable to tax payers.

On the other hand, decentralization of extension services is likely to face the following constraints, which need to be addressed:

- Low level of professional skills and understanding of many Councillors
- Inadequate skills of extension staff in mobilization, leadership development, group formation and participatory problem solving strategies
- General lack of a strategic framework for extension and the experience of managing it, on the part of the MRALG and the District Authorities reflected by the lack of indication from councils of strategies to transform extension services delivery, and inadequate allocation of operational funds
- Vulnerability to political manipulation

## II. Private Extension Service

### 1. *Non-governmental organizations*

Although traditionally extension services in Tanzania have generally been provided by the government with minimal involvement of the private sector, recently, several NGO and farmer-led initiatives have started to supplement public extension services. However, these services have not been formally integrated into the national extension system, nor has their potential to reduce public expenditure and improve quality of extension services been considered.

With the current restructuring, more and more of the public services, including agricultural extension, will be provided by private organizations including NGOs, and civil society. According to Ameer (1994), diversity is the only way to address ever-changing conditions and various categories of users. Going private, to a certain extent, means taking the burden away from the public sector, cutting down on expenses, improving management and staff professionalism, and allows one to implement a demand-driven extension service, based on farmer or community priorities.

It is estimated that currently there are more than 200 NGOs involved in various types of agricultural extension programmes, either as a major activity in itself, or as part of integrated rural development programmes. To this can be added big donor-funded projects like Sasakawa Global 2000 and the Rural Integrated Project Support (RIPs) operating in Lindi and Mtwara regions. However, most of other NGOs have the region and the district as their entry points, while some even operate at divisional and ward levels. The extent of NGO involvement in rural development in general, and agricultural extension in particular, varies from one region to another. There appears to be concentration of NGOs in high potential areas like Arusha and Mbeya.

Some of the NGOs and projects which are seen to be doing an effective job include RIPS, INADES-Formation in Dodoma, the Sokoine University of Agriculture-based Uluguru Mountain Agricultural Development Project (UMADEP) in Morogoro, Special Programme on Food Security (SPFS) in Morogoro and Dodoma, Hifadhi Mazingira Project (HIMA) in Iringa, the Southern Highlands Dairy Development Project (SHDDP) in Iringa and Mbeya, Soil Erosion Control and Agroforestry Project (SECAP) in Lushoto (Tanga), and Soil Conservation and Agroforestry Project (SCAPA) in Arusha.

### Extension methodology

Field observations reveal that a good number of NGOs and donor-funded projects like RIPS use participatory approaches. These were found to be effective as their coverage is limited compared to public extension service. Other NGOs, including Sasakawa Global 2000 and RIPS, have combined elements of the T & V system with participatory methods. Given that some government staff who work for the NGOs and/or donor-funded projects happen to be deficient in participatory problem solving skills, in most cases NGOs and donor-funded extension projects provide additional training to staff in order to upgrade their participatory skills.

### Organizational structure

In general, many NGOs and donor-funded projects maintain a simple organizational structure, but this varies from one NGO to another depending on size and geographical coverage. Overall, many NGOs prefer to maintain a small coordinating office very near to the field of operation, with a small core staff, and then relying on the government staff for various field operations.

### Coordination and linkage with other services

A review of extension performance by MAC (MAC, 2000) reveals that while NGOs bring certain advantages to the national extension system, namely, flexibility, client orientation and intensive coverage, they do however, pose problems for coordination of extension efforts. It has been argued that most NGOs tend to be territorial or to have a greater degree of autonomy. They do not adequately share information with government personnel since they prefer to have all the credit for any success. They are sometimes reluctant to collaborate, particularly if to do so threatens their independence. In view of this they all face a common challenge of how to mainstream their positive experiences into the national or district-based extension services, so that their results can benefit a wider target group.

Observations revealed that some kind of coordination or collaboration was only observed with national projects such as Sasakawa Global 2000 and IFAD Projects that were or are still under MAC. Perhaps the situation will change as most of local authorities visited indicated to be developing strategies or mechanisms to can enhance coordination amongst the various stakeholders.

### Funding

According to BACAS (1997) and Isinika (2000), it is impossible to assess the amount of money that NGOs use to finance agricultural extension, let alone other development projects, as they are not transparent. However, it is generally accepted that NGOs try to minimize expenditure on field personnel costs, in order to maximize resources going directly to beneficiaries. Besides, NGOs also promote cost sharing by making beneficiaries contribute in some form to realize project objectives.

### Financial and organizational sustainability

While many NGOs are concerned with the sustainability of their activities, in most cases they are also dependent on donor funding, something which depends on the nature of relationship that exists between a given NGO and the donor. In some cases, NGOs (e.g. INCOFIN) have tried to search for alternative sources of funding their activities through local fund-raising by investing some of the donor money in income generation activities.

### Effectiveness

Many of the NGOs operating in various Districts have had some positive impact, particularly with respect to:

- Integrating several services, including credit, inputs, and training, follow-up under one programme, and improving their accessibility to farmers and pastoral-

ists

- Organizational empowerment of farmers by promoting and working with groups and other farmer organizations
- Targeting some otherwise neglected groups, e.g. women, youth, the elderly and the rural poor
- Introducing cost-sharing and creating a sense of ownership of programmes by the target group
- Intensifying activities and resources to the extent of showing visible and tangible results
- Using Participatory Rural Appraisal or other participatory problem-solving techniques for training which instil a sense of ownership and culture of participatory development at the grassroots level
- Ability to focus on specific objectives within carefully defined geographic areas
- Setting targets which must be achieved within a specified time frame

On the other hand, NGOs also face a number of constraints, which limit somewhat their potential as extension providers. The main weaknesses are:

- Inadequate staff for fieldwork, and tendency to rely mostly on government staff
- Being territorial-minded with a great degree of autonomy impairs them from collaborating in a common programme with others
- Lack of transparency in operations, due to the fact that NGOs come from different backgrounds with different objectives and philosophies, and have different constituencies of donors they must satisfy
- Involvement too selective

## 2. *Private agribusiness*

The main types of private agribusiness firms are those which distribute and market agricultural inputs such as seeds, agrochemicals, and equipment; those which deal with processing; and those which procure agricultural products, especially cotton, coffee, tobacco, cashew nut and other cash crops.

Unlike firms dealing with crop procurement, distributors of agrochemicals and other related inputs have a long tradition of operation in Tanzania. Observations reveal that most of these firms tend to concentrate in high potential areas where demand for their products is likely to be highest.

### Organizational structure

Nearly all-private agribusinesses maintain a simple and less bureaucratic organizational structure with a small cadre of staff. In general, the organizational structure, like that of NGOs, varies very much from one company to another depending on the purpose and size of operation of the enterprise. Besides tobacco companies where one could find a cadre of field staff actually based in the village, the rest confine their activities in urban centres. With the exception of international firms, which procure crop produce, most of the locally based firms are small in terms of capital and size of operations.

### Extension methodology

Most of these firms do not have their own extension methodology as they are dependent on government extension staff who receive from them token allowances, transport assistance and in-house training on very specific technical or business messages. It should be emphasized here that nearly all-private agribusiness firms are more concerned with enterprise and profit maximization than the empowerment or personal development of the farmer and his/her farm family.

### Funding

The big multinational firms including tobacco companies are not interested in directly financing extension services, as this appears not to be their primary activity. On the other hand, the locally based firms besides lacking competent or qualified staff have limited working capital, which, in a way, hinders them from providing goods and services that fall in the domain of public goods. Thus, if private agribusiness companies are to be involved in extension services, various strategies should be used to encourage their participation. For example, encouraging out-grower schemes and putting in place appropriate policies and incentives, particularly with regard to marketing and prices.

### Coordination and linkages with other services

Literature (BACAS, 1997; MAC, 2000) and experience show that only a few companies and particularly those selling agrochemicals and other inputs are interested in collaborating with the government extension services as they use government staff to promote their products through field days, demonstrations, and seminars, which are sponsored by the companies themselves. However, those companies involved in crop procurement are less enthusiastic about collaboration or establishing linkages with other providers. They look at such activity as an additional cost, which might cut into their profit margins.

### Financial and organizational sustainability

As mentioned above, profit maximization is the primary objective of most companies. Hence, so long as it is profitable to conduct business and to be involved in extension activities, resources will continue to be devoted to these activities. Overall, services by most of these companies are much dependent on the prevailing economic environment in the country, that is, some may decide to close down their operations if they happen to make losses or very small profit margins.

### Effectiveness

With a good capital base and management (especially the locally based companies), the private agribusinesses are well placed to provide private goods and fill the vacuum left by public institutions. They also stand a better chance of complementing government efforts for commercially oriented farmers. As mentioned earlier, the government while withdrawing from provision of public services, needs to tap this potential by encouraging private agribusinesses to involve themselves in the provision of support or extension services.

Although these firms appear to have some potential, there are serious weaknesses,

which may impair efficient delivery of extension services such as:

- Limited financial resources (especially for locally based ones)
- Providing goods and services generally unaffordable to poor farmers
- Lack of qualified staff, which reinforce dependence on government extension staff
- Concern more with enterprise than the personal development of the farmer
- Selective dealings with specific enterprises
- Focus on wealthier clients who can afford their services
- Very strong linkages required in the services, e.g. inputs, advice, marketing and processing to recover costs.

### 3. *Community-based or farmer organizations*

As most of the community-based organizations are classified under NGOs, this section focuses on farmer organizations, associations and cooperatives.

Cooperative movement in Tanzania dates as far back as 1925 and the cooperatives formed were very strong organizationally, economically and financially. After independence, the success of the cooperative movement that surfaced in some parts of the country made the government take the lead in cooperative development. In the 1970's cooperatives had gained experience in terms of addressing issues of research, extension, credit, crop marketing, input supply, agricultural processing and farmer education. However, during the last two decades or so, they suddenly became state-directed and controlled institutions to the extent that they became increasingly integrated with national political objectives rather than members' aspirations and interests. This resulted in the collapse of most farmer-based cooperatives. This state made cooperatives to become dependent on the state through loans, which made cooperatives fail to efficiently deliver their defined services to members.

The government, having realized the mistakes it had committed, made an effort to revive cooperative principles through the enactment of the Cooperative Act of 1991 and the Cooperative Development Policy of 1997. According to MAC (2000), most of the Cooperative Development Policy objectives have not been effected, as they require review, financial support and multi-sectoral linkages. The following are examples of Cooperatives that have not been formed: rural supply cooperatives, land improvement cooperatives, consumer cooperatives, fishery cooperatives and service cooperatives. An attempt that was made to establish savings and credit cooperatives societies (SACCOS) was seen as a sound strategy for addressing the issue of rural financing. However, after a few years of operation they were found ineffective, due to lack of sufficient knowledge on SACCOS, poor accessibility to formal financial institutions, poor SACCOS inspection, lack of equipment and many other problems.

Besides poor performance of cooperatives, some emerging farmer groups, if well structured and provided with the necessary support, may become potential providers of extension services within their areas of jurisdiction. According to experience, farmer groups and/or associations can provide a better atmosphere in which new or improved technical information can be introduced and evaluated; have a multiplier effect in cases where farmer motivators or extensions are used; share of information



and experiences, and with group support, help members to make better and more informed decisions.

However, farmer groups also face the following bottlenecks:

- Very limited coverage is due to their small numbers and expertise
- Poor coordination mechanisms between groups
- High dependency on external support
- Lack of leadership skills
- Lack of credit facilities
- Low level of education of members
- Conflict of interest among members
- Sustainability of groups mostly questionable due to the above

## CONCLUSION

In the light of current decentralization of extension services to the districts, as per the Local Government Act No. 6 of 1999, the success of the extension services will hinge to a large extent, on the effective partnership that can be forged among the key actors including the Ministry of Agriculture and Cooperatives, local government authorities, non-governmental organizations and the farmers themselves.

In view of the fact that local government authorities are now responsible for actual delivery of extension services, they need to:

- a) play a very strong coordinating role in order to bring on board all the various extension providers and other stakeholders, so that extension services are provided as part of a comprehensive agricultural development programme for the district. It is necessary for the district to demonstrate strong leadership in terms of visioning and planning the agricultural development of the district, and developing a strategic framework for extension providers to participate in such a programme.
- b) facilitate the emergence of strong cooperative and other forms of farmer organizations, which can facilitate access to knowledge, information, inputs, credit and other relevant services.
- c) encourage, through some form of incentives, private providers of extension, inputs, credit and other services. Such providers are likely to be NGOs or CBOs operating in the district, but could also be commercial profit-seeking organizations.

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**Appendix 1.** Characteristics of Major Providers of Extension Services.

Parameter	MAC	NGOs	Local Government	Private Agribusiness	Others e.g. Farmer groups/associations
1. Coverage	National	Selective: operate in specific locations, varying from region to division, even ward	District	Selective: only in areas where there is potential for profitable business	Area specific and very limited
2. Organizational structure	Steeply hierarchical and bureaucratic, widely dispersed field staff	Less hierarchical and bureaucratic, dependent on government staff for field activities	Will depend on existing structure of the MAC and field staff	Variable structure, emphasis on small but efficient organizations	Flexible and democratic
3. Coordination	Difficult to coordinate with other non-extension services	Amenable to coordination with other non-extension services, but difficult to coordinate with other NGOs doing extension	Most probably similar to MAC	Coordination possible if it does not add to operational costs	No coordination mechanisms between groups although networking is desirable to enhance coordination
4. Internal cost structure	Large proportion of budget covers personnel costs, no attempt at cost-sharing	Aim to ensure a larger proportion of budget goes to field activities, some attempts made at cost-sharing	Most probably similar to MAC	Strategy to minimize costs for extension activities, costs recovered from sales of inputs or agricultural products and services	Limited contributions available for communal work
5. Training and capacity building	Emphasis placed on staff training (mostly on technical subjects), less emphasis on capacity-building for farmers to make them less dependent on the government	Attention paid to short-term staff training, capacity - building of farmers is an explicit objective, through organizational empowerment and technical interventions	Similar to MAC	Mostly short-term in-house staff training for very specific messages, not much attention to capacity building of farmers	Mostly dependent on external donor agencies
6. Ownership and accountability	Non-ownership by farmers in perception and reality, as staff are accountable to government not to farmers	In successful cases, increased ownership perception by farmer where farmers are organized into groups or associations, increased staff accountability to such groups or organizations	Extension services will be owned by the District Council, and staff accountable to the District Council	Ownership and accountability is strictly with the organization	Limited to group members, accountability issues not adequately addressed

**Appendix 1.** (continued)

Parameter	MAC	NGOs	Local Government	Private Agribusiness	Others e.g. Farmer groups/associations
7. Financial and organizational sustainability	Maintaining acceptable levels of funding difficult, organizationally robust, subject to governmental restructuring and resultant insecurity	Most NGOs dependent on, and unsustainable without donors. Also dependent on the building of strong grassroots/farmers organizations	Variable from Council to Council, but funding generally problematic in the short run; organizational insecurity in the short run.	Everything dependent on profitability of operations, and benefits outweighing costs	Not sustainable at start-up
8. Strengths	National coverage; guaranteed minimum level of funding and staff resources; suitable for addressing common issues of national interest, e.g. environmental conservation and for implementing government policies; concerned with all the enterprises of the farmer "whole farm approach"	Integrative extension with other related services, e.g. credit, inputs, and water; concerned with organizational empowerment of farmers (specifically target women, youth, the poor); higher level of organizational and operational flexibility to respond to varying needs of target groups; easier to institute innovative measures like cost-sharing; capable of complementing government in poor and marginal target groups, e.g. youth, women and remote communities; tendency to cover a specific area intensively with visible impact	More likely to design extension programmes based on local opportunities and constraints; more likely in the long term to instil a sense of ownership of extension service to local leaders and to demand for accountability from extension staff; easier to institute mechanism for cost recovery for extension because staff can be made more accountable to taxpayers.	Profit motive spurring efficiency and cost-effectiveness; indirect, cost recovery for extension services; complementary to government for commercial-oriented farmers; focus on a particular area and enterprise with visible results	Better atmosphere for introduction and evaluation of "new" technical information; capable of a multiplier effect through farmer motivators; enhanced sharing of information and experiences and the group support spur better and more informed decisions. More appreciation of farmers'/pastoralists' problems and views; capability to increase or maintain the level and quality of contact with farmers/pastoralists and improve the effectiveness of farm visits with members. Capability to reduce the cost of inputs and/or to organize the marketing of their produce and to grow into a pressure group

9. Weaknesses	Tendency to treat all farmers as a homogenous group, resources too thinly spread out due to extensive coverage, creativity and innovativeness of the staff stifled by national T & V approach, inability of staff to link and collaborate with other providers, being always subject to influence by donor countries but not able to influence them, not participatory	Lack of transparency in operations; reluctance to collaborate due to territoriality, too much variation in nature, objectives and means of NGOs. Too selective in their involvement, short time-span	Very much subject to political manipulation; agriculture not recognized as an obligatory function for District Council involvement, risk of funds from central government being diverted to other more politically sensitive activities; low level professional skills of many councillors and staff	Concern more with enterprise than the personal development of the farmer; selective involvement, (cost-effective or profitable); reluctant to be drawn into collaborative efforts; requiring very strong linkages in the provision of services, e.g. inputs, advice, marketing and processing to recover costs	Failure to establish definite purposes or objectives due to failure to identify real needs; conflict of interest, low level of managerial and group leadership skills; misuse of funds
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