

Investing in Agriculture: Are we committed to the Maputo Declaration?

An analysis of Tanzania's Agriculture Budget 2012/2013

Policy Brief 2:2012

The Issue:

Tanzania has agreed to adopt sound agricultural policies which include the commitment to allocate at least 10% of its national budget to the agricultural sector in accordance with the Maputo Declaration of 2003. It is in that vein that in March, 2012, the Tanzanian President reiterated the declaration when hosting a congregation of agriculture stakeholders including smallholder farmers, CSOs and development partners. "I can't agree with you more on the rationale for your campaign to promote increased government investment in Agriculture. We will get to the 10% allocation," remarked the President, making a similar promise during the African Revolution Forum in September 2012: "By 2015, Tanzania will reach the 10% budget allocation to the agriculture sector." The budget process offers an opportunity to examine whether policy statements about government priorities are put into practice. This brief examines the 2012/13 National Budget and reflects on the past budget allocations so as to determine if Tanzania is near achieving the Maputo Declaration on agriculture and food security notably the commitment to the allocation of at least 10 percent of national budgetary resources to agriculture and rural development.

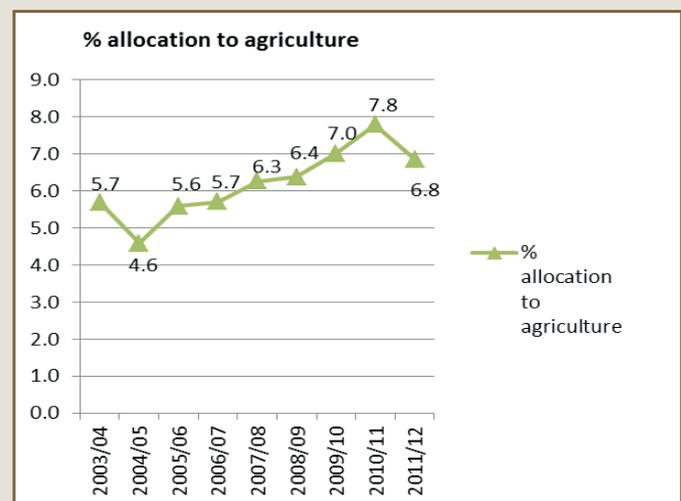
Introduction

Tanzania is among the African Union countries that made a commitment to the 2003 Maputo Declaration to increase investment in the agriculture sector to at least 10% of the entire national budget. This was to ensure adequate resources are available to fight poverty and food insecurity. Since 2003, however, budget allocations to the sector have averaged at 6.2% which has impacted the annual growth rate of the sector currently averaging 4% despite over 80% of the total population depending on it for their livelihood.

In a move to check the situation, in 2010 the government signed the Comprehensive Africa Agriculture Development Programme (CAADP) compact in which it - again - pledged the country's commitment to make agriculture a true accelerator of economic development. The CAADP task force then drafted a 10 year plan known as Tanzania Agriculture and Food Security Investment Plan (TAFSIP) to address the core national problems of poverty and food insecurity in rural areas and promote agricultural growth as well as household food and nutrition security in Tanzania. TAFSIP aims to rationalize allocation of resources to achieve 6% annual agricultural GDP growth, gradually leading to Government allocating a minimum 10% of its budget to the agricultural sector.

At the time of the Maputo Declaration, the 2003/2004 national budget was being tabled. Allocation to the agriculture sector stood at 5.7% of the national budget despite agriculture being highlighted as a priority. Allocations to the agricultural sector in the subsequent financial years show that the trend has been varying from year to year. Since 2003, for instance, the financial year of 2004/05 saw the

lowest allocation of 4.6% of the budget allocated to agriculture and a rise to 5.6% in the following financial year of 2005/06. The annual allocations increased steadily thereafter till 2010/11 when it stood at 7.8%. In 2011/12, however, it dropped suddenly to 6.8% - despite agriculture having been stated again as a priority for that financial year. The graph below portrays the allocations to the sector as a percentage of the national budget since the Maputo Declaration¹.



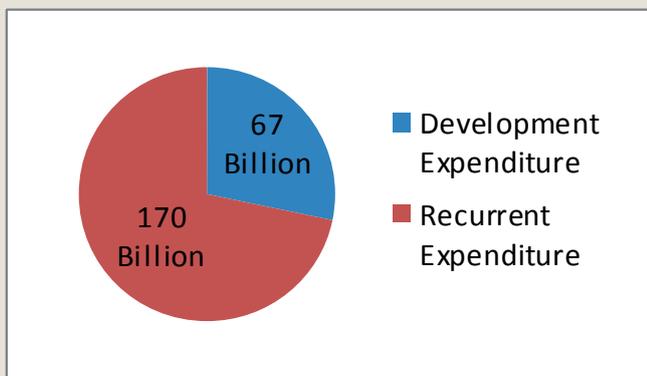
This average allocation of 6.2% since 2003 presents a major challenge with regard to the development of the sector. It also raises the question as to whether the government is dedicated to raising allocations to 10% as it committed by signing the Declaration. This has very much slowed down the growth of the sector especially in the rural areas where it is most dependent. It will be 10 years next year since the signing of the Maputo Declaration and the commitment has not been fully realized as far as reaching the 10% allocation target is concerned.

The National Budget 2012/13

This financial year's allocation to the sector only continues the trend of the previous years. Allocation to the sector is only 7.2% of the national budget, again falling short of attaining Maputo Declaration's 10%. The question therefore, is whether the government is committed to the growth and development of the sector. Below is a breakdown of the total allocation to the sector and the planned expenditure.

Agriculture sector allocation and plan of expenditure

For the financial year 2012/13, the government has allocated 1,103.6 billion shillings to the sector². This presents a 19.1% increase from 926 billion shillings that was allocated in 2011/12. Of the total budget for the sector, 238 billion Tanzania shillings will be allocated to the Ministry of Agriculture, Food Security and Cooperatives (MoAFSC), and of that ministerial allocation, 170 billion shillings will be spent on recurrent expenditure while 67 billion shillings will be spent on development expenditure. Development expenditure comprises of a portion of 52 billion shillings being predominantly funded by donors and the other 15 billion shillings being gathered from local sources. MoAFSC has also allocated 18 billion shillings to Irrigation and technical services and 2 billion shillings to National Food Security.



MoAFSC: Development Vs Recurrent Expenditure

Conclusion and Recommendation

As we approach a decade since the signing of the Maputo Declaration, there is a lot that is yet to be done to develop the agriculture sector. There is need for government to follow-up on its commitment to raise the allocation to 10%, which will be a step towards stimulating growth in the sector. Coupled with this are other issues of concern with regard to growth and development of the sector such as; inadequate agricultural sector policy strategies, political will to inspire the country to prioritize agriculture in the national budget, poor market systems, gender inequality, low use of mechanization, irrigation and subsidy inputs, smallholder farmers

identification, prioritization and expenditure management of public resources is minimal – to mention a few. It is upon this premise that we advise the government to:

- Revitalize the agricultural sector through special policies and strategies targeted at small scale and traditional farmers in rural areas and the removal of constraints to agricultural production and marketing;
- Implement, as a matter of urgency, the Tanzania Agriculture and Food Security Investment Plan and flagship projects and evolving Action Plans for agricultural development, at the national and regional levels;
- Strengthen the framework and coordination with CSOs, private sector and development partners in the planning, implementation and oversight in agriculture sector;
- Mainstreaming agriculture in the decentralized planning process under the local government authorities (LGAs); and
- Enabling farmers to have better access to and use of agricultural knowledge, technologies, marketing systems and infrastructure, all of which contribute to high productivity, profitability and farm incomes.

We envision the above to be the pointers that will facilitate the move towards growth and development of the agriculture sector.

This policy brief was prepared by **ANSAF**, a member of the **Policy Forum Budget Working Group**.

References:

Budget books 2012/2013,
Citizen Budget 2012/2013
ASDP Performance Report

¹ Budget Speeches 2003 - 2012

² Citizens Budget 2012/13



Agricultural Non-State Actors Forum (ANSAF) is an advocacy network of CSOs, Private Sector, Farmers Umbrella and Individual researchers in Agriculture sectors.



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