

# The Barriers that Impede USAID Agricultural Aid Effectiveness in Mvomero District: A Case of Mvomero District, Tanzania

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**Abstract:** *Multilateral aids are provided by multilateral organizations to developing countries for the purpose of addressing some developmental challenges in various sectors of the economy. For example; multilateral organizations such as World Bank, International Monetary Fund (IMF) and United Nations organizations such as UNDP, UNESCO, FAO, WFP and others are great providers of multilateral aids to developing countries. The main objective of the study was to critically examine the barriers that impede agricultural aid effectiveness on boosting farmers' livelihoods. The findings revealed that USAID in Mvomero district was constrained by the short funding life span. The field research tools included the semi structured questionnaire (on small scale farmers) and interview guides (on key informants). Analysis of qualitative data was through displays of the respondent's direct responses, and statistical analysis was done using a computerized programme SPSS and more manipulations with the use of Ms Excel in drawing graphs. The findings revealed that the government agricultural mechanism of subsidizing fertilizers for farmers was not properly implemented and therefore making small scale farmers buy fertilizers at higher prices and some failing to buy at all. This means that knowledge acquired during the project trainings on the use of fertilizers will not be effectively utilized and therefore frustrating the efforts of the donors. When agricultural policies in the recipient countries are weak, the donor agricultural interventions will crumble as well and thereby affecting aid effectiveness. The findings also revealed that the main challenge was market for the rice products. Small scale farmers said they did not have a reliable market to sell their rice products.*

**Keywords:** Agricultural Aid, Effectiveness, Small Scale Farmers, Tanzania

## 1. Introduction

Multilateral aids are provided by multilateral organizations to developing countries for the purpose of addressing some developmental challenges in various sectors of the economy. For example; multilateral organizations such as World Bank, International Monetary Fund (IMF) and United Nations organizations such as UNDP, UNESCO, FAO, WFP and others are great providers of multilateral aids to developing countries. There are a number of barriers that impede aid effectiveness in developing countries. OECD (2012) noted lack of greater accountability by donors and developing countries - to their own taxpayers and to each other - for the development commitments they have made as one of the barriers impeding aid effectiveness in developing countries. Stewart (2013) noted that if political leaders are not invested in development, then donors are unlikely to make any major headway. The authors added that change cannot take place without the agreement of the most powerful players in the country because these are essential in ensuring positive change continues to flourish over the long term and act as a source of accountability. Therefore, lack of commitment from politicians in given developing countries can impede aid effectiveness. Stewart (2013) also added that political patronage often leads to vested interests that see aid given as a source of personal gain through pay, promotions and employment status. The author further noted that weak institutions will often lack the drive necessary to make aid effective.

Furthermore, the author pointed out that if the rule of law is weak in a country as a whole, it may well be weak within the public service. This can mean that policies are not properly

elaborated and that employees are not aware of their rights and responsibilities (Stewart, 2013). Progress on improving the quality of countries' national development plans; donors' use of countries' financial management and procurement systems; donor co-ordination of their missions and studies; and frameworks to monitor and account for results is still very weak (OECD, 2012).

The agricultural sector has experienced a number of challenges. The high dependency on rainfall makes Tanzanian agriculture highly vulnerable to the vagaries of weather (Lyimo, 2008; Kikwete, 2014). Both crops and livestock are adversely affected by periodical droughts (Sarris et al, 2006). Lyimo (2008) noted that one of the critical weaknesses in agriculture is low productivity of land, labour and capital. This is caused mainly by inadequate finance to obtain productivity – enhancing inputs, low returns to labour due to inadequate knowledge and low use of labour saving technologies as well as low use of improved farm inputs such as seeds, fertilizers, chemicals and pesticides (Lyimo, 2008). More findings have revealed that the usage of agricultural inputs is very low (URT, 2014).

The agricultural sector lacks enough access to support services (Yoshinda, 2011). Government programmes for the provision of support services in the sector have not been effective and have often run into budgetary constraints. Many of these programmes have been more supply-driven than demand driven. Private provision of support services has not been encouraged and promoted through demand-driven approaches that facilitate the development of markets for private providers of these services (Amani, 2005). Majority of farmers in Tanzania do not have collateral or

security. As a result it becomes hard for them to access agricultural credit for production from commercial banks. Another constraint to credit expansion is risk associated with poor credit recovery (Msemo, 2013). Climate change is a global problem, however its associated impacts and vulnerability varies across the globe. Studies indicate that developing countries, of which the majorities are in Africa, are the ones that have severely been affected by climate change (Kurukulasuriya and Mendelsohn, 2008).

Richard (2010) pointed out that, Tanzania continues to produce mainly agricultural raw material, not only for cash crops targeting external markets, but also for food products targeting domestic markets. Value addition is still underdeveloped. Many studies have shown that this problem has also hindered the development of cash crop production in the country (Matenga; 2013). There is also lack of strong cooperative unions. Ngelenge (2012) argued that most of cooperative unions in Tanzania do not perform such duties accordingly because of managerial, political and economic constraints. Another challenge is that most of cooperative leaders do not work for the common good. They have been engaging in corruption and embezzlement of cooperative funds. This kind of behavior has caused some cooperatives to collapse and others to remain functionless (Banturaki, 2012). Agricultural Marketing infrastructure in the country is generally poor and inadequate for the development of efficient agricultural marketing systems. It fails to effectively connect production and consumption areas, thus increasing marketing costs (Rweyemamu, 2014).

## 2. Materials and Methods

The study was conducted at Mvomero District, Morogoro-Tanzania in January 2015. The total sample size was 80 respondents (41 males and 39 females). The study was done in four villages namely; Mkindo, Bugoma, Kirangawageni and Gulioni, where 20 small-scale rice farmers were selected from each village. The methods of data collection included personal interviewing, document review, focus group discussions and observations from which both qualitative and quantitative data was collected. The field research tools included the semi structured questionnaire (on small scale farmers) and interview guides (on key informants). Analysis of qualitative data was through displays of the respondent's direct responses, and statistical analysis was done using a computerized programme SPSS and more manipulations with the use of Ms Excel in drawing graphs.

## 3. Results and Discussion

The study sought to look into the barriers that impede USAID agricultural aid effectiveness in Mvomero District. Responses were gathered from the small scale farmers and the findings revealed that lack of access to markets where small scale farmers could sell their rice products was the major barrier to the USAID agricultural aid effectiveness. Table 1 below shows the barriers reported by the small scale farmers in the project implementations.

**Table 1: Barriers to USAID Agricultural aid Effectiveness**

Barriers to effective agriculture aid	Frequency	Percentage
Market	21	26.25
High cost of fertilizers	16	20.00
Poor cooperation by District office	11	13.75
Lack of credit for farmers	18	22.50
Pastoralist	14	17.50
Total	80	100.00

Source: Field Survey 2015

### 3.1 Lack of access to market

The findings revealed that the main challenge was market for the rice products. Small scale farmers said they did not have a reliable market to sell their rice products. They said that middlemen in the village used to buy rice from them at a cheaper price and store it in the nearby milling machines to wait for the rice price to go up. Small scale farmers at Mvomero said that the middle men get more money compared to them from the rice products because they are well positioned in terms of knowledge of the market realities. In his own words, one small scale farmer in Bugoma village had this to say;

*Building the capacity of farmers on marketing was limited. The project never linked us to any local or international market where we could trade our rice products although we are aware of the existence of markets both at the local and international levels through our social networks. Sometimes when we apply the trainings we received like the use of fertilizers and appropriate technologies, we normally get increased yields but the challenge is that sometimes we do not have links to any high value markets to swallow that high production so as to avoid over supply and consequently falling prices. We also struggle in price negotiations with identified buyers. (Small scale farmer, Male, Bugoma Village)*

### 3.2 High cost of fertilizers

Small scale rice farmers complained about the cost of fertilizers to be very high despite the government's consideration on subsidizing the cost. This was another pressing problem affecting their productivity. A sack of 50kg of Fertilizer which was supposed to be bought at 30,000tsh after the cost being subsidized, farmers bought it from 60,000tsh to 70,000tsh. The government subsidization policy was not effective and the project did not have a budget aside to help small scale farmers by supplying them fertilizers. The project only imparted knowledge on the use of fertilizers through trainings and demonstrations. One village agriculture extension officer had this to say;

*Our farmers here struggle to get fertilizers. Sometimes the land is over used and it requires fertilizers to boost the soil nutrients. The government subsidization policy on fertilizers which was meant to help farmers get fertilizers at an affordable price is not effective. This innovative mechanism has its ups and downs especially in the rural areas where the cost of transportation and the overall cost for fertilizers are still not economical for the small farmers but could highly benefit large farmers or organized large rice farming schemes. You*

find that most agriculture stores selling fertilizers hype the price costs and yet they buy them at a reduced cost because there is no monitoring mechanism by government to be able to check all the selling points for fertilizers. These agro - shops for agriculture equipments will tell you that this is business not charity and some will claim that they are not aware of the government set prices. They have low distribution capacities and often put high prices due to monopoly power and to cover for their transport costs to rural areas. And not all farmers know their rights, that they are entitled to such privileges. We cannot solely blame USAID for not supplying fertilizers because this was not in their project plan. They fulfilled their project objectives. May be what we can ask of them is to lobby government if possible on improving the supply of fertilizers to farmers. (Village agriculture extension officer, Male, Mvomero)

### 3.3 Poor cooperation from some partners

Another barrier reported by small scale farmers was the poor cooperation by the agricultural officials at the district. The small scale farmers reported that they had never seen any agricultural officer from the district in the villages, to offer technical support in terms of either knowledge or funding. The small scale farmers said that according to their knowledge, the government passes the money for local government operations through the districts. Therefore, when there is no clear linkage between the districts and the ground operations, it is a problem. And as also reported in the previous findings, the relationship between the USAID team and the district officials was not good, and thus limiting the project's network. However, small scale rice farmers in Mvomero were very grateful for USAID project for bringing experts from Sokoine University of Agriculture who practically demonstrated on the modern ways of producing rice.

### 3.4 Lack of access to credit by small scale farmers

The beneficiaries of the USAID project at Mvomero said, they were lacking access to credits from the financial institutions. USAID linked farmers at Mvomero District with financial institutions such that farmer could get loans for agriculture inputs; however farmers were discouraged because of the high rates of interest on loans from the financial institutions. In the Focus Group Discussion with the small scale farmers in Mvomero, they had the following to reveal.

*We were very happy at the time when officials from Tanzania Agriculture Bank paid a visit in the area. The whole plan was initiated by the USAID team in order to encourage us get loans so as to be able to buy agriculture inputs such as fertilizers, and so on since the project had a limited funds which could not cater for everything. We were told by officials from Tanzania Agriculture Bank to fill the loan forms so that we could be provided loans for agriculture. We were very happy with officials from Agriculture bank of Tanzania because of the less interest rate of 8% compared to any other financial institutions where the project had linked us. But*

*our hopes ended unsuccessful because we never received feedback from the Agriculture Bank of Tanzania and neither did we receive an update from our USAID bosses on what happened. Up to now, we do not know why this move failed although we are aware that most financial institutions know that farmers do not have enough collateral. We are obliged to sell our rice at low prices because of the financial challenges we have. (Focus Group Discussion, Small Scale farmers, Mvomero)*

### 3.5 Pastoralist Invasion on farmer's agricultural land

Mvomero District has both farmers and pastoralists living in the same area, misunderstanding normally takes place in the District especially when farmer's agricultural products are being eaten by animals. Small Scale farmers (17.50%) from the study area said animals use to eat their rice and whenever they do report their case to the concerned districts leaders, the strict measures towards animal keepers were not attended to at all. Hence, this created enmity among the two groups which sometimes caused death to human beings and animals.

#### Case Study 2: Village Agricultural Extension Officer in Mkindo Village

My name is Peter (pseudonym). I am 45 years old. I have been working in this village as an extension officer for 15 years now. I have had experience working with different donors on agriculture issues in our village. I was actively involved in the USAID project operations in our village, and I was the main link between the USAID team and the rural communities in our area since I have contacts with the rural people and I know them very well. The project was a great success with a number of achievements realized and especially on improving the farmers livelihoods. However, considering that the uptake of new knowledge and technologies is usually slow for our small scale farmers because of the low levels of education, five years of the project was not enough for it to realize its full impact, especially in light of the apparent abject poverty in which most agricultural households are absorbed. I would recommend a minimum of 10 years so as to enable smooth sailing of several project achievements. Another challenge was the partnership with government officials at the District level which was not institutionalized and largely depended on individual understanding rather than the Memorandum of Understanding (MOU). This is why there was a pulling of the rope between the USAID team and the Mvomero District officials. Their relationship was very visible to everyone that it was not good. And also, because of the small area of land within the irrigation scheme, the project had to provide only one acre to each individual farmer.

The aspects from the case study above are indeed justifiable and are confirmed by several studies. The aspect of low uptake of technology by small scale farmers has been echoed in most debates in the agriculture arena. Meijer (2015) noted that many farmers in developing countries are slow to adopt to technological innovations, ranging from improved seed varieties to the use of information technology. Nenna (2014) confirmed that technology uptake by smallholder farmers in Africa seems to be slow. And yet, Matsumoto (2013) recommended that technology adoption is the key to realizing dramatic improvement in agriculture among small scale farmers. This is very true in terms of general thinking but on careful examination based on the findings above, sometimes small scale farmers need location



specific package of practice, to re-adjust (hybridize) technology for local situation because copy and paste sometimes does not work. The case study findings in the box above also agree with Burns (2006) whose research on impact measurement for programmes deduced that in order to tell whether a certain project is doing a big difference to the intended beneficiaries, it must be implemented for a longer time span. For both the donors and the partners, it is also important to understand how a memorandum of understanding works and why we use the memorandum of understanding.

#### 4. Conclusion

The agricultural aid project was constrained by the short funding life span; it is sometimes hard to realize impact over a short period of time. In some scenarios where there are no visible significant contributions of the project, people might think that the project failed to achieve its intended objectives. The government agricultural mechanism of subsidizing fertilizers for farmers was not properly implemented and therefore making small scale farmers buy fertilizers at higher prices and some failing to buy at all. This means that knowledge acquired during the project trainings on the use of fertilizers will not be effectively utilized and therefore frustrating the efforts of the donors. When agricultural policies in the recipient countries are weak, the donor agricultural interventions will crumble as well and thereby affecting aid effectiveness. There is need to encourage more involvement of stakeholders especially the private sector and civil society organisations in the donor project's planning and implementations in order to increase the probability of sustaining the two donor funded agricultural project's achievements. This can be done through encouraging stakeholders to actively participate in the project activities through project orientation meetings and networks or partnerships.

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