

Note for the File

AMB. DAR ES SALAAM		
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**The Transition from HIMA to DADS**

At a meeting in Iringa on 17<sup>th</sup> May 2002 (Karen, Jytte, Steve, Bjarne, Henning, Anne Marie and Jakob) the following was agreed:

1. Vehicles, other transport equipment and computers & office equipment used by districts but presently under Danida ownership will as per 31<sup>st</sup> December 2002 be transferred to the LGAs according to needs and capacity. From then onwards the LGAs will be responsible for financing operation and maintenance of the equipment.
2. For the FY 2003, HIMA will provide financial support for some district-executed activities, however introducing cost-sharing with users and LGAs for some of the activities. HIMA staff will prepare a proposal for approval by the PCU and RDE on cost sharing modalities. During June 2002, HIMA will inform the LGAs on the activities that may receive financial support and the cost-sharing modalities for 2003. Out of the 60 activities in HIMA's current activity plan, the following will be eligible for support



HIMA Activity Number	Activity	Comment
3	Village leadership training	No cost-sharing
14	Training on water source protection	Cost-sharing with users
15	Source improvement and protection (material and advice)	Cost-sharing with users
16	Training in Improved Land Husbandry	Cost-sharing with users
17	Village led SWC campaigns	Cost-sharing with users
18	Gully stabilisation- advice and action days	Cost-sharing with users
20	Training improved crop production and home gardens	Cost-sharing with users
21	On-farm demonstrations	Cost-sharing with users No new demos, only completion of on-going demos
25	Small animal husbandry training	Cost-sharing with users
29	Training in fish farming	Cost-sharing with users
30	Training in bee keeping	Cost-sharing with users
35	Promotion of village technologies, e.g. training in energy conserving stoves	Cost-sharing with users
42	Training of para-professionals	Possibly only refresher courses?

3. Before the start of DADS/ASPSII, LGAs will be informed that they - before 1<sup>st</sup> June 2003 - will have to satisfy defined criteria for entering the Preparatory Stage. If they fail to do so, all assistance for the district will be terminated by 31<sup>st</sup> December 2003.

R/3/Admin/02/4

## Comments

### Ad 1: Equipment Transfer

It will be a major task for the HIMA staff during June-December 2002 to negotiate the equipment transfer with the LGAs. In particular for vehicles, the LGAs need to know the O&M costs and to assess their financial capacity to meet these costs. It may well be that a number of vehicles will not be transferred to the Iringa LGAs and therefore could be used in Mbeya or in the "seed districts" outside Iringa and Mbeya.

The assessment of the LGA-capacity to finance O&M costs of transport equipment should consider the strategy of DADS which is to provide funds for village governments to purchase TA and training services and undertake investments according to the priorities of village governments. The objective is that villages would be able to purchase TA and training from district staff and private service providers. In the case of district staff, whose salary is already financed by government, the village may need to pay for the direct costs of the visit, i.e. transportation, accommodation and food. Thus, as far as villages would demand and pay for advice and training from district extension staff, the districts' transport costs would be partly financed by "village-payments".

### Ad 2: Modified HIMA Menu and Cost-sharing

The LGAs in Iringa need to know the modified menu for FY 2003 and the new cost-sharing principles before finalising the budget in July 2002. Therefore, HIMA staff should before 10 June 2002 submit a proposal to the PCU/RDE on user contributions to the financing of activities in the modified menu.

### Ad 3: Compliance with Qualification Criteria for Preparatory Stage

Sometime by September 2002, the ASPS II documentation should be in a final form and thus also the criteria that the LGAs would have to satisfy in order to enter the Preparatory Stage of DADS. At that time, ASPS and HIMA should initiate a campaign to inform the districts about the criteria so that they can initiate their decision process.

At least by June 2003, districts should know whether or not they can count on any ASPS-financing when preparing their 2004-budget. It is suggested that those districts, which do not satisfy the DADS qualification criteria should be excluded from support, not only from DADS but also from the On-farm Seed Component. However, individual investors in the "excluded" districts would still be eligible to receive support from PASS.

Jakob Grosen