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COMPARATIVE ASSESSMENT OF DECENTRALIZATION IN AFRICA: TANZANIA IN-COUNTRY ASSESSMENT REPORT

SEPTEMBER 2010

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COMPARATIVE ASSESSMENT OF DECENTRALIZATION IN AFRICA: TANZANIA IN-COUNTRY ASSESSMENT REPORT

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ACRONYMS

ALAT	Association of Local Government Authorities
CAG	Controller and Auditor General
CBF	Common Basket fund
CCM	<i>Chama Cha Mapinduzi</i>
CDF	Constituency Development Fund (now Constituency Development Catalyst Fund)
CSO	Civil Society Organization
CSRП	Civil Service Reform Program
CUF	Civic United Front
DED	District Executive Director
DP	Development Partner
EU	European Union
FY	Fiscal Year
GOT	Government of Tanzania
HRM	Human Resource Management
JICA	Japan International Development Agency
LG(A)	Local Government (Authorities)
LGCDG	Local Government Capital Development Grant
LGRP	Local Government Reform Program
M&E	Monitoring and Evaluation
MoF	Ministry of Finance
MP	Member of Parliament
NCCR	National Convention for Construction and Reform
NGO	Nongovernmental Organization
OC	Other Charges
O&OD	Opportunities and Obstacles to Development

PE	Public Expenditure
PETS	Public Expenditure Tracking Systems
PMO-RALG	Prime Minister's Office - Regional Administration and Local Government
PO-PSM	President's Office-Public Service Management
PO-RALG	President's Office-Regional Administration and Local Government
PRA	Participatory Rural Appraisal
RAS	Regional Administrative Secretary
RC	Regional Commissioner
REDET	Research and Education for Democracy in Tanzania
REPOA	Research on Poverty Alleviation
SIDA	Swedish International Development Cooperation Agency
TANU	Tanzania African National Union
TASAF	Tanzania Social Action Fund
UNDP	United Nations Development Program
UNICEF	United Nations Children's Fund
URT	United Republic of Tanzania
WEO	Ward Executive Officer

EXECUTIVE SUMMARY

Tanzania (mainland) has for the last 20 years pursued a well-articulated policy of decentralization by devolution that aims to transfer powers, functions and resources to elected multifunctional local governments.

The local government system in Zanzibar is quite different from the mainland: local governments have limited powers and resources and reform in Zanzibar is only in its initial stages. The main emphasis of this report is in Tanzania mainland (with further discussion of Zanzibar in Appendix 6).

The reform outcomes have been mixed: capacities of local governments have increased, but their autonomy has remained limited.

The reforms have successfully strengthened local governments by substantively increasing their capacities, but the relative autonomy of local governments has remained rather unchanged during the last 10 years. Some real change in relative autonomy occurred back in 1997-1999 when deconcentrated regional administrations were significantly reduced and staff and resources transferred to local governments at district and municipal levels.

Local governments over the last decade have received increasing fiscal transfers and thereby significantly increased their budgets, just as their staff numbers and quality have improved. Local governments are today responsible for delivery of the bulk of basic services in Tanzania including education, health, water, roads and agriculture. Local governments employ around 65 percent of the total public service and manage some 27 percent of total public expenditures. However, local governments have limited budgetary discretion, as most of the funds they receive are earmarked for specific purposes. Efforts for further reform the local government finances have in particular been constrained by government's resistance to staff devolution.

THE POLITICS OF REFORM

The ruling party in Tanzania (CCM) and the executive have been dominant in the policy process with limited influence by donors, Parliament or civil society. While the party initiated the original reintroduction of local governments and the total overhaul of the local institutional arrangements from around 1995 (that culminated in the 1997 Regional Administration Act and 1999 amendments to the local government legislation), they have subsequently resisted further increase in local governments autonomy. Instead, an alternative interpretation of decentralization has been practiced with emphasis on the increase of locally available resources for development and corresponding citizen engagement through user groups. Parliament has in addition lately pushed for introduction of a Constituency Development Catalyst Fund that seems to undermine the status of local governments further as the primary responsible institutions for local service delivery. Donors have argued for more coherent government adherence to the local government reform policy; but in addition to the reluctance of central government, CCM and the party it, must also be realized that the donors themselves are inconsistent as they frequently support alternative interpretations of the decentralization policy through various sector programs. In view

of the political interests of CCM, it is unlikely that any further reform in the near future will provide significant increases in local government autonomy. On the other hand, recent policy statements from government and the CCM indicates Zanzibar (currently with a very weak local government system) will reform its public services toward a more decentralized system similar to the mainland.

COMPARATIVE KEY LESSONS

Certain experiences from the decentralization reforms in Tanzania offer possible lessons for other countries:

- The development of a devolved local government system with significant local autonomy can only progress if it is in the interest of the ruling party.
- The lowest level of local governments at the village level in Tanzania have proven unique institutions for formalized community participation; however, they are currently completely controlled by the dominant party and may lose legitimacy if no electoral reforms are undertaken.
- Local governments have received increased fiscal resources but mainly in the form of conditional grants that have curtailed local autonomy. However, the Local Government Capital Grant is an exception and a “good practice”. Local revenues constitute less than 10 percent of local government budgets but can—jointly with various local contributions—still enable local governments to adjust services at the margin.
- Progress on local government autonomy in human resource management has been limited over the last 10 years—the policy is possibly too radical and a more pragmatic approach might have been more constructive.
- Significant investments have been made to improve participatory planning, but more efforts are required to link this to resource allocations and subsequent measures for follow up and accountability.
- Reform coordination has been a major weakness and complicated by having the local government reforms situated within a ministry responsible for local government rather than a higher coordinating body—legal harmonization has been constrained by lack of authoritative guidance (e.g., from the Constitution).
- As in many other Anglophone African countries, the local government structures in Tanzania are separate for urban and rural areas: with the recent and increasing urbanization this appears to complicate more coherent urban-rural linkages since the system is likely to be fragmented in numerous small urban local governments.

1.0 TANZANIA: COUNTRY CONTEXT AND BACKGROUND

1.1 INTRODUCTION

This report is part of a comparative study on decentralization in Africa commissioned by USAID. A framework provided by USAID has guided the analysis that was undertaken in two phases: (1) a desk study in May-June 2010 and an in-country assessment from 19 July to 15 August 2010. The fieldwork in Tanzania provided an opportunity for further documentary analysis as well as interviews with local government staff and politicians, representatives from central government, the Association of Local Government Authorities (ALAT), selected civil society organizations (CSOs) and development partners (DPs). Two local governments in Tanzania mainland were researched: Tarime District Council (an example of a remote rural district and one of the few examples of a district council controlled by the opposition), and Temeke Municipal Council (an example of an urban local government and with a council controlled by the ruling party). In Zanzibar fieldwork included visits to one local government (Urban West District Council) and interviews with the Local Government Reform Task Force.

This report integrates findings from the desk and field studies. In addition, the team was asked to analyze a specific set of questions of particular interest to the USAID Mission in Tanzania. That analysis is documented in a separate report.

1.2 COUNTRY DECENTRALIZATION OBJECTIVES IN TANZANIA

Tanzania (mainland) has for the last 20 years pursued a fairly well-articulated policy of decentralization by devolution that foresaw the transfer of powers, functions and resources to elected multifunctional local governments.¹ It should be noted that the structure and history of the local government system differs significantly within the United Republic of Tanzania (URT) between Tanzania mainland and Zanzibar. Appendix 6 outlines the features, background and reform issues in Zanzibar.

Local government reforms have been supported on the mainland since 2000 through a dedicated Local Government Reform Program (LGRP) that has aimed to support the reform process through a basket-funded program managed by a dedicated reform unit (the LGRP Team). LGRP has been implemented through three consecutive three-year medium-term plans and budgets, and the first major phase came to an end in 2009. A new phase of reform support is currently about underway.

¹ United Republic of Tanzania, 1998a. Emphasis of the policy is on devolution to municipalities and districts—see further discussion of the policy objectives in Section 2.3 of this report.

LGRP originally aimed to reform the legal framework and the local government finance and human resource management (HRM) systems, and enhance local participation and wider “good governance” at the local level. In the later years, the program also included components for support of sector coordination and strengthening of the deconcentrated regional secretariats. The government with assistance, from DPs, introduced a development block grant for local governments (the LGCDG) in 2004 in parallel with the LGRP. In addition, several of the service sectors undertook various sector reforms that interpreted the broader policy of “decentralization” in numerous ways—in particular the education, health, water, roads and agricultural sectors were transformed in the last decade with more emphasis on decentralization (although not necessarily devolution).

1.3 HISTORICAL BACKGROUND²

The current reforms officially began with the adoption of the Local Government Reform Agenda in 1996, within the framework of wider civil service reforms and the broader liberalization of the Tanzanian economy and polity. However, it is important to note that the system of local administration had undergone significant changes prior to that: reasonably well established democratic local governments in the early post-colonial period, the subsequent abolishment in 1972 of local governments, and their reintroduction in 1982.

The reforms of the Tanzanian system of local government are presented in the following timeline:

- a. Pre-independence period: gradual introduction of local governments;
- b. 1962-1967: strong democratic councils;
- c. 1967-1972: gradual decline of local governments;
- d. 1972: deconcentration and abolishment of local governments;
- e. 1976–1982: reintroduction of local governments; and
- f. 1994: the second wave of devolution–Local Government Reform Agenda.

1.3.1 PRE-INDEPENDENCE PERIOD: GRADUAL INTRODUCTION OF LOCAL GOVERNMENTS

The earliest experiences with elected local governments in Tanzania originate from the late colonial period where elected councils were gradually introduced. The move toward elected local governments with substantive functions and financial resources was strongest in the urban areas. The gradual democratization of the local administrations, in both urban and rural administrations, was in the same period tempered by the colonial administration’s attempts to limit African control of these institutions through the reservation of European and Asian seats. Nevertheless, a basic architecture of elected local governments was largely in place at the time of independence in 1961.

² This section is mainly based on Steffensen, Tidemand and Mwaimpopo, 2004; and Mawhood, 1983 (chapter on the search for participation in Tanzania).

Dar es Salaam became a municipality in 1949, and the first town council was set up in Tanga in 1954. At the time of independence, 12 urban authorities were in place. They collected their own revenue, fixed property rates, made by-laws and provided a range of services.

“Native Authorities” were established in the rural areas. They collected substantial amounts in local taxes and were made responsible for services such as primary education, dispensaries and village roads. The appointed district commissioner controlled the authorities, but there was a gradual introduction of democratic elements in the latter part of the colonial period. Local authorities (chiefs) nevertheless continued to exercise substantial executive and judicial powers. The colonial administration sought, under the Local Government Ordinance of 1953 and in subsequent initiatives, to introduce a further gradual modernization and democratization of the authorities, but it was never effectively implemented in the rural areas. The new nationalist movement of TANU under the leadership of President J. Nyerere resisted the attempts of introducing racially segregated elections. The new councils would have jurisdiction over all residents in the area—rather than as previously, only “Africans”. Elections were, on the other hand, to be organized in a manner whereby each eligible voter was to cast three votes: one each for an African, a European and an Asian. TANU wanted an immediate establishment of truly representative bodies based on the principle of “one-man, one vote”.

Nevertheless, at the time of independence, a fairly well-developed system of autonomous and partially democratic local government had been put in place. Locally collected revenues from rural and urban authorities totaled more than \$5 million or some 17 percent of total public revenue in 1961. Their annual capital spending amounted to \$1.25 million, or one-quarter of their turnover. While rural authorities were never fully established with elected councils, the basic legal framework of the functions and responsibilities of local authorities had been outlined in the 1953 Local Government Ordinance.

Other pre-independence events of relevance to the existing system of local government administration in Tanzania include:

- The establishment of the local government school in Mzumbe in 1953: solely to cater for local authorities and largely financed by the same; and
- The establishment of the Local Government Association in 1956.

1.3.2 1962-1967: STRONG AND DEMOCRATIC COUNCILS

In 1962, soon after national independence was declared in December 1961, the new one-party state (TANU government) undertook significant changes of the local administration:

1. Replacing the generalist administrative officers who previously headed the provinces and districts with political appointees: the regional and area commissioners;
2. Removing all executive and judicial powers from the traditional chiefs; and correspondingly
3. Extending modern district councils throughout the country, in place of the native authority councils, which still existed in most districts.

Mawhood (1983) notes that the impact on elected local governments was mixed, since the rural administrations lost substantial lower-level authority through the removal of the chiefs, and the

removal of administrative officers led to loss of administrative capacity. The initial years of independence nevertheless witnessed a short period of strengthened elected local governments. In particular, local authorities situated in the wealthier cash crop producing areas, such as Kilimanjaro District Council, saw their revenue increase substantially during the first years of independence, just as new and qualified staff members were brought on board.

Central government transfers to local authorities that previously were extended to urban councils were also introduced to rural authorities. Some of the transfers sought to introduce incentives for particular local government authority (LGA) expenditures. Thus, road maintenance and recruitment of certain senior posts by the LGAs would be 50 percent co-funded by central government.

1.3.3 1967-1972: GRADUAL DECLINE OF LOCAL GOVERNMENT

A gradual decline of local authorities' capabilities occurred in the latter part of the 1960s; primarily due to a financial squeeze, declining revenues and increasing demands for financing of services, rather than a deliberate policy decision.

The increase in local authorities' own tax collections topped in 1965-1966, largely because the central government imposed changes in the manner that local authorities were previously allowed to tax local cash crop production. The decrease in own-source revenue impacted on local authorities' capability to initiate capital projects. Central government simultaneously established a Regional Development Fund that increasingly administered the planning of new capital investments hitherto implemented by the LGA's own funds. LGAs, however, were expected to cater for recurrent cost implications of the investments.

LGAs were, according to the national education plan, expected to finance an increasing share of primary education. As the number of schools rose dramatically after independence, this led to significant financial commitments—increasingly difficult for LGAs to meet. Rural health and road maintenance represented other areas of increasing service responsibilities assigned to local authorities without adequate funding.

Central government responded to the poor performance of local authorities primarily by tightening the control of LGA finances using earmarked transfers to special bank accounts at the LGA level and centralizing several important services. Mawhood (1983) points out, “the Minister's budget speech in July 1969 delivered the death blow” by abolishing all important local taxes. A consultancy company, McKinsey and Co, was subsequently contracted to make recommendations on the local administrative set up most suitable for implementation of the Arusha policies of rural development.

1.3.4 1972-1976: DECONCENTRATION AND ABOLISHMENT OF LOCAL GOVERNMENTS

In May 1972, the government published its “policy of decentralization”. The recommended new structures were based on strengthened deconcentrated administrations at regional and district levels. Elected local governments had no role and were abolished. The reforms aimed at rationalization of some hitherto duplicate structures at the district level and strengthened the regions substantially by transferring very senior central government staff members and conferring “ministerial status” upon regional commissioners.

Consultative forums were established at regional and district levels—without any direct downward accountability, however; as the institutions were dominated by central government and party appointed members.

Rural development featured particularly high on the government’s agenda in this period. Ujamaa or villagization was a key component for the modernization of the rural areas. Legislation for village-level assemblies was passed in 1975 and the concept of “village government” introduced and later carried over to local government legislation passed in the 1980s.

1.3.5 1976-1982: REINTRODUCTION OF LOCAL GOVERNMENTS

The abolishment of urban local authorities was relatively short. In particular, the new structures proved ineffective for service delivery in urban areas, and a cholera crisis led to the relatively quick reestablishment of urban local governments as a policy decision was made to that effect in 1976 and an interim Act passed in 1978. The reintroduced urban local authorities had less autonomy than the old, as the region held substantial influence and as the local revenue-raising powers were rather curtailed. An Urban Development Policy was passed in 1980 for strengthening urban LGAs.

CCM more generally included the reintroduction of local governments in their 1980 election manifesto, and in 1982, new legislation was passed that introduced a comprehensive system of local governments at district and village levels in rural areas, and at municipal and city levels in urban areas. Elected councils were empowered to enact by-laws, collect revenues, determine local budgets and plans, etc. These structures were given direct responsibility for service delivery in the areas of primary education, primary health, local water supply, local roads, and agriculture extension. In urban areas, they also became responsible for urban services, such as solid waste removal and street lighting. However, strong regional administrations remained, and they undertook a large number of development activities directly—in collaboration with, but not necessarily through LGAs—and controlled most of the local funding. Thus, while democratic local governments were introduced, they remained with no substantial resources or effective service mandates. Local administrations remained largely as deconcentrated structures at the regional level.

1.3.6 1996: THE SECOND WAVE OF DEVOLUTION—LOCAL GOVERNMENT REFORM AGENDA

The system of local government in Tanzania introduced in 1982 is legally not much different from what exists today. However, LGAs were not effectively the primary agents for implementation of the supposed service delivery functions. A large number of capital investments continued to be managed through strong regional administrations, and the financial and human resource bases of the LGAs were relatively weak.

In the early 1990s, it was recognized that the system was in need of further reform. This has been referred to as the “second wave of decentralization”, which began as an element of the Civil Service Reform Program (CSRP) initiated in 1994.

CCM included in its Election Manifesto of 1995 the promise of a substantive local government reform program. Interestingly, this took place after the first multiparty elections had been held in 1994 at local government level where several seats (although a minority) of new councilors went

to opposition parties. The reform commitment had gradually been built and was based on various earlier analyses such as the Mtei Commission 1991.³

The decisive step toward further reform of the local government and intergovernmental systems was taken in June 1996, when the prime minister announced the government's decision to restructure and downsize regional administration with the objective of making local government more efficient and effective. The vision for the future local government system was formulated and endorsed at a national conference, "Toward a Shared Vision for Local Government in Tanzania", held in May 1996.

1.4 THE POLICY ON LOCAL GOVERNMENT REFORM

The most immediate changes of the reforms initiated in 1996 were found at regional level, where substantive retrenchments were undertaken and a substantial number of staff transferred to local government authorities. The changes were reflected in the 1997 Regional Act. The regions were no longer to play a major role in implementation of capital projects and direct delivery of services, but rather to facilitate and guide local authorities in doing so.

The wider policy intentions were outlined in the "Policy Paper on Local Government Reform" of October 1998, which outlines in greater detail the vision of a future reformed public service. The paper spells out how decentralization of government will include four main policy areas:

1. **Political devolution** is devolution of powers and the setting of rules for councils and committees, chairpersons, etc. Political decentralization will include the integration of previously centralized or deconcentrated service sectors into a holistic local government system, installing councils as the most important local political bodies within its jurisdiction. Political decentralization implies the creation of real multi-functional governments at the local level within national legislation.
2. **Financial decentralization** is based on the definition of principles of financial discretionary powers of local councils, (i.e., , powers to levy taxes and the obligation of central government to supply local governments with adequate unconditional grants and other forms of grants). The principle also allows local councils to pass their own budgets reflecting their own priorities, as well as mandatory expenditure required for attainment of national standards.
3. **Administrative decentralization** involves the delinking of local authority staff from their respective ministries and procedures for establishment of a local payroll. Local governments will thus have and recruit their own personnel, organized in a way decided by the respective councils in order to improve service delivery. Administrative decentralization makes local government staff accountable to local councils.
4. **Changed central-local relations:** the role of central government vis-à-vis local councils will be changed into a system of intergovernmental relations with central government having the overriding powers within the framework of the Constitution. Line ministries will change their role and functions to become: 1) policymaking bodies, 2) supportive and capacity-building

³ Officially: "Report of the Presidential Commission of Enquiry into Public Revenues, taxation and Expenditure"; the report included two full chapters on the local government system and its finances and made several recommendations for a general strengthening of the local governments including further transfer of resources and powers.

bodies, 3) monitoring and quality assurance bodies within the local government legislation framework, and 4) regulating bodies (legal control and audit). The minister responsible for local government will coordinate central-local relations, and in particular, all initiatives from sectoral matters to matters relating to local governments.

The subsequent sections of this chapter discuss the extent to which the policy intentions as expressed above have been affected as laws and regulations—and Government of Tanzania (GOT) experience with this process. Appendices 2 and 3 analyze the impact of reforms on fiscal and human resource decentralization.

1.5 LEGAL FRAMEWORK FOR LOCAL GOVERNMENTS IN TANZANIA

1.5.1 THE CONSTITUTION

The existence of local governments is entrenched in the URT's Constitution—but not in great detail. The Constitution rather briefly establishes in Chapter Eight (section 145) that “there shall be established local government authorities in each region, district, urban area and village in the United Republic, which shall be of a type and designation to be enacted by Parliament or House of Assembly”. Section 146 further stipulates that the “purpose of having local government authorities is to transfer authority to the people”.

Thus, the nature of local governments—their functions, composition, roles, responsibilities and entitlements—are kept vague and to be determined by Parliament (on the mainland) and the House of Assembly in Zanzibar. This is comparable to, for example, many European Constitutions, but quite different from those such as the Ugandan Constitution that describes the local government systems in great detail.

The Zanzibar Constitution further outlines the basic features of the local government system on the islands, just as Zanzibar has passed detailed local government legislation (see Appendix 6).

The very general formulations of the Constitution have otherwise given the legislature a rather free hand in determining the most appropriate detailed legal framework for the local government system.

While the Constitution mentions the establishment of LGAs within regions, it should be noted that no real local government body is present at the regional level—only a deconcentrated central government body to perform oversight and advisory functions vis-à-vis LGAs (see below).

1.5.2 MAIN LAWS AND OVERALL ORGANIZATION

The current system of local government in Tanzania (mainland) is outlined in the following principal legislation:

- The Local Government (District Authorities) Act, 1982;
- The Local Government (Urban Authorities) Act, 1982;
- The Local Government Finances Act, 1982;
- The Local Government Negotiating Machinery Act, 1982;
- The Urban Authorities (rating) Act, 1983; and

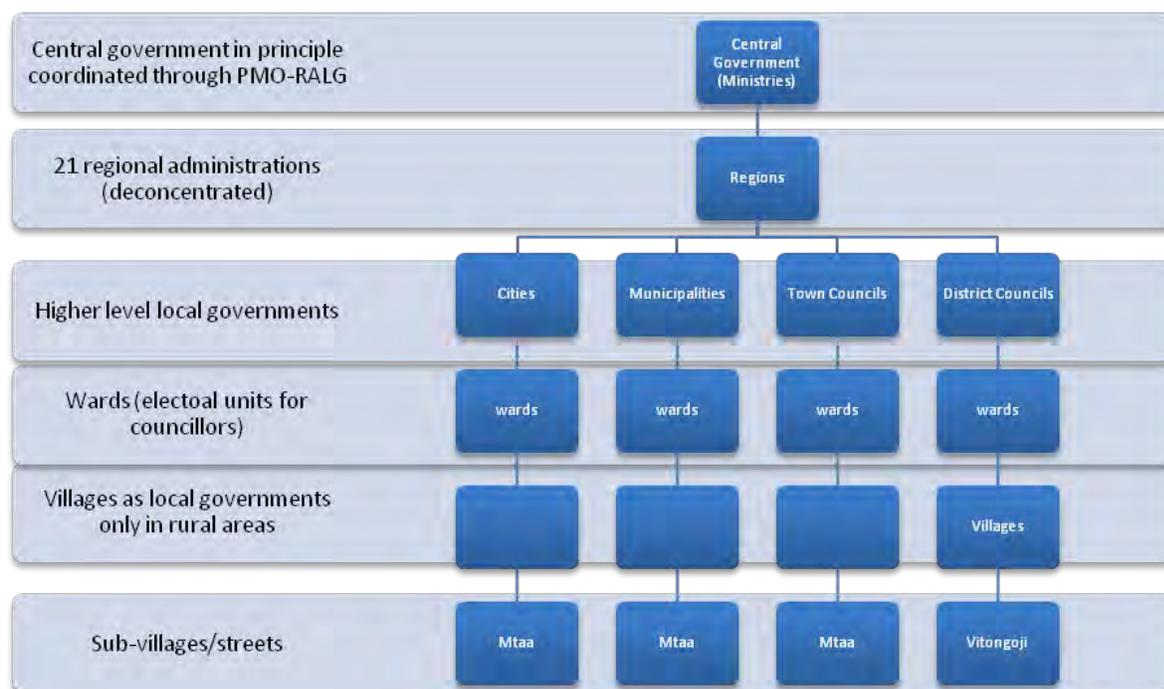
- The Local Authorities Elections Act, 1979.

Furthermore, the functions and responsibilities of the regional administrations, in respect of oversight and interlinking central government and local governments, are spelled out in the Regional Administration Act, 1997.

Immediately after the policy, some legal amendments were made (1999 and 2000) to the Local Government Act that abolished the concept of “proper officer” at the regional level that otherwise previously had to approve LGA budgets. More general statements were inserted that reflect the principles and objectives of reformed LGAs, such as the rights of people to participate in the management of local affairs through LGAs, the need for democratization, increased autonomy and deepening transparency and accountability at the local level.

Below is an overview of the governmental system. (Please refer to Appendix 4 for further details).

FIGURE 1. INTERGOVERNMENTAL RELATIONS AND THE LOCAL GOVERNMENT SYSTEM



Source: by authors based on various local government legislation

Central government ministries of relevance to LGAs are of two types: sectoral/line ministries (e.g., Health, Education) and inter-sectoral (e.g., Finance; Regional and Local Government.) Theoretically, the 1982 legislation made LGAs responsible for actual delivery in their areas of functional responsibility (primary education and health, local roads, etc.) In reality, however, sector ministries have remained heavily involved at all levels in these sectors, while the inter-sectoral or coordinating ministries have exercised tight control over the allocation and usage of local government inputs (fiscal and human resources in particular.)

The Policy on Local Government Reform (1998) envisages that LGAs will both assume greater service delivery responsibility and have more extensive control over their inputs. In general, it is intended that the role of the sector ministries will be limited to providing guidance on sectoral issues, setting relevant sector policies and guidelines for LGAs, determining sector-specific service delivery standards and monitoring performance. The inter-sectoral ministries will reduce the extent to which they determine the composition and allocation of the resources available to local authorities, with the President's Office-Regional Administration and Local Government (PO-RALG) playing an overall coordinating and support role throughout the reform process.

The 21 regional secretariats (RSs) comprise deconcentrated arms of central government. They are headed by centrally appointed regional administrative secretaries (RASs). The sector ministries linked to local service delivery (Health, Education, etc.) are all represented in the RSs, which are supposed to be the immediate points of referral for LGAs in their dealings with central government. Although they do not operate as superior organs of state in all respects, they do have certain oversight (e.g., of local budgets) and monitoring responsibilities regarding LGAs.

Under the Local Government Laws, 1982 No.7 (District Authorities) and No.8 (Urban Authorities), LGAs have been assigned wide-ranging, but very broad and occasionally vaguely formulated functions, including the following:

Basic Functions of LGAs

- Maintain and facilitate the maintenance of peace, order and good government.
- Promote social welfare and economic well-being.
- Further rural and urban social economic development.
- Control and improve agriculture, trade, commerce and industry.
- Enhance health, education and the social, cultural and recreational life of their inhabitants.
- Develop, mobilize and apply productive forces in the war on poverty, disease and ignorance.

The law stipulates that, in addition to the specified functions, it shall be the objective of the LGAs in performing their functions to:

- Give effect to the meaningful decentralization in political, financial and administrative matters relating to the functions, powers, responsibilities and services at all levels of LGAs.
- Promote and ensure democratic participation in, and control of, decision making by the people concerned.
- Establish and maintain reliable sources of revenue and other resources to enable them to perform their functions effectively and to enhance financial accountability.

According to the Policy on Local Government Reform, LGAs are to be responsible for the provision of basic public services, with a special emphasis on priority sectors that target poverty reduction. These include primary education, primary health, agriculture extension services, local water supply and roads. The clarity of the policy intentions is, however, yet to be fully reflected in legislation. The precise functions with regard to LGA responsibilities for provision of primary

education are, for instance, not clearly stated in Section 111 (basic functions), but briefly mentioned in Section 118 with reference to the Education Act (Act No 25 of 1978). The clarity of required functions of urban authorities, such as for provision of street lighting and cleaning, solid and liquid waste collection and disposal, among others, are more explicit in legislation. In addition to the mandatory functions described in the 1982 Act and amendments, the first and second schedule of the Act outline optional functions, which are wide ranging.

The Local Government Act is even more vague when it comes to the specific mandatory functions of lower-level local governments such as the village governments. Section 142 outlines the general functions as:

- Do all such acts and things as are necessary or expedient for the economic and social development of the village.
- Initiate and undertake any task, venture or enterprise designed to ensure the welfare and well-being of the residents of the village.
- Plan and coordinate activities of and render assistance and advice to the residents of the village engaged in agriculture, horticulture, forestry or other activity or industry of any kind.
- Encourage the residents of the village in undertaking and participating in communal enterprises.
- Participate by way of partnership or any other way, in economic enterprises with other villages.

Section 120 (1) of the Act stipulates that district councils may delegate any (non-executive or legislative) functions to lower-level local governments, but that the lower local government in such a case act as an agent of the district council and perform those functions as directed by the district council.

1.6 DIVISION OF TASKS ACROSS LEVELS OF GOVERNMENT

1.6.1 LOCAL GOVERNMENT AND SECTOR LEGISLATION AND POLICIES

Table 1 below outlines the division of tasks and responsibilities between LGAs, central government and other stakeholders within key sectors.

TABLE 1. DIVISION OF TASK AND RESPONSIBILITIES ACCORDING TO LOCAL GOVERNMENT AND SECTOR LEGISLATION⁴

Service	Main responsible as provider	Comments and legal issues
Primary Education	LGAs	<ul style="list-style-type: none"> • Section 118 of Local Government Act and stated in the Education Act (2004). However, parallel procedures for management of teachers (Teachers Service Commission). • The current education policy emphasizes decentralization to the lowest level: school committees.
Secondary	Central	Until recently, no specific reference in local government

⁴ Based on Steffensen, et al., 2004 and Tidemand, Olsen and Sola. (2007).

Service	Main responsible as provider	Comments and legal issues
Education	Government	legislation. However, noted that LGAs play a role in construction of secondary schools, as it until recently was a local unfunded priority.
Primary and Preventive Health	LGAs	Need for clarification of role of standing LGA committees versus decentralized facilities. Health boards do not serve as effective mechanism for local accountability. ⁵
Hospitals	LGAs (District Hospitals)	The National Health Service Bill (2004) states that responsibilities for all health facilities up to district hospitals fall under LGAs. However, established health boards operate in parallel to LGA structures.
Water Supply and Sewerage and Sanitation	Urban areas: Autonomous Authorities Rural Areas: mainly LGAs	<ul style="list-style-type: none"> • Implementation of new water capital investments in both urban and rural areas is largely managed by central government. • The water policy aims primarily at empowering users and the private sector. • Water boards in urban areas, and to some extent, water user associations are established for management of water supplies as parallel structures to LGAs. • Regional consultancy units are established parallel to the regional administration adequately to support the LGAs.
Solid Waste	LGAs	No major legal issues, but problems of capacities in local governments with enforcement of laws, technical capacity for management of waste, problems of user payments for sustainable delivery of service.
Roads	All districts and feeder roads, all streets in municipalities and cities	<ul style="list-style-type: none"> • Main problems are with financing arrangements and technical capacities. • Some legal issues have been raised in relation to the drafting of a new Roads Act where the ministry wanted to establish regional roads boards for coordination of district roads.
Agricultural extension	LGAs	In principle, no major legal issues regarding division between central and local governments. However, the transfer of some 7000 extension staff to LGAs was made rather late compared to other sectors. The capacity of LGAs to deliver meaningful services is limited not least to unresolved division of work between the private and public sectors. Privatization and use of public funds managed through farmers groups raise some issues regarding legal basis for procurement and financial management.

In summary the decentralization policy framework for Tanzania mainland is fairly elaborate with a reasonably clear assignment of major functions to local governments. The objective of the decentralization reform is clear in its envisaged emphasis on further devolution and strengthening of autonomous local governments. The key questions therefore relate to the practical implementation of the reforms discussed further in subsequent chapter.

⁵ Boon, 2007.

2.0 INTERMEDIATE OBJECTIVES

The Tanzanian Local Government Reform Program has aimed to implement the policy of decentralization via devolution for more than 10 years. The reform aims to **transfer authority** to the LGAs, increase their relative **autonomy** and enhance both the downward (to local residents) and upward **accountability** (to central government/Parliament) and enhance the overall **capacity** of LGAs and wider national supportive system for decentralized governance.

This chapter provides a summary discussion of the extent to which these objectives have been achieved. More details on the progress of fiscal and human resource reforms are provided in Appendices 2 and 3.

2.1 TRANSFER OF AUTHORITY TO LOCAL GOVERNMENTS

Rather curiously, it can be concluded that the most significant transfer of authority to local governments in many aspects happened **before** the official launch of the LGRP in 2000. These grew out of the civil service reform that sought to “right size” the central government and a genuine concern of the ruling party (CCM) regarding the need for strengthening local government structures (see Chapter 3 for details of CCM position). Thus, in the late 1990s, substantive retrenchments were undertaken at (deconcentrated) regional administrations and a considerable number of staff were transferred to LGAs. The changes were reflected in the 1997 Regional Act that completely changed the nature of the regions—they were no longer to play a major role in implementation of capital projects and direct delivery of services, but rather to facilitate and guide local authorities in doing so.

In 1999, local government legislation was amended to provide an enabling framework for the decentralization reforms, which made the minister responsible for local governments “guided and bound, by the need to promote decentralization and the devolution of functions powers and services from the central government to local governments”.⁶ LGRP was simultaneously launched and sought initially to undertake the reforms in a geographically phased manner starting with approximately a third of the LGAs in Phase 1. However, as discussed in the next section, many of these initiatives failed to enhance LGAs’ autonomy.

The legal reforms up to 2000 did lead to a significant degree of decentralization of key functions to LGAs within sectors such as education, health, agriculture, roads, water and sanitation (see Table 1) just as fiscal and human resource capacities have been enhanced.

Since 2000, LGRP has supported analysis of a number of key sector laws with a view of further harmonizing these with local government legislation. Studies have also been undertaken on the regional administration and local government legislation that recommended amendments for

⁶ Section 4(3) of the Local Governments (Miscellaneous Amendments) Act 1999, no 6 as quoted in Shivji, 2007.

furthering the devolution process, including proposals for development of a unified local Government Law and constitutional amendments.⁷ However, virtually none of the recommendations have been implemented to date. On the contrary, it can be argued that some new laws and amendments have weakened the local government reform process. For instance, the Public Service Act (further discussed in next section) and the Local Government Laws Amendments Act 2006 (Act No. 8 of 2006) that strengthened the role of central government in local government affairs by creation of a district consultative committee (where LGAs are to consult with district commissioners) and gave way for central government appointment of up to three councilors in each LGA.

2.2 CAPACITIES OF LOCAL GOVERNMENTS

LGA capacities have greatly increased over the last decade; this is reflected in the substantive increase of fiscal resources, increase in staff numbers and improvement in management capacities. However, capacities are rather uneven: some local governments are distinctly underserved compared to others. These trends are briefly summarized below, whereas more details on the fiscal aspects of capacities are presented as in Appendix 2.

2.2.1 LGAS' RELATIVE SHARE OF PUBLIC EXPENDITURES

LGA budgets have increased in both absolute terms as well as their relative share of public expenditure. However, the increase in 2006/2007 is explained by the increase in teacher numbers and salaries that constitute a large share of LGAs' recurrent budgets—the later increase in 2009 is similarly explained by the decision to transfer responsibilities for secondary school teachers to LGAs.

TABLE 2. LGA SHARE OF PUBLIC EXPENDITURE (PE)⁸

Fiscal Year (FY)	Total Recurrent Expenditure (TSH billion)	LG share
2001/02	1,253	18.7%
2002/03	1,527	19.0%
2003/04	1,834	17.7%
2004/05	2,252	17.0%
2005/06	2,875	18.6%
2006/07	3,142	24.3%
	Total expenditure (TSH billion)	LG share of total expenditure
2007/08	5,452	21%
2008/09	6,536	21%
2009/10	7,991	28%

LGAs share of development funding is significantly less—in 2007 estimated as 17 percent of total development budget.⁹

⁷ See Shivji (2006) for an overview.

⁸ Note that for 2001-2006/07 the data are actual expenses (but only from recurrent budget) as published by PMO-RALG (URT, 2007)—this is the last year of a published local government fiscal review and that data from subsequent years hasn't been published by PMO-RALG. Data from 2006/07-2009/10 is based on data collected from the LG DPG (2010).

⁹ URT, 2007. For details, see Appendix 2.

2.2.2 LGA HUMAN RESOURCE CAPACITIES

Local government staff numbers have also continuously increased in both absolute numbers and as a relative share of total public expenditures

TABLE . LGA SHARE OF PUBLIC EMPLOYMENT

	1995	1996	1997	1999	2000	2001	2002	2003	2004	2005	2006
Central	108,363	101,074	97,146	92,393	92,951	91,407	90,928	92,436	90,708	91,950	97,775
Regional	24,119	22,667	19,192	16,637	10,172	9,776	10,088	10,302	10,064	9,835	9,481
Local G	163,255	163,297	156,842	155,397	169,285	168,490	177,812	189,979	187,149	204,606	219,573
Total	295,737	287,038	273,180	264,427	272,408	269,673	278,828	292,717	287,921	306,391	326,829
LG share	55%	57%	57%	59%	62%	62%	64%	65%	65%	66%	67%
Local teachers					110,116	109,879	116,713	116,801	126,744	144,286	154,186
Teachers share of all LG Employees					65%	65%	66%	61%	67%	70%	70%
non-teacher LG					59,169	58,611	61,099	73,178	60,405	60,320	65,387
Non teacher growth rate						-0.9%	4.2%	19.8%	-17.5%	-0.1%	8.4%

Source: PSM HR and Payroll Database

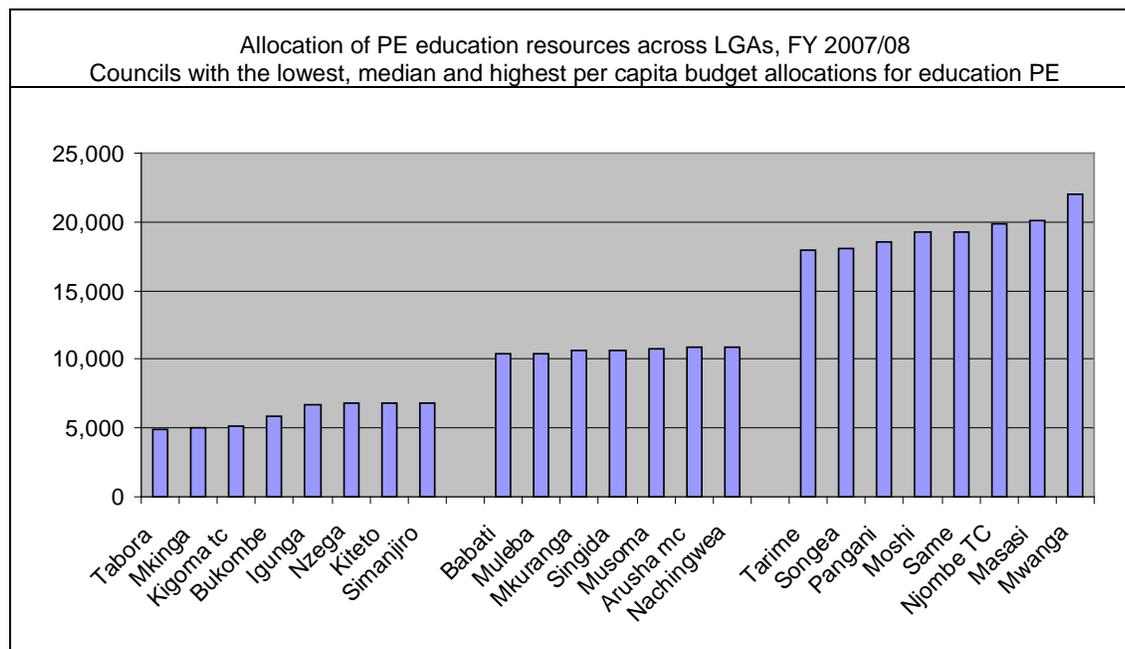
The functional capacities of LGAs in terms of quality financial management and planning has generally also improved during the last decade (e.g., reflected for instance in the quality of audit reports).¹⁰

2.2.3 INEQUALITIES IN CAPACITIES AMONG LGAS

Several remote and rural LGAs have problems in attracting and retaining staff. As discussed further in the next section, central government has taken this as a reason for centralizing human resource allocations. However, even this centralized system of resource allocation has failed to provide resource and staff equally among LGAs. Figure 2 illustrates how unequal allocations currently are in the education sector with per capita allocations ranging from 5,000 to 20,000 TSH per capita. These inequalities are also found in other sectors and lead to unbalanced developments. As further discussed in Appendix 2, these inequalities are to a large extent also a result of central government's reluctance to devolve staff resources fully.

¹⁰ For details, see Appendix 2.

FIGURE 2. UNEQUAL ALLOCATION OF RESOURCES—THE CASE OF EDUCATION PE¹¹



2.3. LOCAL GOVERNMENTS' AUTONOMY

Under the reform, LGAs were to be granted increasing autonomy—in particular for management of their staff and fiscal autonomy. Progress in this regard has been mixed, particularly in the lack of results for staff devolution.

2.3.1 AUTONOMY FOR STAFF MANAGEMENT

At the onset of reforms in 1998, the system for HRM at the local government level was fragmented and centralized with six different appointing authorities. The Local Government Reform Policy of May 1998 sought a radical change and is explicit in its vision regarding the anticipated features of decentralized local government personnel management as it states: “The councils (city, municipal, town and district) will be fully responsible for planning, recruiting, rewarding, promoting, disciplining, development and firing of (all) their personnel”.

The Local Government Reform Policy anticipated an immediate and radical transformation toward a situation where each individual LGA would become the employer of its entire staff. Only for the council director it was stated that he/she “in the interim may be posted by (Central) Government”.

Appendix 3 provides a more elaborate discussion of the subsequent reforms, but in summary it can be concluded that staff management procedures have remained rather opaque: central government has maintained the upper hand in management staff, but officially staff in LGAs are “employees” of the local governments. This vagueness is encompassed within legislation (Public Service Act) but compounded by management practices:

¹¹ See analyses in Boex (2003) and Tidemand (2010) and LOGIN data at www.logintanzania.net.

- Budget and establishment control has remained entirely centralized; local governments are consulted annually, but all decisions on staff budgets and numbers of approved staff are ultimately done by the President’s Office-Public Service Management (PO-PSM); during the reform LGAs have not been granted additional autonomy within this area.
- Staff salaries are almost entirely paid from central government transfers, where central government allocates funds according to filled posts rather than a formula as otherwise foreseen in the reform.
- Career management has been partially devolved—but for senior staff, career progress continues to depend on the central government ministries.
- Pay policy remains centralized, except that LGAs are allowed to establish local incentive schemes. In practice, this is unaffordable by LGAs—except for select staff categories in the more wealthy LGAs.

Staff in LGAs consequently have dual allegiances; they have to satisfy both local governments (their official employer) and central government. Furthermore, senior staff are aware that their career prospects depend largely on satisfaction of the latter. Several LGAs have invested in capacity building of their staff and subsequently seen staff transferred to other LGAs or central government. This frustrates local capacity-building efforts as otherwise encouraged by the new system of providing LGAs with Capacity Building Grants. Transfers are undertaken without much consultation with LGAs and with late replacement of staff. Assessment field visits indicate that this is perceived by LGAs as the most frustrating aspect of current practices.

Available data does not allow for a strict comparison of effectiveness of centrally deployed staff compared to locally recruiting. However, during field visits, both regional and district officials argued that, for instance, teachers who were locally recruited by LGAs were far more likely to continue work within their post than teachers that were centrally deployed by central government and sent to particular districts. In addition, it can be noted that central deployment of staff has generally failed to address the significant geographical inequalities of staffing levels in local governments. There remain significant and persistent problems in attraction and retention of (senior) staff in districts considered “remote” or marginalized.¹² Similar problems are recognized for field staff and considered a problem within specific districts, as staff tend to cluster around district headquarters. The problem is generally recognized, but not fully quantified.

2.3.2 LGA FISCAL AUTONOMY¹³

The reforms aimed to strengthen LGAs’ fiscal autonomy in two ways:

1. Strengthening local government own-revenue collections through reformed local tax systems, and
2. Reforming the way central government transfers are made to local governments by introduction of formula-based fiscal transfers.

¹² Valentine, Tidemand, Sola and Maziku, 2005.

¹³ For further details, see Appendix 2.

LGA Own Revenue Mobilization

LGAs collect at present some 60 billion TSH from local taxes (mainly service levy and produce rather than property taxes for example). This represents only seven percent of total LGA expenditures and thus indicates a high reliance on central government fiscal transfers. Revenue in rural LGAs has declined over recent years, whereas urban LGAs have witnessed some growth. Urban LGAs today collect more than four times as much as rural LGAs, and it is in urban LGAs that the most significant potential for further growth is found. The main reasons for the decline in revenue collections are abolishment of a range of “nuisance taxes” in 2004, inappropriate tax designs and poor collection systems.¹⁴

TABLE 5. TRENDS IN LGA OWN REVENUE COLLECTIONS (IN MILLION TSH)

	2001	2002	2003	2005	2006	2007	Overall Growth	TSH Per capita
Urban	23,113	25,569	28,656	23,728	28,139	36,271	36%	4.83
Rural	28,086	22,774	29,083	19,142	21,151	27,113	-4%	1.05

Source: PMO-RALG finance data – for most recent years available at www.logintanzania.net

There is mainly scope for improvements of own revenue collection in urban areas (significant untapped potential for property taxation), but limited scope in rural areas. Reforms of central government transfers become so much more crucial in determining the relative degree of LGA fiscal autonomy.

Reform of fiscal transfers toward greater autonomy and transparency?

Since 2000, the reform program has sought to introduce a system of formula-based block grants to LGAs that would grant them more autonomy in their utilization and allocation of funds in a more transparent manner. As discussed in further detail in Appendix 2, the strategy has only partially been implemented.

The most ambitious part of the intended reforms was to transform the “recurrent” budget allocations (staff personnel emoluments and other charges) into a system of formula-based block grants for each the six main sectors (education, health, water, agriculture, roads and administration). The system, including detailed formulas, were in principle agreed to by the Cabinet in 2004, but were never put into practice. It presumed government commitment to decentralization of personnel management—and this was never implemented.

The reforms have been more successful in transformation of development funds transfers. Up to 2004, development grants to LGAs were miniscule and consisted mainly of small non-formula-based development grants such as the 5 billion TSH PO-RALG Development Grant.¹⁵ Most of LGA development funds were provided through discrete donor-funded projects, mainly through various “area-based programs”, but also in the form of some sector support programs. In 2004, government and DPs agreed on establishment of the Local Government Capital Development Grant System (LGCDG). Under this arrangement, all LGAs receive a discretionary development grant of approximately US \$1.5 per capita (a total of some 50 billion TSH) if they fulfill basic minimum conditions regarding the quality of their development plans, financial management,

¹⁴ For detailed discussion, see separate REPOA report on LGA finance.

¹⁵ See e.g., analysis in PricewaterhouseCoopers, 2004.

and degree of local transparency and procurement systems.¹⁶ The LGCDG system has been declared by government as the “preferred modality for transfer of development funds to LGAs”, and in addition to the approximately 50 billion TSH of core LGCDG funding, various sectors have started to transfer funds along the basic principles of the LGCDG system (see Appendix 2 for details).

LGA Expenditure Patterns—Driven by local priorities?

Recent data reveals several clear tendencies in local government spending:¹⁷ first, a large share (78.5 percent) of local spending is recurrent; second, most recurrent spending (56.6 percent of all local spending, or almost three-quarters of local recurrent spending) is spent on personal emoluments; and third, spending is heavily concentrated within just two sectors—health and education. Three-quarters of recurrent spending and two-thirds of all local spending is aimed at primary education and basic health services. Rather than being driven by local priorities and choices, it is clear that these local expenditure trends are driven primarily by the nature of the intergovernmental fiscal transfer system, which limits the spending discretion of local authorities between sectors and between spending type (PE, other charges [OC] or development).

The LGCDG was intended to provide much-needed discretionary development funding to LGAs. However, there is evidence of increasing central government interference in local prioritizations—thus an increasing share of the LGCDG budgets are now funding secondary classroom construction since LGAs have received instructions to do so by the prime minister, regional commissioners and district commissioners since 2005—in spite of secondary education not being a legal mandate of LGAs.¹⁸

2.4 CITIZEN PARTICIPATION AND ACCOUNTABILITY

In this section, we will explore the impact of the local government reforms on selected aspects of governance:

1. Electoral participation;
2. Direct participation: participatory planning and participation in meetings; and
3. LGA accountability.

2.4.1 ELECTORAL PARTICIPATION

Elections for local government councils are held in **two distinctly different ways** for the higher-level councils (districts and municipalities, etc.) and lower-level councils (villages, *vitongoji* and *mitaa*, etc.) respectively.¹⁹ The elections for village councils, *vitongoji* and *mitaa* are managed by the ministry responsible for local governments (PMO-RALG) and respective district council directors throughout the country—these elections are often referred to as “grassroots elections”. However, elections for the district (as well as municipal and city) councilors are held

¹⁶ For details see the URT, 2006.

¹⁷ As summarized in the URT, 2007.

¹⁸ For an example, see DEGE Consult, 2007b. Note that secondary education retrospectively was later made a mandate of the LGAs.

¹⁹ The discussion of the grassroots elections is mainly based on the work by Amon Chaligha, 2008.

simultaneously with the national elections for Parliament and president, and are supervised by the National Electoral Commission.

The latest grassroots elections were held November 2009 (one year in advance of the national elections). These were the fourth round of elections under multiparty democracy following the 1994, 1999 and 2004 elections. The national and district council elections are held approximately one year later than the grassroots elections.

PMO-RALG data on election results indicate that the ruling party increasingly dominates the grassroots elections and that the dominance in these elections is more substantive than in other types of elections (see table below). Thus while the opposition gained close to 20 percent of the votes in the latest presidential election, they only gained three percent of the seats in the grassroots elections later in the year.

TABLE 6. CCM DOMINANCE IN ELECTIONS FOR PRESIDENT, PARLIAMENT AND LGAS (1994-2009)²⁰

		1994/95		1999/2000		2004/2005		2009/2010	
		CCM	OPP	CCM	OPP	CCM	OPP	CCM	OPP
1	Presidential (% votes)	61.8	38.2	71.7	28.3	80.3	19.7	-	-
2	Parliament (% seats)	80.2	19.8	87.5	12.5	88.8	11.2	-	-
3	Local Councils (% seats)	96.8	3.2	91.7	8.3	92.9	7.1	-	-
4	Village/Hamlet (% seats)	-	-	94.6	5.4	97.2	2.8	91.7	8.3

Source: National Electoral Committee (www.nec.or.tz) and Chaligha (n.d., 2008). Summary calculations of the local council election data for 2005 were kindly provided by Therkildsen and Geeland of DIIS. For detailed results from latest grassroots elections, see Appendix 5.

The substantive dominance by CCM in grassroots elections compared to the relative strength of CCM in presidential elections, for example, indicates that the electoral system of grassroots elections overly favor the ruling party, as only CCM has the required machinery for organizing such a large number of candidates. Table 7 illustrates the extremely high number of leadership posts to be filled.

TABLE 7. NUMBER OF POSTS IN THE GRASSROOTS GOVERNANCE STRUCTURES

Position	Number of Seats
Hamlet Chairperson	55,242
Village Chairperson	10,657
Village Council	125,297
Village Council (special seats for women)	76,430
Mtaa Chairperson	2,515
Mitaa Committee members (mixed seats)	8,938
Mitaa Committee Members (special women seats)	5,420
TOTAL	284,499

Research and Education for Democracy in Tanzania (REDET) research indicates that a large number of seats are uncontested, as only CCM forwards candidates. The official election reports from PMO-RALG do not publish the specific number of seats that were uncontested and fail to provide precise data on voter registration and voter turnout. Election monitoring reports based on

²⁰ CCM : *Chama Cha Mapinduzi* – the ruling party since independence ; “OPP” = Opposition parties.

samples indicate that approximately 50 percent of eligible voters register and only half of these participate—thus only a dismal 25 percent of the eligible voters participate.²¹ The reasons for low turnout seems to be (1) lack of awareness, (2) cumbersome election procedures, and (3) lack of interest because real competition for posts was limited.

In Tanzania, only party members can stand for elections to Parliament, district and municipal councils as well as for the posts in villages, *mitaa* and sub-villages. In many other countries, independent candidates rather than party officials more frequently hold such positions of community leadership. The question of whether to allow non-party nominated (i.e., independent) candidates for grassroots elections has been discussed on several occasions but fiercely resisted by CCM. The issue was one of the few specifically resisted by CCM in discussion of the Local Government Reform Policy in the late 1990s²² and has continuously been resisted in spite of a High Court ruling in 2006 that argued that the requirements of party nomination was unconstitutional.²³

There has been some speculation regarding CCM's use of fiscal incentives to local governments that vote in their favor.²⁴ This could not be verified through independent analysis of budget allocations, nor through interviews with staff and politicians—it appears instead that CCM primarily seeks to exercise control over election results through its control of the local government staff (and its directly controlled district commissioners). See the Box 1 below with observations from Tarime District Council.

BOX 1. CRITICAL OBSERVATIONS FROM FIELD VISITS ON PARTY-STATE RELATIONSHIPS

The political character of the district administration was clear to the team and needs to be stressed. While in Temeke, the CCM's District Political Committee met to review the results of the primary elections to choose candidates in the district council chamber. One ward office in Temeke had pinned to the wall a list of CCM sub-branch chairmen (*wajumbe wa shina*). When questioned about this, the Ward Executive Officer (WEO) stressed their importance as a link to the community. More alarmingly, district staff in Tarime reported that staff had been transferred out of Tarime after the local elections on the instruction of the district CCM chairperson for being sympathetic to CHADEMA. While visiting the CCM offices in Tarime, the visitors' book presented for the Assessment Team's signature was an official government visitors' book. Similarly, of all offices visited, only the Tarime CCM office had the official local election results at their fingertips and ready to discuss with no prior notice.

Tarime is possibly the most competitive of Tanzania's districts and constituencies. Of the 19 seats elected by popular suffrage in 2005, CCM won only nine, to CHADEMA's nine and CUF's one seat. CHADEMA took the parliamentary seat in 2005 and again in the 2008 by election (following the death of the incumbent). Yet figures for the 2009 grassroots elections are quite different, as seen in Table 8 below.

²¹ Legal and Human Rights Centre, 2009 and LG DPG, 2009.

²² As noted in interviews with consultants such as Ole Therkildsen involved in drafting the policy.

²³ The government refused to adhere to the High Court ruling of 2006—and in 2010 the ruling was overruled by a court of appeal – see e.g., <http://allafrica.com/stories/201006180404.html>.

²⁴ Weinstein, 2010 and Bueno de Mesquita and Smith, 2010.

TABLE 8. GRASSROOTS ELECTION RESULTS, 2009, TARIME DISTRICT

	CCM	CHADEMA	CUF	NCCR
Villages	57	14	1	1
Vitongoji	296	96	4	3
Mitaa	10	4	0	0

Source: Official returns from the District Executive Director

Explanations for the differences are consistent whether from opposition party interviewees or observers' reports. First, the process for election is complicated. Voters need to choose candidates for up to 12 positions. The names and party affiliation are not on the ballot paper. Rather, they have to be transcribed from lists placed on the candidates' wall for each position. This is problematic in a country with high rates of illiteracy. Second, incidents of CCM agents 'assisting' voters with their choice were widely reported. Third, management of the elections by officials widely believed to be supportive of CCM is also considered to be a factor. Opposition party officials also cite widespread and ongoing intimidation of elected councillors and party activists. Informants told of ongoing harassment of councillors and their arrest and detention on murder charges as well as ongoing harassment and arrest of opposition affiliated youths. These could not be verified but accounts were consistent from party officials as well as from a village chairman.

2.4.2 DIRECT PARTICIPATION

The REPOA local government surveys provide a fairly consistent picture of increased citizen participation in local affairs whether through local government institutions at the grassroots level or through other community institutions.

TABLE 9. INDICATORS OF COMMUNITY PARTICIPATION 2003-06

Percentage of respondents who report that they or a household member is involved in...	Total 2003 %	Total 2006 %	Change between the two surveys
Member of village/ward leadership	17.3	22.9	32%
Participation in full council meetings	24.2	28.1	16%
School committee member	28.2	35.8	27%
Water management committee	13.3	23.2	74%
Preparation of village/ward plans	19.7	35.0	78%
Tanzania Social Action Fund (TASAF) project committee	1.9	13.7	621%
Public works committee	8.8	19.1	117%
Primary cooperatives/society/farmers association	8.7	12.1	39%
Agricultural/livestock extension contact group	2.9	6.4	121%

Source: REPOA Survey 2003 and 2006

It is noteworthy that citizen involvement in particular has increased by participation in various sector-specific user committees such as school committees, water committees, public work committees and farmer associations (in that order of relative importance).

The most convincing indicator of increased participation in local government affairs may be the significant increase in respondents reporting involvements in "preparation of village/ward plans". This probably reflects participation in the opportunities and obstacles to development (O&OD) planning processes facilitated by PMO-RALG, as well as other externally supported

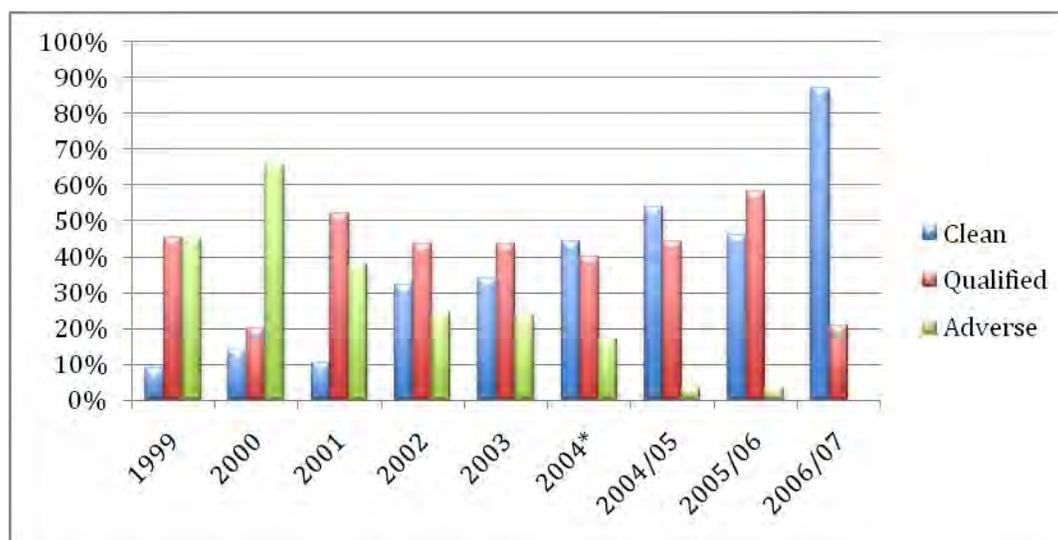
initiatives as supported by sectors. The relative high level of participation in “planning” is confirmed by the 2007 Views of the People survey.²⁵

It appears from the 2003 and 2006 surveys that the increase in citizen participation is due in particular to increased participation by women and youth.

2.4.3 LGA ACCOUNTABILITY

A key indicator of financial accountability in LGAs is the annual report from National Audit Office/Controller and Auditor General (CAG). The main results are summarized in Figure 3 below. As evident from the figure: since 1999, the number of LGAs with adverse audit opinions has fallen sharply from 45 percent to zero percent in the latest audits, while in a similar manner the proportion of LGAs with clean audit reports has increased. This is a significant indicator of strengthened financial management capabilities, if not real accountability, in LGAs. Real local accountability will require stronger citizen involvement in scrutiny of budgets and accounts. This is, as discussed elsewhere, only slowly emerging.

FIGURE 3. SUMMARY OF CAG REPORTS FOR LGAS



Source: Data from Controller and Auditor General as summarized by LGRP.

*Notes: * In 2004, the FY for LGAs was changed to coincide with the central government FY from July – July. Previously LGA FY was on a calendar year basis. Thus, the year marked 2004* included only six months: January–June 2004.*

2.5 CONCLUSION

Progress of the reform elements has been uneven; LGAs have generally been bestowed with significant service delivery responsibilities and provided with substantive staff just as their financial resources have increased substantively. However, their relative autonomy has not increased over the last decade. Probably because of the increasing amounts of fiscal resources controlled by local governments, there is some evidence of increasing local participation in local

²⁵ Note that informants in “Views of the People” were asked about their individual behavior whereas the REPOA local government surveys asked about whether “you or a household member is involved in...”

government affairs but at the same time also further contestation by central government and the ruling party.

Reforms were intended to improve local governance in two fundamental aspects: (1) by empowering local government institutions (the district and municipal councils in particular); and (2) by enhancing the local accountability of the LGAs to citizens and increasing citizen participation in local government affairs.

2.5.1 REFORM OF CENTRAL–LOCAL RELATIONS

The conclusion regarding the first objective is quite clear; since 2000, local governments have not been significantly empowered as autonomous institutions. Central government maintains considerable control over local government staff and budgets—the extent to which local governments can make budget or staffing decisions has not changed significantly. On the contrary, it can be argued that legal reforms have constrained local government autonomy, in particular regarding HRM, just as tax reforms have reduced local fiscal autonomy.

The government and DPs plan for a second phase of the LGRP. Future reform work will be challenging and require renewed effort for reform commitment, which in turn may require clarification of reform scenarios—in particular regarding modalities for devolution of staff to local governments and (related) fiscal decentralization.

2.5.2 IMPROVING LOCAL-LEVEL GOVERNANCE

Conclusions regarding the second objective, to improve local level accountability and participation through local governments, are more complex. However, based on the various studies discussed above, the main trends can be summarized:

- There is an apparent significant decrease in electoral participation in lower-level LGA elections (grassroots elections), but also limited real competition as CCM is so overwhelmingly dominant.
- There is evidence of increase in various forms of direct citizen participation in various local institutions; however, the increases have been more significant in user groups than in local government institutions. This indicates that the form of decentralization put in place has in practice been deconcentration or user-group strengthening driven by sector reforms (education in particular) rather than by strengthening of the core local government structures.
- There has been a significant increase in citizen involvement in preparation of village/ward plans; however, at the same time, limited evidence regarding the extent to which this effectively is translated into district plans and budgets appears to be a reflection of national rather than local priorities.
- Surveys appear to indicate increasing trust in local government institutions and local government reform initiatives as well as increasing trust in LGA political leaders—especially at the lowest levels, but a lack of trust in local government council staff. Surveys also indicate a perceived decrease of corruption in LGAs.
- The above promising trends are contradicted, however, by data regarding significant problems with village and *mitaa* adherence to the required number of meetings and quorums, which is an indication of a wider problem of lack of mandate and possibly legitimacy.

- Increasing citizen’s access to information and empowering people to analyze and take action on available information still faces a number of challenges—for example, only a small minority (13 percent) have seen a local government budget posted.
- A positive trend in the quality of LGA accounts as measured by reports from CAG is indicative of a wider trend of building systems in local governments that can provide a sound basis for deepening local accountability.

3.0 POLITICAL ECONOMY OF DECENTRALIZATION

3.1 INTRODUCTION

This chapter explores the political economy of decentralization reforms in Tanzania (i.e., the incentives and political motivation of different key stakeholders for their support or resistance to reforms). The chapter initially gives a brief assessment of the “overall political economy of decision making in Tanzania” to contextualize the specific issues related to decentralization reform. It then presents an assessment of the “decentralization sequence“.

The remaining sections explore specific institutional arenas and stakeholders, with sections on each of the main sets of actors (a) CCM and the president/executive; (b) the Parliament, including the role of the opposition; (c) the bureaucracy and its subdivisions; (d) civil society; and (e) donors/development partners. The chapter ends with an overall conclusion.

3.2 THE POLITICAL ECONOMY OF POLICYMAKING IN TANZANIA

A number of political analyses have been conducted in recent years to inform DP interventions in support of governance.²⁶

Although the specific emphasis varies, there is relatively broad consensus on the nature of governance issues as brought out in various donor-funded political economy analyses and this is to some extent reflected in the recently completed *African Peer Review Mechanism Country Self-Assessment Report*. It is recognized that since its independence, Tanzania has pursued a distinct path of nation building, which—with the exception of Zanzibar—has resulted in a peaceful and united society, political stability and relatively sound macroeconomic performance. Tanzania has, since the introduction of multiparty politics in 1994 and the related liberalization of the political administrative structures and economy, witnessed a significant strengthening of democratic rule and institutions of domestic accountability. However, it is also widely recognized that the transitions of its political and economic systems have been incomplete with a structural lack of accountability. It is generally recognized that “power” is foremost exercised by the leading elements of CCM and the executive with only weak parliamentary oversight. The opposition parties are (except on Zanzibar) only a small minority with decreasing representation since the first national multiparty elections in 1995. It is also broadly recognized that party and state structures still are closely intertwined. A comprehensive joint DP-supported 2005 study on drivers of change concluded that CCM nevertheless is susceptible to popular opinion. According to these studies, engagements in national debates through media, by support to advocacy/policy CSOs, advocacy minded research institutions and Parliament then offer real opportunities for change, which explain the relative emphasis of many DPs on these activities and institutions.

²⁶ Barkan, 2000; Hyden, 2005; Kelsall and Mmuya, 2005; OPM, CMI and REPOA, 2005; Cooksey, 2009.

Other recent work (Therkildsen and Kjær, 2010) analyzed the decision making of key landmark policies, and concluded that although CCM and the executive ultimately determine policymaking, many key decisions are significantly influenced by the system of party-competitive elections that has been introduced since 1994. They argue with reference to how decisions were made regarding the introduction of Universal Primary Education (2001), the abolishment of the development levy in 2003 (comparable to a crude rural personal income tax) and introduction of fertilizer subsidy (gradually from 2003 to 2009), that the president/executive made the particular decisions mainly because of the broad popular support for their particular policies and their assessment of the risk of the political opposition alternatively pursuing these. Donors, ethnicity and pressure from interest groups played no or only a limited role, according to the authors.

3.3 THE DECENTRALIZATION SEQUENCE

Chapter 1 gave a broad overview of the history of local governments in Tanzania, from which it can be concluded that the extent of devolution over the last 50 years or so to a large extent can be seen as a **pendulum movement**. The early introduction of local governments around the time of independence swung the pendulum toward devolution; later when local governments were abolished in 1970s, it swung back toward deconcentration, and in the late 1990s it swung back again toward devolution.

Although the LGRP was officially launched around 1999 when the LGR Policy was announced, it can also be argued that some of the most substantial parts of the reforms actually occurred earlier, around 1994-1997. In this period, the Civil Service Reform Process completed the more painful aspects of reform—in particular, substantial retrenchments and a comprehensive reorganization of public service that, *inter alia*, included the creation of several new executive agencies, privatization of several state-owned enterprises as well as decentralization by devolution. The most significant step toward devolution was initially not an overhaul of the local government legislation but the reforms at the (deconcentrated) regional level. Essentially the implementing role of the regions was abolished around 1997 with the passing of the Regional Administration Act. Until then, the regions had been responsible for the implementation of all local development projects in key sectors such as education, health, roads, water and agriculture. Some regions for instance had water departments with +100 staff²⁷—after the 1997 reform, the Water Department was reduced to one engineer!

Since then progress of the last decade of reform has been mixed. Local government reforms were intended to improve local governance in two fundamental aspects: (1) by empowering local government institutions (the district and municipal councils in particular); and (2) by enhancing the local accountability of the LGAs to citizens and increase citizen participation in local government affairs.

The Assessment Team's analysis concludes that LGAs have been strengthened in the form of increased staff, skills and resources. However, their relative autonomy has not significantly changed in the last 10 years despite a deliberate official policy of decentralization by devolution.

²⁷ In regions such as Mbeya, Iringa and Ruvuma, this included the years up to the reform of up to 10 water engineers, various technical officers but also large numbers of support staff (including vehicle workshops).

For a further analysis of “the politics of reform” it is useful to distinguish between areas where the reforms have progressed and areas where they have had limited progress or even led to centralization.

TABLE 10. ASSESSMENT OF RELATIVE PROGRESS OF DEVOLUTION

	Significant progress	Moderate or no progress	Backlash/centralization
Legal reforms		Continued official commitment to the stated policy of decentralization of devolution	No introduction of major LG/decentralization aspects in Constitution, no major amendment of LG legislation, continued conflicts between sector legislation and LG legislation
Finance reform	Improved financial management in LGs (quality of audit reports) Introduction of block grants for development in LGs (the LGCDG)	No progress on development of own revenue sources for LGs; abolishment of several taxes without substitution	No adherence to formula-based allocations for PE (recurrent budget); abolishment of several LG taxes without alternative tax reforms (only partial compensation)
Human Resources	Increased number of staff and qualification of staff in LGAs		No progress in devolution of HRM autonomy; Public Service Act centralizes certain functions
Local Accountability and Participation	General increase in citizen knowledge of LG institutions and increase in their participation	No reform of the modalities for village and <i>mitaa</i> elections—low electoral attendance and no effective competition in majority of cases; weak or no effective follow up on participatory plans	Significant increase in various sector specific local committees with unclear relations to overall LG structure
Sector and Reform coordination		Reform coordination was in later years included as special component of LGRP	No effective implementation of recommended legal harmonization; introduction of CDF contrary to principles of devolution

3.4 CCM AND THE PRESIDENT/EXECUTIVE

The CCM and the executive led the reform from the beginning. The reintroduction of local governments in the 1980s was entirely accomplished based on internal discussion in the party, just as there is no evidence of donor influence on the CCM election manifesto in 1995 that later

led to the Reform Agenda and initiation of the overall local government reform by the late 1990s.

There is some evidence that the executive led some of the more critical aspects of **resistance** to devolution such as:

1. **The abolishment of several local government taxes around 2004.** This was announced by the Ministry of Finance in the annual budget speech— apparently without consultation with the PMO-RALG, for example, or influence by DPs. As pointed out by Therkildsen and Kjær (2010), the driving forces for the decision were found within CCM, that feared the opposition would make use of the unpopularity of some of these taxes.
2. **The resistance to devolution of local government staff.** the Local Government Reform Policy is clear in its outline of a vision of complete devolution of local government staff. However, as discussed earlier, in practice, the reforms have not been implemented in accordance to that vision. Interviews with the prime minister during the 2007 LGRP evaluation²⁸ indicated that CCM leadership did not share that vision; they found it unrealistic to have each LGA employ its own staff to any significant degree. The prime minister was also largely unaware of several of the piloted aspects of decentralized HRM (e.g., the establishment of local employment boards in LGAs).
3. **The relative strengthening of the (deconcentrated) regional administration and central government oversight as reflected in the Local Government 2006 Amendments.** The directive to PMO-RALG to formulate such amendments came several years prior to the presentation of the bill in 2006, and the original bill included a far wider (but more confusing) rearrangement of the modalities for interaction between the deconcentrated regional administration and devolved local governments.

In general, it must be concluded that the President/Executive has not been much involved in several of the more operational aspects of the local government reforms. For instance, there is no evidence of their involvement in the LGRP technical design or in the introduction of the LGCDG grant for example. PMO-RALG staff made such decisions in close dialogue with DPs.

A scrutiny of the CCM election/Party Manifesto for the period is summarized in the box below. As evident from the analysis, there is a significant change from the 1995 CCM manifesto and its declared support to decentralization and the most recent (2010) statements that clearly favor a more centralized approach to governance.

²⁸ Interview of Prime Minister Lowassa, February 2007 by the author during the LGRP evaluation.

BOX 2. CCM POLICY STATEMENTS ON DECENTRALIZATION²⁹

CCM's commitment to decentralization by devolution was first expressed in its Manifesto for the 1995 election—Benjamin Mkapa's program. It remains the strongest expression to date of such a commitment by CCM. Yet it was ambiguous with no firm commitment beyond the deconcentration of staff from the regions to the districts. This was undertaken, and represented a considerable restructuring of state structures. Commitments were (CCM, 1995, pp. 54-55):

- *Central government will undertake its legal responsibilities to give the LGAs the capacity to serve the people by implementing the commitments made in the 1994 grassroots elections manifesto*
- *Central government will support the efforts of LGAs to fight poverty*
- *LGAs will be accountable to the citizens*
- *LGAs will be enabled to have raise more revenue in order to run their affairs as efficiently as is required*
- *Citizens will be encouraged to pay their taxes and take part in development activities.*
- *Central government will transfer expert staff to LGAs from Regional secretariats.*
- *To continue with the provision of entertainment in towns and villages (sic)*

The 2005 Manifesto—on which Jakaya Kikwete first ran for office, has just one line devoted to local government. This year's Manifesto contains no mention of the issue for the mainland. Nevertheless, for Zanzibar, there is a stated commitment to reform local government.

More telling is the document "CCM Policy Direction 2010 to 2020". This clearly states the intention to ensure a top-down, centralized approach to delivering on CCM's commitments (CCM, 2010, p. 6)

Asian Countries which developed rapidly were not celebrated for their democracy and good governance. We ourselves decided to have a democratic system by our own choice and we must continue on that path as freedom and respect is both an objective and a catalyst for human development.

But Tanzanians know that in our great national achievements, a key lever of success has been the political will of our country's supreme leadership.....

In the other examples noted above, the supreme leadership of the country had clear political will which was embraced by other leaders, public servants and the wider public. The work ahead needs leaders with political will and the discipline that goes with that.

The document also states how this will be achieved (ibid, p. 5):

A common understanding of policy builds unity of ideas and removes confusion in officials' dealings with the public. Because of the importance of this issue, if CCM wins the General Election of October 2010 and forms a government, it will require the government to ensure that seminars take place for leaders and senior public servants at National, Regional, District and Village levels. These should have the objective of building a common understanding of the responsibilities ahead of us. This is a key means of ensuring that our responsibilities are met.

²⁹ CCM, 1995, 2005, 2010; the text in box is author's own translation from original in Swahili.

3.5 PARLIAMENT, INCLUDING THE ROLE OF THE OPPOSITION

Parliament has not had a significant influence on the decentralization reforms. Parliament is generally controlled by the CCM, and the opposition has mostly tried to work on cases related to government and CCM corruption where they felt significant voter support for such positions could be mobilized.

Parliament, including the opposition, has not been supportive of decentralization reforms. They have either been non-involved, supported government's proposed legislation for centralization or advocated for parallel systems of local governance as reflected in the wide parliamentary support for the Constituency Development Fund (CDF [later renamed the Constituency Development Catalyst Fund]). However, CHADEMA's³⁰ critique of regional governance structures is one exception to this pattern, just as the opposition critique of local council electoral systems can also be viewed as supportive of good local governance. Key parliamentary decisions related to local government reforms in recent years include:

1. The Local Government (Miscellaneous Amendments) Act (2006);
2. The passing and later amendment of the Public Service Act; and
3. The Constituency Development Catalyst Fund.

BOX 3. THE DEBATE ON THE CONSTITUENCY DEVELOPMENT FUND³¹

On 17 August 2007, Prime Minister Edward Lowassa, in his speech to conclude the 8th Parliament session in Dodoma, told the nation that 7.5 billion shillings had been approved by Parliament for implementation of a Constituency Development Fund (CDF) for FY 2007/08. He further said that the government was finalizing a bill for the CDF law to be brought to Parliament for enactment.

The CDF would give each MP funds for development projects in their constituency. According to Lowassa, the amount of funds received by each constituency would depend on the size of the constituency, its population and the degree of poverty.

The prime minister's speech revealed a number of things that merit further attention. First, Parliament has passed a budget for implementation of something that did not yet exist by law. Why the rush? What if enactment of CDF law becomes impossible? Second, have citizens been consulted?

From the same speech, the nation learned that the CDF is meant to be a catalyst to implement the ongoing decentralization by devolution policy. However, the top-down decision to enact the CDF appears to run contrary to the spirit of decentralization by devolution.

If you ask MPs why they support establishment of a CDF, they normally give two reasons. First, they point out that MPs currently spend their own money to help poor people in their constituencies, and so the CDF will relieve them of that burden. But this ignores MPs' primary oversight role. If the MPs are busy managing CDF monies, will they still be able to effectively scrutinize and monitor government spending?

Clarifying information on the fund, Job Ndugai (Kongwa, CCM), a member of the Parliamentary Leadership Committee and Parliamentary Commission, said the fund would assist MPs to speed up development of their constituencies.

³⁰ A leading opposition party.

³¹ Extracted from the website: <http://www.policyforum-tz.org/node/6300> - a website of the NGO Policy Forum dedicated to discussion of the CDF over the period 2007-2009.

Deputy Chairman for the committee, John Cheyo (Bariadi East, UDP) said the fund was important in that it would compel the government to provide development funds to people at the grassroots level.

He said there was a need for the nation to stop depending on donor funding and that CDF was an alternative: "We have TASAF, government capital development grants and that of the local government, all these are donor based funds. We need to have our own fund so that donors should not dictate their terms to us," he said.

However, the Policy Forum urged Parliament not to legislate the CDF until greater awareness of the fund and wider stakeholder debate about its implications take place.

3.6 THE BUREAUCRACY AND ITS SUBDIVISIONS

The government bureaucracy has not had a common stand on local government reforms. On the one hand, it is an official policy of the government; on the other, it is seen as just one of many—often contradictory—reform initiatives and has subsequently been challenged by some parts of the bureaucracy.

The ministry responsible for local governments has been the lead institution in advocating for the reforms. The office has for some years been under the President's Office and in recent years the **Prime Minister's Office (PMO-RALG)**. A dedicated reform secretariat has, since 2000, been established within the PMO-RALG. However, the permanent PMO-RALG staff and the contracted **LGRP team** have not always had common positions on policy reform issues.

In general, the LGRP team has pursued a "purist" interpretation of the Local Government Reform Policy and (particularly in the early years of reform) worked on a fairly narrow set of issues while PMO-RALG has supposedly worked on several broader aspects of the reform. PMO-RALG is, for instance, also responsible for the deconcentrated regional structures, where staff clearly found the LGRP moving too quickly toward LGA autonomy while they felt starved of resources and stripped of authority. Thus, the Local Government (Miscellaneous Amendments) Act was long debated internally within PMO-RALG before it came to the attention of the LGRP team. Another tension between the LGRP team and PMO-RALG arose from the continued use of "transfers" of LGA staff by PMO-RALG in spite of the declared intention to leave HRM locally managed.

The President's Office–Public Service Management (PO-PSM) has pursued its reform strategy since 1999 based on a public service policy that culminated in the new Public Service Act in 2004. The main concerns of PO-PSM regarding local government reforms have been questions related to the devolution of staff to the LGAs. As discussed in Chapter 2, devolution of HRM has been one of the main obstacles in the overall local government reforms. Rather than work jointly with PMO-RALG on how to address the issue and reconcile conflicting policy objectives, PO-PSM has pursued its reform policy in relative isolation in a similar manner as PMO-RALG/LGRP team have pursued their reforms. The LGRP team tried to include PO-PSM in a consultative task force after the LGRP Review in 2001. However, the interest of PO-PSM was limited and the task force failed to significantly influence policy. Since the PO-PSM in the end had more clout, it was their interpretation of the policies reflected in the final legislation.

The Ministry of Finance was brought more actively into the LGRP from 2001, and around 2005, it appeared that significant progress had been achieved regarding the introduction of a formula-based grant system (see Chapter 2). The ministry also worked actively with building the

capacity of LGAs' financial management and ensured *inter alia* that substantive numbers of qualified accounts were posted to the LGAs in tandem with the increased allocation of resources. However, the ministry ultimately could not implement the formula-based system of local government transfers for recurrent expenses because of the lack of progress for devolution of HRM. The ministry was also reluctant to support reform proposals regarding the establishment of "LGA votes" in the national budget structure, for example, just as the ministry support for enhancing local government autonomy in revenue generation has been limited. A recent development has been the designation of the central Tanzania Revenue Authority as the responsible agency for management of property taxation in Dar es Salaam.

The sector ministries have in various ways sought to interpret the broad decentralization policy within their respective sectors. The resulting sector decentralization has often been a mix of decentralization by devolution and various form of deconcentration. In general, all major key sectors (education, health, agriculture, water, roads as well as forestry and fishery) have devolved their staff to district and municipal local governments—these staff were previously (pre-1997) mainly employed through deconcentrated regional administrations. Most sectors also have their sector plans as integral parts of the overall local government plans. However, certain areas are often frequently *de facto* deconcentrated. For instance, most of the funding for key sectors is in the form of various conditional grants where LGAs have limited autonomy for making local priorities. The recurrent grants are mainly earmarked payment of staff salaries with limited or no local discretion in decisions on personal budget (see Section 2.3). The development funds are frequently in the form of project finance, although increasing funds are also channeled through the LGCDF system. Another area where sectors pursue sector-specific decentralization strategies has been in relation to the introduction of multiple sector specific user groups (e.g., school committees, health facility management committees, beach management units, wildlife management authorities etc.). While sector-specific local organization is justified, then it becomes problematic when their relationship to local government structures (e.g., village government) is unclear or competitive.

BOX 4. DEBATE ON RECENT LEGAL AMENDMENTS TO LOCAL GOVERNMENT LEGISLATION

A bill for amendment of the Local Government Law was published 26 July 2006 and was subsequently passed by Parliament and signed in December 2006.³²

The bill sought to amend various pieces of local government legislation in several aspects. The amendments are in part based on cabinet decisions in 2002, regarding the need to refine the roles of regional secretariats including divisional secretaries. A detailed analysis of the proposed amendments and its implications is provided by LGRP.³³ The main proposals of the amendment (July version) included:

1. Introduction of a range of new "coordinating" and "consultative" institutions mainly chaired by central government appointees, including:
 - Regional Constitutional Assembly in addition to the existing Regional Consultative Committee, both chaired by the regional commissioner (RC);

³² Local Government Laws (Miscellaneous Amendments) Act 2006 (10 July) and Final version December 2010 – the final version is available at www.bunge.or.tz

³³ Shivji, 2006.

- District Consultative Committee chaired by the district commissioner;
 - Division Defense and Security Committee chaired by the divisional secretary; and
 - Division Development Committee chaired by a councilor elected among councilors resident in the division with the divisional secretary as its secretary.
2. Assign functions to these institutions in a rather broad manner. The Divisional Development Committee shall, for instance, “oversee development activities in the division, supervise and coordinate implementation of development plans,” etc.
 3. Defining the functions of divisional secretaries to include:
 - Representing the district executive director (DED) in overseeing implementation of activities,
 - Preparing action plans and reporting to the district commissioner and DED,
 - Supervising WEOs.

The amendments were not passed in full, but the debate was indicative of the rather unclear government support to the declared policy of decentralization by devolution. Donors were quite proactive on supporting alternative analysis and critique (through LGRP) and the final versions avoided some suggest amendments (e.g., the sections where it was proposed that local government employees such as WEOs should report to central government officials). However, other elements, such as the possibility of presidential appointed local government councilors and strengthening of divisional secretaries were passed.

3.7 CIVIL SOCIETY

In recent years, CSOs have increasingly engaged in advocacy work related to various government reforms, including the local government reforms.

Most of the CSO policy and advocacy work is coordinated through the Policy Forum (<http://www.policyforum-tz.org>) that has also established a dedicated working group on local government reforms.³⁴ This group has in various ways sought to interact with government to influence aspects of the local government reforms and it has *inter alia* been formally consulted as part of wider stakeholder consultation related to the formulation of the LGRP 2.

The group has been particularly proactive in the debate related to the CDF (later renamed the Constituency Development Catalyst Fund). It undertook various analytical work in relation to the proposed bill and dedicated a website to debate its relevance and implications. The position of the CSOs has been quite clear:³⁵ the best way to provide additional development funds at the local level would be through increased LGCDG transfers and a strengthening of the local government planning and service delivery system. They argued that the introduction of the CDF would jeopardize an integrated approach to local planning and budgeting and confuse the roles of MPs. Rather than work on national policy issues, the attention of the MPs would be directed toward local service delivery issues that, in principle, have become the responsibilities of local governments, and not central government. The NGOs rightly saw the MPs interest in the fund as closely related to the increasing “commercialization” of politics. Nevertheless, a conclusion of the debate on the CDF was reached when the Constituency Development Catalyst Fund Act was passed in Parliament on 31 July 2009 (and signed into law by the president in August 2009). Except for addition of “catalyst” to the title, the final Act did not differ significantly from earlier

³⁴ <http://www.policyforum-tz.org/groups/lgwg>.

³⁵ See Policy Forum, 2009.

draft bills. However, it still remains to be seen how much money the CDF will receive compared to the LGCDG in coming years.

In addition to these *national*-level activities, several NGOs have recently emphasized initiatives for *local*-level policy advocacy and accountability work. Two approaches have in particular gained popularity: (1) dissemination of popular versions of government policies, and (2) various Public Expenditure Tracking Studies (PETS) that seek to empower communities and enable them to hold their local leaders accountable. Policy Forum and NGOs like SIKIKA have pursued these activities and some promising results have been recorded. However, it is also increasingly recognized (e.g., Sundet, 2007) that such approaches have significant limitations. The effective outreach is limited to the few participating NGO/CSO members, emphasis is on the formal structures and decision-making processes rather than day-to-day practical governance issues and the identification of specific cases of accountability problems does not lead to continuous and mass-scale action. In addition it has also been observed that some of these exercise (PETS, etc.) become small “projects” with their own life and primarily driven by NGO members’ access to allowances and therefore unsustainable.

3.8 DONORS/DEVELOPMENT PARTNERS

DPs have been quite active in their engagement in support of the decentralization reforms. The LGRP has been financed through a common basket fund (CBF) since 2000, supported by a number of the major bilateral donors, UNDP, and EU. The World Bank has supported parallel (but closely aligned) operations such as the Local Government Support Project.

The DPs have, through quarterly meetings of the CBF, followed the reforms in great detail. After the LGRP Review in 2001 it was also decided to establish key task forces to work on the more problematic aspects of “systemic reforms”—these were chaired by DP representatives and were for some time successful in progressing local government fiscal reform work. The involved DPs also worked proactively to progress the harmonization of local-level funding through the LGCDG system. DPs support to the LGCDG and LGRP was largely made contingent upon government clarification and commitment to decentralization by deconcentration.

However, the DPs in Tanzania cannot be seen as a uniform group with one common approach to local government reforms and decentralization. Several donors finance different sector programs that may counter some of the efforts of devolution by the LGRP. Several donors also finance various alternative local/community-based approaches—such as TASAF—that establish parallel planning and financing modalities for services that are devolved to local governments, at least in principle.

4.0 CONCLUSIONS AND IMPLICATIONS

This chapter provides overall conclusions regarding the achievements and challenges of the decentralization reforms in Tanzania with emphasis on patterns of **variation** (i.e., identification of sectors or areas where decentralization has progressed more or less than others). The chapter then discusses the particular *lessons* that decentralization reforms in Tanzania present for other African countries.

4.1 VARIATIONS

In an assessment of the progress of local government and decentralization reforms in Tanzania, it is evident that some areas of reform have progressed more significantly than others. This was discussed in detail in Chapter 2 and shall not be repeated here.³⁶ In summary, it can be argued that in comparison with the stated policy objectives of the Local Government Reform Policy (1998), overall level of relative autonomy of the local governments (municipal and district councils) has not increased as planned. On the other hand, it is clear that local government capacity has generally increased; staffing level, budgets and technical capacities have improved. It is also clear that local-level citizen participation has been on the increase for several years but that this has mainly been through various user groups (school committees, project committees, etc.) rather than participation through local government structures. Based on the discussion of the political economy of reforms in Chapter 3, it can be argued that this particular trajectory of reform can best be explained by the interests of the CCM and executive in strengthening local-level capacities for implementation of national goals. The overall reform policy emphasizes policy objectives for increase of local-level autonomy to a degree that in reality does not reflect the political interests of the CCM or central government bureaucracy. Unless compelling reasons related to the need for strengthening local services can be made, there is no reason to believe that furthering devolution will become a policy objective in itself for the government.

An interesting variation can be observed regarding development on the mainland and Zanzibar. Local government reforms have only been a declared policy intention on mainland since 1999. Zanzibar has not undertaken local government reforms, but its system duplicates functions across levels of government with only minor functions assigned to local governments.³⁷ The sub-district structures on Zanzibar also remain unelected (the *Shehia* are appointed by the district commissioners who in turn are appointed by the president)

³⁶ See also Table 10 in Section 3.3 that summarizes issues in relation to their relative progress compared to reform intentions.

³⁷ For details, see Appendix 6 on Zanzibar system.

4.2 COMPARATIVE LESSONS

It is generally difficult to identify lessons from one country that can universally be applied to other countries. Local government reform can never occur on a clean slate—each country has its own economic, political and social history that provides unique opportunities and challenges for a local government reform. Nevertheless, with these limitations in mind, the following can be identified as tentative comparative lessons:

1. **Local government structures.** The structures of the local government system in Tanzania have a number of similarities with many Anglophone African countries because of the shared British colonial history. However there are also some distinct differences:
 - a. Like many other Anglophone African countries, Tanzania has a distinct system of local governance for urban and rural areas. The benefits of this are the supposed local responsiveness to the specific urban or rural nature of the locality. However, with rapidly increasing urbanization, there is some evidence that the system also becomes more problematic to administer. Thus, within the last five years, almost 100 townships have been created, and will supposedly later be turned into full town councils with corresponding administrative cost increases. Another problem is that some of the remaining rural districts will be too small to survive when their urban component is carved out as independent units. Planning of rural urban linkages may also become more difficult. There is possibly a similar challenge in other countries.
 - b. A special feature of the Tanzanian system is the hierarchy of institutions that forms the districts down to the wards, villages and “*vitongoji*”. Some local government systems—such as in Kenya—have only one tier while others—such as in Uganda—have a similar hierarchy. However, the special aspect of the local government system in Tanzania is that villages are constituted as full local governments (body corporate, etc.) while still “community-level” structures (with population of approximate 2000-3000 persons). These structures represent, in principle, a strong base for empowered local management of resources as—in addition to their general governance responsibilities—they also form the basis for land allocation (Village Land Act) and management of other natural resources such as forests.³⁸ However, actual community control of structures is countered by restrictive electoral arrangements that favor CCM and prevent individual candidates to stand.
2. **Legal framework for decentralization of functions to LGAs.** In Tanzania, the general guidance for decentralization reforms is derived from the Local Government Reform Policy Paper (URT, 1998a). While this paper is clear in its vision, it is not a very strong document. No less than 20 major reforms are currently ongoing in Tanzania—each with its own policy paper.³⁹ The LGRP attempted over 10 years to consolidate scattered local government legislation into one comprehensive document and to pursue legal harmonization—but with no or limited progress. Other countries (most notably Uganda) have a clear outline of the local government system and reforms in their Constitution. Such an authoritative document is

³⁸ For optimistic assessments, see Lund, 2007 and Blomley and Ramadhani, 2007.

³⁹ A tentative list of policy reforms papers in Tanzania can be found here: <http://www.hakikazi.org/policies.htm>

of course useful when many different interests and policies have to be reconciled. In the absence of such a legal provision in the Constitution or otherwise strong document, it has proved difficult in Tanzania to achieve the desired legal harmonization.

3. **Local government finance.** The financial resources of the LGAs have increased significantly over the last 10 years. This increase of funding has been accompanied by increasing capacities of financial management and fiscal discipline—a significant achievement. The central government financing system has also been reformed, largely based on formula-based grants that give LGAs some autonomy in planning and budgeting. The LGCDG system is a particularly good practice: it is not earmarked and provides LGAs with incentives to improve their performance; in this manner, it has helped to improve local-level financial management. However, the system also has its weakness; the intended reform of the recurrent financing of LGAs has failed because rules regarding devolution of personnel management functions never were implemented in practice. LGAs are also increasingly dependent on fiscal transfers rather than own revenue. Although one should not overstate this as a problem (since it is impossible to have the majority of funds raised locally), then it is important to ensure that LGAs can adjust services “at the margin” by raising some local taxes. In rural areas, this has mainly happened through various user fees and “contributions” that are not well captured in local statistics but play a significant role.
4. **Local government HRM.** This has proved to be perhaps the most important obstacle for progress of decentralization by devolution. It may be an overlooked key issue in many countries. While many studies have analyzed issues related to fiscal decentralization, the analytical work in support of decentralization of HRM has been much more limited. The vision of decentralization of personnel in the Tanzanian local government reform policy is quite radical—and in Africa probably only implemented in Uganda.⁴⁰ In hindsight, it appears that the vision was never fully understood or shared by the key Tanzanian policymakers—in particular the senior leadership of CCM. A more stepwise and pragmatic approach to reform with an initial emphasis on practical arrangements of local oversight of local staff rather than total LGA control of personnel management might have been more beneficial.
5. **Downward accountability and participation.** The Tanzanian reforms have been accompanied by efforts to increase local-level participation and accountability. During the early days of reforms, participatory planning was supported by multiple approaches for citizen engagement—mainly based on various approaches for PRA facilitation. From around 2001, the PMO-RALG successfully harmonized the various approaches into one recommended common strategy for facilitation of participatory planning. To some extent, this can be regarded as a good practice. However, the approach (Opportunities and Obstacles for Development [O&OD]) was later criticized for (a) being overly expensive, (b) insufficiently linking to budget allocations, and (c) overly emphasizing the “easy” social sectors with insufficient attention to productive sectors. Part of the initial problem regarding delinked participatory planning produced wish lists without adequate connection to the budget process was overcome when the LGCDG was introduced, but other weaknesses remained. Most other countries have introduced similar efforts for participatory planning

⁴⁰ The international consultants who helped to draft the Local Government Reform policy had a few years earlier worked in Uganda.

where the Tanzanian O&OD experiences may be useful. NGOs in Tanzania have in recent years tried to strengthen citizen follow up (i.e., efforts for expenditure tracking, etc.). The results from these exercises are yet to be fully documented but preliminary reports indicate that rapid scale up of PETS tends to weaken their quality and that effective local accountability still is constrained by wider structural issues like the limited local autonomy of the LGA structures themselves.

6. **Party politics and decentralization.** A stable political environment has characterized Tanzania. However, the stability is largely based on the significant hegemony of the ruling party, the CCM. As discussed in Chapter 2, there is some evidence that the current system for local elections at the lowest levels of the local government systems (at village, *mtaa* and *vitongoji* levels) prohibits independent candidates and overly favors CCM, and that this local power base subsequently is used for electoral mobilization for national and presidential elections. There is also some evidence that the elected political local government structures are less popular than supposedly more “neutral” project committees. In other countries where independent candidates are allowed at local government elections, it is possible that local government structures will have relatively more local character and serve as a broader alternative power base—this may be the case in Uganda.
7. **Reform coordination and local government oversight.** A final key lesson from Tanzania relates to the overall institutional arrangements for reform coordination. Since the reforms were officially launched around 1999, it has been the ministry in charge of local governments that has led the reform process. This is probably also a common feature of local government reforms in other countries. However, in Tanzania, this institutional anchor has clearly shown to be problematic when reforms move beyond “local government reforms” (primarily concerned with building the capacities of LGAs) to wider “decentralization reforms” concerned with wider public sector reorganization: transfers of powers from ministries, devolution of public servants, wider fiscal reforms, wider legal reforms, etc. The PMO-RALG has not had the required institutional clout to deal with those wider aspects of reform.

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APPENDIX 2: LOCAL GOVERNANCE FISCAL REFORMS

The LGR has aimed to strengthen local government finance in three main areas:

1. Reforming the way central government transfers are made to local governments by introduction of formula based fiscal transfers,
2. Strengthening local government own revenue collections through reformed local tax systems, and
3. Improving financial management in LGAs.

The overall intention with the local government fiscal reforms have been to ensure that LGAs have adequate funding to deliver services, that they are granted autonomy in budget allocation and that they use financial resources prudently. In addition, key sectors, such as education and health, have in parallel to the core local government reform initiatives, increased and transformed levels of financing at local level. In this seappendix, we analyze these main trends in transformation of local government finance within the last 10 years.

REFORM OF FISCAL TRANSFERS TOWARD GREATER AUTONOMY AND TRANSPARENCY?

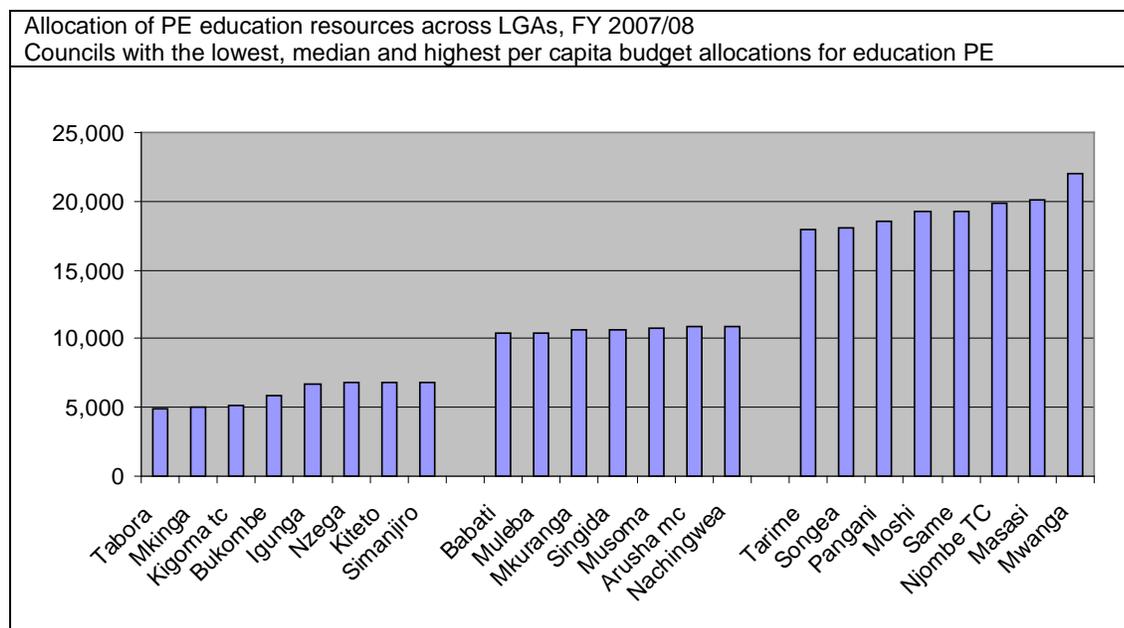
The initial strategy from 2000 was to focus on the 38 LGAs selected for Phase 1 of the reforms. Their capacities were to be enhanced by hands on support from zonal reform teams and the ministry issued financial regulations that would enable these LGAs to receive some form of block grants rather than earmarked subventions. This strategy was never realized; all LGAs were in practice to follow the same national regulations for LGA finance. Some efforts were made to introduce grants based on national minimum standards—however, the standards were set so high that they were unaffordable to apply nationally and fiscal transfers remained subsequently unchanged.

It was only from 2004 that some serious results were achieved in reforming central government fiscal transfers to LGAs; it was agreed in principle to apply a formula for fiscal transfers to LGAs for recurrent expenditures in the form of six sector transfers⁴¹ and then a new joint donor-government-funded block grant for development (the LGCDG) was introduced. The primary objectives of the reformed fiscal transfers were essentially to (1) share fiscal resources more transparently and fairly by application of need-based formulae, and (2) enhance LGAs autonomy in budget allocations and execution.

⁴¹ Education, health, roads, agriculture, water and administration.

The results with the reform of the recurrent fiscal transfers have been modest. Although formula-based allocations in principle were agreed for all the sectors in 2004 and endorsed by the cabinet, in practice they have not been applied.⁴² Recurrent transfers are predominantly composed of public expenditures (PE) and since staff recruitment and deployment essentially remain centralized functions, it has not been possible to apply the formula-based allocations of recurrent grants in practice. Consequently, financial allocations to LGAs are in many cases not transparent and seemingly unequal. The figure below illustrates how unequal allocations are in the education sector with per capita allocations ranging from 5,000 to 20,000 TSH.

TABLE A-1. UNEQUAL ALLOCATION OF RESOURCES – THE CASE OF EDUCATION PE⁴³



Most of the recurrent fiscal transfers are earmarked PE (approximately 88 percent),⁴⁴ and LGAs have no autonomy regarding reallocation of PE toward other charges or vice versa.

The reforms have been more successful in transformation of development funds transfers. Up to 2004, the development grants to LGAs were miniscule and consisted mainly of small non-formula based development grants such as the 5 billion TSH PO-RALG Development Grant.⁴⁵ Most of the development funds in LGAs were provided through discrete donor-funded projects, mainly through various “area-based programs” but also in the form of some sector support programs. In 2004, government and development partners (DPs) agreed on establishment of the Local Government Capital Development Grant System (LGCDG). Under this arrangement, all LGAs receive a discretionary development grant of approximately US \$1.5 per capita (a total of some 50 billion TSH) if they fulfill basic minimum conditions regarding the quality of their development plans, financial management, the degree of local transparency and procurement

⁴² See Shivji, 2007 and URT, 2010.

⁴³ See analyses in Boex (2003) and Tidemand (2010) and LOGIN data at www.logintanzania.net.

⁴⁴ This is an average figure for the largest five sectors over the last three years. In the education sector, only 18 percent of LGA expenditures are for non-salaries while in health sector it is 28 percent - see URT, 2007 and logintanzania for details.

⁴⁵ See analysis in PricewaterhouseCoopers, 2004.

systems.⁴⁶ The LGCDG system has been declared by government as the “preferred modality for transfer of development funds to LGAs” and in addition to the approximately 50 billion TSH of core LGCDG funding, various sectors have started to transfer funds along the basic principles of the LGCDG system. The table below gives an overview of the gradual introduction of the LGCDG system and increase of sector specific allocations.

TABLE A-2. LGCDG GRANT ALLOCATION FY 2004/05-FY 2008/0947

Grant (Million TSH)	Actual 2004/05	Actual 2005 / 06	Actual 2006 / 07	2007/08 Budget	2008/09 Budget
Capital Development Grant	5,000	34,641	48,303	65,932	79,452
LGDG to Non Qualifying Councils	5,000	2,415	1,622	2,500	0
Capacity Building Grant	-	4,350	5,294	5,506	5,779
Total Discretionary Grant	10,000	41,406	55,219	73,938	85,231
Agriculture CDG	-	-	4,263	25,179	25,583
Agriculture CBG	-	-	3,293	17,284	17,997
Agriculture EBG	-	-	-	8,981	9,439
Total Agriculture Grants	-	-	7,556	51,444	53,019
UDEM Grant	-	-	-	1,334	3,351
UDEM CBG	-	-	-	2,293	2,470
Total UDEM Grant	-	-	-	3,627	5,821
RW Grant	-	-	-	65,915	59,614
RW CBG	-	-	-	3,730	2,772
Total RWSS Grant	-	-	-	69,645	62,386
Primary education Development grant	-	-	5,000	5,000	5,250
Grand Total Allocations	20,000	41,406	67,775	203,654	211,707

Source: PMO-RALG LGSP Mid-Term Review 2008 and PMO-RALG Annual Budget Guidelines 2008.

In addition to these formula-based development transfers, LGAs have continued to receive substantive amounts in the form of various project financing (TASAF, various bilateral projects, etc.) as well as funds from sector ministries classified in the budgets under respective sector votes. Because of this, classification of these funds in the government budget and accounts is difficult to establish exactly how much is spent at the LGA level.⁴⁸

To some extent, the LGCDG has been successful in introducing a system for development funding to LGAs that provides LGAs with more autonomy in budget prioritization. However, two key issues are still to be addressed: (1) central government (PMO) has issued various instructions to LGAs that effectively have undermined their local budget prioritizations by

⁴⁶ For details see the LGCDG Assessment Manual – to be downloaded from www.logintanzania.net

⁴⁷ Expenditure data from PMO-RALG progress reports as reported in the Mid Term Review of LGSP, budget figures from respective PMO-RALG Guidelines for the Preparation of LGA Medium Term Plans and Budgets.

⁴⁸ The best overview estimates of LGA expenditures are available at www.logintanzania.net and the same website presents some of the data challenges. While LGA reporting at local level is fairly accurate, it has proved to be a major challenge to provide.

directing financial resources to secondary education only; and (2) the LGCDG system remains to a large extent a donor-funded project rather than fully integrated into the government budget and funded through its own resources.

LGAS' RELATIVE SHARE OF PUBLIC EXPENDITURES

LGA budgets have increased in both absolute terms as well as their relative share of PE. However, the recent increase in 2006/07 is explained by increases in teacher numbers and salaries that constitute a large share of LGAs' recurrent budgets—the later increase in 2009 is similarly explained by the decision to transfer responsibilities for secondary school teachers to LGAs.

TABLE A-3. LGA SHARE OF PUBLIC EXPENDITURE⁴⁹

FY	Total Recurrent Expenditure (TSH billion)	LG share
2001/02	1,253	18.7%
2002/03	1,527	19.0%
2003/04	1,834	17.7%
2004/05	2,252	17.0%
2005/06	2,875	18.6%
2006/07	3,142	24.3%
	Total expenditure (TSH billion)	LG share of total expenditure
2007/08	5,452	21%
2008/09	6,536	21%
2009/10	7,991	28%

LGAs' share of development funding is significantly less—in 2007 estimated as 17 percent of total development budget.⁵⁰

LGA OWN REVENUE MOBILIZATION

LGAs collect at present some 60 billion TSH from local taxes (mainly service levy and produce rather than property taxes for example); this represents only 7 percent of total LGA expenditures and thus indicates a high reliance on central government fiscal transfers. Revenue in rural LGAs has declined over recent years, whereas urban LGAs have witnessed some growth. Urban LGAs today collect more than four times as much as rural LGAs, and it is in urban LGAs that the most significant potential for further growth is found. The main reasons for decline in revenue collections are abolishment of a range of “nuisance taxes” in 2004, inappropriate tax designs, and poor collection systems.⁵¹

⁴⁹ Note that for 2001-2006/07 the data are actual expenses (but only from recurrent budget) as published by PMO-RALG (URT, 2007)—this is the last year of a published local government fiscal review and that data from subsequent years hasn't been published by PMO-RALG. Data from 2006/07-2009/10 is based on data collected from the LG DPG (2010).

⁵⁰ URT, 2007.

⁵¹ For detailed discussion, see separate REPOA report on LGA finance.

TABLE A-4. TRENDS IN LGA OWN REVENUE COLLECTIONS

	Million TSH						Overall Growth	TSH Per capita
	2001	2002	2003	2005	2006	2007		
Urban	23,113	25,569	28,656	23,728	28,139	36,271	36%	4.83
Rural	28,086	22,774	29,083	19,142	21,151	27,113	-4%	1.05

Source: PMO-RALG finance data – for most recent years available at www.logintanzania.net

LGA EXPENDITURE PATTERNS

Recent data reveals several clear tendencies in local government spending:⁵² First, a large share (78.5 percent) of local spending is recurrent. Second, most recurrent spending (56.6 percent of all local spending, or almost three-quarters of local recurrent spending) is spent on personal emoluments. Third, spending is heavily concentrated within just two sectors; three-quarters of recurrent spending and two-thirds of all local spending is aimed at primary education and basic health services. Rather than being driven by local priorities and choices, it is clear that these local expenditure trends are driven mainly by the nature of the intergovernmental fiscal transfer system, which limits the spending discretion of local authorities between sectors and between spending type (PE, OC or development).

The LGCDG was intended to provide much needed discretionary development funding to LGAs. However, there is evidence of increasing central government interference in local prioritizations—thus an increasing share of the LGCDG budgets are now funding secondary classroom construction since LGAs have received instructions to do so by the prime minister, regional commissioners and district commissioners since 2005—in spite of secondary education not being a legal mandate of LGAs.⁵³

⁵² As summarized in URT, 2007.

⁵³ For details see DEGE Consult, 2007. Note that secondary education retrospectively was later made a mandate of the LGAs.

APPENDIX 3: DECENTRALIZATION OF HUMAN RESOURCES TO LOCAL GOVERNMENTS

At the onset of reforms in 1998, the system for human resource management at the local government level was fragmented and centralized with six different appointing authorities. The Local Government Reform Policy of May 1998 sought a radical change and is explicit in its vision regarding the anticipated features of decentralized local government personnel management as it states: “The councils (city, municipal, town and district) will be fully responsible for planning, recruiting, rewarding, promoting, disciplining, development and firing of (all) their personnel”.

The Local Government Reform Policy anticipated an immediate and radical transformation toward a situation where each individual LGA would become the employer of its entire staff. Only for the council director was it stated that he/she “in the interim may be posted by (Central) Government”. Subsequently, Local Government Service Regulations (Government Notice 397) were issued in late 2000. These regulations were issued as only valid for the first batch of 38 reforming councils under the Local Government Reform Program (LGRP). The council director was to be recruited and appointed by the minister, but recruitment and appointment of other categories of staff were largely decentralized to the councils and their respective recruitment boards. The selected 38 LGAs started to work according to these regulations—although hampered by conflicting circulars and continuous transfers of staff. The remaining LGAs remained with a more centralized HRM system.

In 2002, the president assented to a new Public Service Act, which created a unified public service. The Act stipulates how staff management is to be decentralized to both permanent secretaries as well as the regions (clearly deconcentration) in addition to LGAs. The Act passed through two confusing amendments, which initially made the director and only later (2004) the LGA the appointing authority of staff in LGAs. The Act abolished previous local government legislation of HRM and left PO-PSM—rather than PMO-RALG—in charge of regulations. In 2003, PO-PSM issued the Public Service Regulations that currently guide personnel management in LGAs. The regulations are based on the non-amended Public Service Act and in this manner define the council director as the appointing authority. More seriously, the regulations maintain the powers of central government to transfer staff across ministries, regions and LGAs, whenever “in public interest”. This maintains a dual system of HRM in LGAs where central government at its discretion can overrule local HRM planning. Furthermore, the health and education sectors have explicitly been exempted by PO-PSM from the decentralized and merit procedures for

recruitment; large numbers of health staff and teachers have in recent years been centrally deployed to LGAs. Additionally in October 2006, a circular from PO-PSM was issued regarding “superlative staff”, instructing directors that all head of departments should also be excluded from the Public Service Staff Regulations provisions for open and decentralized recruitments as otherwise stipulated in regulations. Finally, it can be observed that PO-PSM from 2007 has been in a process of reviewing the Public Service Management and Employment Policy, the Public Service Act and related regulations but without involvement of LGRP.

Other aspects of the LGA employer functions have to an even lesser extent been under reform. In particular, it can be observed that:

- Budget transparency has remained unchanged. Staff salaries are almost entirely paid from central government transfers, where central government allocates funds according to filled posts rather than formula based as foreseen within the reforms of the recurrent grants. The reform policy does not explicitly address this issue and the apparent progress on the introduction of formula-based grants within the finance outcome of the LGRP has evidently been made without policy agreement with Ministry of Finance and PO-PSM on the extent to which the developed formula should apply to the salary components (PE).
- Budget and establishment of control has likewise remained entirely centralized; local governments are consulted during restructuring exercises, but all decisions on staff budgets and numbers of approved staff are ultimately done by PO-PSM; during the reform, LGAs have not been granted additional autonomy within this area.
- Career management has been partially devolved—but for senior staff, their career progress continues to depend on the central government ministries.
- Pay policy remains centralized, except that LGAs are allowed to establish local incentive schemes. In practice, this is unaffordable by LGAs—except for select staff categories in the more wealthy LGAs.

The actual practices for HRM in LGAs have been a mix of decentralized staff management and centralized transfers and postings. On the one hand, LGAs have started to apply 2000 Local Government Staff Regulations and later Public Service Staff Regulations (2003) for recruitment through their local boards. On the other hand, central government has continued use of transfers across LGAs. PMO-RALG itself has led a number of these transfers. Staff in LGAs consequently have dual allegiances; they have to satisfy both local governments and central government, furthermore senior staff are aware that their career prospects depend largely on satisfaction of the latter. Several LGAs have invested in capacity building of their staff and subsequently seen staff transferred to other LGAs or central government. This frustrates local capacity-building efforts as otherwise encouraged by the new system of providing LGAs with capacity-building grants. Transfers are undertaken without much consultation with LGAs and with late replacements of staff. Field visits indicate that this is perceived by LGAs as the most frustrating aspect of current practices.⁵⁴

Available data does not allow for a strict comparison of effectiveness of centrally deployed staff compared to local recruiting. However, during field visits,⁵⁵ both regional and district officials

⁵⁴ Field visits as part of the LGRP Evaluation in 2007.

⁵⁵ Field visits by the author during the LGRP evaluation of 2007.

argued that, for instance, teachers who were locally recruited by LGAs were far more likely to continue work within their post than teachers that were centrally deployed by central government and sent to particular districts. In addition, it can be noted that central deployment of staff has generally failed to address the significant geographical inequalities of staffing levels in local governments. There remain significant and persistent problems in attraction and retention of (senior) staff in districts considered “remote” or marginalized.⁵⁶ Similar problems are recognized for field staff and considered to be a problem within specific districts, as staff tend to cluster around district headquarters. The problem is generally recognized, but not fully quantified.

Urban LGAs also tend to be better staffed than rural and remote LGAs. This is the case even for agricultural extension staff.⁵⁷ The fact that urban LGAs have relatively more agricultural extension staff than rural clearly demonstrates a wider problem of inefficiencies in the current system of staff allocations which is neither transparent nor truly need based.

The LGRP has tried to rectify this by having a more rational allocation of PE and OC through application of a formula-based recurrent grant system. Since 2006, the PMO-RALG budget guidelines have explicitly tried to rectify the anomalies regarding agricultural staff allocations in urban areas. However, the impact on this has been limited as the government procedures for approval of individual LGA establishments is highly centralized. In practice, money follows staff rather than the other way around. As discussed in Appendix 2, this limits the intended impact of reform of the recurrent grant system significantly. As noted in earlier LGRP Reviews (2001 and 2004) the restructuring exercises in LGAs are accordingly prepared without a hard budget constraint and without substantive LGA incentives for retrenchments. There appears to be no substantive efforts for reform of the current system of establishment approval, except some attempts for speeding up approval processes.

⁵⁶ Valentine, et al., 2005.

⁵⁷ See statistics in Tidemand, Olsen and Sola, 2007: Decentralisation and Service delivery in East Africa – Tanzania Case Study – A study funded by JICA, available at www.dege.biz/Reports

APPENDIX 4: POLITICAL CONTROL—THE ROLE OF DISTRICT COMMISSIONER AND THE ADMINISTRATION

Political control is exercised primarily through the structures of the ruling party and the system of regional commissioners, district commissioners (DCs) and divisional secretaries. These are appointed by the president, are active and senior CCM members, but are also civil servants.

For our purposes, we shall concentrate on the DC. Given the combination of their powers and mandate, they are a key part of the landscape of citizen engagement and are a window onto the relationships between state, party and community.

S/he has broad and not clearly defined areas of responsibility and sweeping powers. The overall objective is the maintenance of CCM hegemony. A key aspect of this is ensuring implementation of the government's and party's program through LGAs. As important, if not more so, is ensuring continued CCM success in elections at all levels.

This can be achieved through their position in the party: each DC sits on CCM's political committee at the district level. This gives them a key role in selection of candidates, local fundraising and decisions on electoral expenditure for grassroots, council and national elections. They are the crucial in ensuring party integrity in terms of policies and personalities. Their electoral role is further strengthened through their control of security forces arising from their mandate to ensure peace and security in the district.

The DC's resources are dwarfed by those of the district administration. But the DC's power is political and comes from her/his appointment by the president, control of security forces and position in the party. As was described to the team, the DC has considerable powers to hold staff of the administration to account on behalf of the president, the party, individual citizens or organised groups. S/he is central to ensuring the roll out of key policies, such as the expansion of secondary education or *Kilimo Kwanza*.

Below the DC are the divisional secretaries, whose function is primarily to assist the DC and represent her/him below the district level. S/he has oversight of ward executive officers (WEO) and village executive officers.

The DC is principally accountable for delivering electoral success: a CCM tally of 70 percent is spoken of as the benchmark. S/he must then ensure successful implementation of key policy directives. Finally, s/he must ensure the respect and honor of the president and other national leaders when in her/his district.

With respect to ‘citizen engagement’, her/his role is important not for the space s/he creates but the power s/he holds. S/he ensures that central direction is given in the selection of all party public representatives with the exception of that for president. S/he acts as a means of appeal for individuals and groups—appeal on issues ranging from provision of public goods to individual access to higher education or employment.

S/he embodies the logic of the centre in ensuring the integrity of the party and the state as well as its norms of behavior that are personalized and control access to resources.

S/he also embodies the ambiguities of public administration in a nominally multiparty democracy, which we shall see more closely in the following section.

APPENDIX 5: 2009 CIVIC ELECTIONS RESULTS

SUMMARY OF 2009 LOCAL GOVERNMENT ELECTION RESULTS (NATIONWIDE)

Position	No. of Seats	CCM	CUF	CHADEM A	NCC R	TLP	UMD	CHAUS TA	UDP	DP	NLD	PPT	SAU	NRA	UPDP
Hamlet Chair	55,242	50,282 (91.0%)	2,313 (4.2%)	1,707 (3.1%)	192	238	1	22	467	1	3	8	3	5	0
Village Chair	10,657	9,800 (91.9%)	407 (3.8%)	289 (2.7%)	38	45	0	10	68	0	0	0	0	0	0
Village Council	125,297	113,631 (90.7%)	5,320 (4.2%)	3,616 (2.9%)	421	1,475	8	106	690	1	0	15	0	2	12
Village Council (special seats for women)	76,430	71,721 (93.8%)	2,492 (3.3%)	1,677 (2.2%)	187	256	0	62	0	0	0	18	0	0	0
Mtaa Chair	2,515	2,242 (89.1%)	133 (5.3%)	124 (4.9%)	1	13	0	0	2	0	0	0	0	0	0
Mtaa Committee	8,938	8,293 (92.8%)	336 (3.8%)	262 (2.9%)	12	31	1	0	2	0	0	0	0	0	1
Mtaa Committee (special women seats)	5,420	4,953 (91.4%)	214 (3.9%)	166 (3.1%)	49	9	6	19	4	0	0	0	0	0	0
TOTAL	284,499	260,922	11,215	7,841	900	2,067	16	219	1,233	2	3	41	3	7	30
Percent	100	91.7	3.9	2.8	0.3	0.7	0.0	0.1	0.4	0.0	0.0	0.0	0.0	0.0	0.0

Source: Jamhuri ya Muungano wa Tanzania, Ofisi ya Waziri Mkuu, TAMISEMI, CUF "Taarifa ya Maandalizi, Uandikishaji, Kampeni, Upigaji Kura na Matokeo ya Uchaguzi wa Serikali za Mtaa Uliofanyika Tarehe 25/10/2009. Novemba, 2009:20

APPENDIX 6: DECENTRALIZATION REFORMS IN ZANZIBAR

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ABBREVIATIONS

CCM	<i>Chama Cha Mapinduzi</i>
CUF	Civic United Front
DC	District Commissioner
DfID	Department for International Development (UK)
FY	Fiscal Year
GOT	Government of the United Republic of Tanzania
JKU	<i>Jeshi la Kujenga Uchumi</i> (a type of building brigade)
KMKM	<i>Kikosi Maalumu cha Kuzuia Magendo</i> (a special anti-smuggling unit)
LGA	Local Government Authority
MLGRASD	Ministry of State Regional Administration, Local Government and Special Departments
MoFEA	Ministry of Finance and Economic Affairs (Zanzibar)
NGO	Nongovernmental Organization
RGOZ	Revolutionary Government of Zanzibar
UNDP	United Nations Development Programme
URT	United Republic of Tanzania

1.0 INTRODUCTION

Zanzibar forms part of the United Republic of Tanzania, but it maintains a substantive degree of autonomy which, *inter alia* is reflected in complete different levels. Several lower level tiers of central government and a system of elected local governments constitute the sub-national system of governance in Zanzibar.

Three tiers of deconcentrated central government structures are established below the central level:

1. The regional administration (5 regions),
2. The district administration (10 districts), and
3. The *shehias* (236).

The system of elected local governments is based on councils elected on a ward basis for:

1. Districts councils (9),
2. Town councils (3), and
3. Municipality (1).

The system is summarized in the table below.

TABLE B-1. SUB-NATIONAL ADMINISTRATIVE STRUCTURES IN ZANZIBAR

	Unguja	Pemba	Total
Regions	3	2	5
Districts	6	4	10
District Councils	5	4	9
Municipal Council	1 (Zanzibar)	0	1
Town Councils	0	3	3

Compared to its population and the structures on mainland Tanzania, Zanzibar has a high number of administrative structures. Thus, the average population of a region in Zanzibar is less than 200,000 compared to an average population of 1.5 million per region on the mainland.

At the central level, the entire sub-national system of governance is managed through the Ministry of State (President's Office), and of Local Government and Regional Administration and Special Departments (MLGRASD).

2.0 BACKGROUND

2.1 BRIEF HISTORY

A local government system with councils was partially developed during the colonial period in Zanzibar. This included legislation passed in 1944 for the establishment of town councils in Zanzibar, Chake-Chake, Wete and Mkoani under the supervision of district commissioners (DCs). Legislation was earlier passed that formalized the authorities of appointed *Sheha*⁵⁸ at the local level for maintenance of law and order.

⁵⁸ A central government-appointed agent with similar functions as the chiefs on the mainland.

The local government system further developed after the Second World War in a devolved and democratic direction. However, national political authority in Zanzibar remained under control of the Sultan and the British Protectorate. The colonial system for local administration furthermore had significant racial traits as Arabs were appointed DCs, Africans as *Sheha* and as the African authorities' (*Sheha*) jurisdiction was limited to Africans. The 1964 revolution not only abolished the monarchy and colonial structures, but also fused all authority into one: the party. The creation of the union with mainland Tanganyika the same year maintained a separate system of local administration for Zanzibar.

Since the promulgation of its first post-revolution Constitution in 1979, Zanzibar has passed several pieces of legislation on local government. More so, the 1984 Zanzibar Constitution specifically calls for the establishment of local government structures (Article 128). The enabling legislation was passed several years later (see below).

2.2 THE LEGAL BASIS FOR LOCAL GOVERNMENTS IN ZANZIBAR

The system of local government is not considered as a union matter and is thus regulated by entirely separate Zanzibar legislation—different from mainland Tanzania.

The present legal basis for the local government system in Zanzibar is found in:

- Article 128 contained in Chapter 12, Section 2 of the 1984 Constitution of Zanzibar;
- Act Number 1 of 1998 –Regional Administration Authority Act;
- Act Number 3 of 1995 – Act to Establish the Zanzibar Municipal Council and Other Matters Connected therewith; and
- Act Number 4 of 1995 – Act to establish the District and Town Councils and other matters connected therewith.

3.0 REGIONAL AND DISTRICT ADMINISTRATIONS

3.1 REGIONAL ADMINISTRATION

Zanzibar is divided into five regions: three in Unguja and two in Pemba. Each region has a regional commissioner appointed by the president. The functions of the regional commissioner include:

- a. Monitoring, supervising, and assisting in the execution of the functions of the government in his region;
- b. Assuring that the policies, plans and directives of the government are observed;
- c. Maintaining law and order in the region in collaboration with law enforcement agencies; and
- d. Assuring that resources, both material and manpower are used for development in the economy to enhance welfare.

Subject to the provisions of the Constitution, the regional commissioner may arrest or order an arrest of “any person...likely to commit a breach of peace or disturb the public...” (Regional Administration Authority Act – Section 6).

A peculiarity of the Zanzibar system is that regional commissioners are also members of the House of Representatives. This creates a situation where regional commissioners are administratively accountable to principal secretaries, who in turn are politically answerable to regional commissioners (in their function as members of the House of Representatives).

The regional administrative officer, appointed by the president, is the principal assistant to the regional commissioner and the administrative head of the region. S/he is in charge of the day-to-day running of the government business in the region, the head of public officers posted in the region and the accounting officer.

MLGRASD appoints a planning officer and a community development officer to each region. Sectoral ministries also assign officers and staff to the regions to carry out the responsibilities and duties of the sector ministries. In practice, each ministry appoints at least one officer to every region. These officers are answerable to the regional commissioner, through the regional administrative officer. However, in practice, lines of reporting are far from streamlined as the budgets and work plans of sectoral officers mainly are approved from the center.

3.2 DISTRICT ADMINISTRATION

Each region is divided into two districts; there are six districts in Unguja and four districts in Pemba.

At the head of each district administration is a district commissioner appointed by the president and there is also a district administrative officer in charge of the district administration. In addition, every district has a planning officer, a community development officer, as well as officers from sectoral ministries assigned to the district.

The staffing and functions of the districts are similar to that of the regions. In fact, the legislation in its description of duties of the district commissioner simply refers to the paragraphs of the same Act describing the duties and functions of the regional commissioner.

3.3 DEVELOPMENT COMMITTEES

The Regional Administrative Act established regional and district development committees with the following functions (described jointly in Section 23):

- a. To supervise the implementation of government policies, to identify the problems, and to advise government on the best way to solve these problems and to promote development in their areas;
- b. To monitor and assist in the formulation of policies for local government authorities in their areas and advise on the best implementation strategies;
- c. To mobilize people to participate and contribute in all ways possible to assist in the efficient uses of resources and the protection of environment for sustainable development and in all activities of national development;
- d. To ensure that implementation strategies correspond to relevant policies and to create awareness among the people in their areas on the importance of both; and
- e. To ensure and establish understanding, cooperation and coordination among government agencies, local government authorities, NGOs and the people in creating an enabling environment for sustainable development.

The Act makes no functional distinction between the regional and district development committees in description of their functions.

The membership of regional and district development committees (see Table below) is composed of staff from the deconcentrated levels of the central government as well as from the local governments and their officers.

TABLE B-2. COMPOSITION OF REGIONAL AND DISTRICT DEVELOPMENT COMMITTEES

Regional Development Committee	District Development Committee
Regional Commissioner – Chairman	District Commissioner – Chairman
District Commissioners in the region	
Regional Planning Officer	District Planning Officer
Regional Development Officer	
District Council Chairmen in the region	District Council Chairman
District Council Clerks	District Council Clerks
All Members of Parliament in the region	All Members of Parliament from the district
All Members of the House of Representatives in the region	All Members of the House of Representatives from the district
Mayor of the Municipal Council	
Chairmen of Town Councils	Chairman of Town Council
Director of Municipal Council	Director of Municipal Council
Clerks of Town Councils	Clerk of Town Councils
Heads of Government Departments or Institutions in the region will be invited members with no voting power	Heads of Government Departments or Institutions in the district will be invited members with no voting power
Regional Administrative Officer – Secretary	District Administrative Officer – Secretary

4.0 LOCAL GOVERNMENT STRUCTURES

One municipal council, nine district councils (five in Unguja and four in Pemba) and three town councils (all in Pemba) are currently established in Zanzibar.

TABLE B-3. LOCAL GOVERNMENTS, POPULATION AND SHEHIAS

	Population	Number of wards	Number of shehias
Local Government			
Zanzibar Municipality	206,292	24	40
West District Council	184,701	11	29
North A District Council	84,315	12	28
North B District Council	52,605	10	23
Central District Council	62,537	11	38
South District Council	31,160	10	18
Wete District Council	73,371	10	15
Chake Chake District Council	63,155	10	16
Mkoani District Council	82,622	12	19
Micheweni District Council	83,519	10	13
Wete Town Council	25,010	7	3
Chake Chake Town Council	20,196	7	4
Mkoani Town Council	10,154	7	3
Total	979,637	141	249

Source: Census 2002 and MLGRASD

4.1 COUNCIL STRUCTURES

The councilors are elected by the people residing in the ward, but supplemented with a maximum of three councilors appointed by the minister responsible for local governments in the municipality and a maximum of two appointed members for the town councils. The council elects among its members the chairman or mayor (for the municipality).

Act No. 3 and 4 stipulate the mandatory committees and departments to be established by the councils. In the case of the municipality, these are:

- Finance and economic development,
- Town planning,
- Law and order,
- Labor construction and environment, and
- Social service affairs.

For town and district councils, fewer committees are required.

The same laws stipulate that the president appoint a director for the municipality and the minister appoints a clerk for other councils—to execute the decisions made by the councils.

4.2 LOCAL GOVERNMENT RESPONSIBILITIES

Provision of services such as primary education, primary health, agricultural extension and roads all fall under the Zanzibar central government. Deconcentrated staff from the relevant departments is deployed at district levels.

The roles of local governments are described in more general terms—in the case of district councils as to (Act 4, Section 5(1)):

- Formulate, coordinate and supervise the implementation of plans for economic, commercial, industrial and social development.
- Ensure the collection of proper utilization of revenue of the council.
- Make by-laws applicable throughout its area of jurisdiction.
- Consider, regulate and coordinate development plans, projects and programs of villages and township councils within its area of jurisdiction.

The more specific functions and powers of local governments are most clearly spelled out for the municipality and include *inter alia* (Act no 3, Part V):

- Establishment and maintenance of recreation grounds,
- Actions to promote public health (as required by the minister),
- Construction of drainage works, and
- Administration of markets.

4.3 LOCAL GOVERNMENT FINANCE

Local authorities' revenue includes:

- Own-source revenue,
- Grants from central government, and

- Loans—with the permission of the minister,

Grants from central government are generally earmarked for salaries.

The local authorities' own-source revenue is collected through:

- Registration of taxi cabs,
- Auctioneer's fees,
- Fees from rent and use of council property, and
- Property tax.

Data on local government revenue is incomplete, but available data from the previous fiscal year indicates the following patterns:

- Collections ranging between 150 and 300 TSH per capita per year for rural councils (9-28 million per council),
- Town councils collect between 500 and 1000 TSH per capita, and
- The municipality collects 2,800 TSH per capita—or a total of 580 million TSH.

These amounts are generally lower than the collection per capita on the mainland; see Chapter 4 of the main report.

Except for the municipality, collections are very low. A directive from MLGRASD stipulates that a minimum of 75 percent of all local revenue shall be spent on local development activities. No local governments comply fully, but some are capable of spending more than 50 percent of local revenue on capital expenditures.

All revenue is paid into the general fund of the council. Annual budgets are approved by the council and later submitted to the minister for his final approval. The Auditor General audits final accounts.

4.4 LOCAL GOVERNMENT PERSONNEL

Act No 3. in principle gives wide-ranging powers to the municipality for recruitment of personnel as it “may appoint any ...officer it may consider necessary and pay such officers such salaries, fees and allowances as it may determine” (Section 25-2).

Similar autonomy is not outlined in the legislation for district and town councils. Local authorities' financial standing—including that of the municipal council—under all circumstances is limited.

Technical staff employed by the councils are generally paid through central government subsidies. Support staff (cleaners, guards, etc.) are generally paid from councils' own revenue.

The majority of staff at the district level (education, health, etc.) are deconcentrated central government staff that report to the DC and directly to their ministry.

5.0 SUB-DISTRICT GOVERNANCE STRUCTURES

While mainland Tanzania has elected village government officials below the district level, sub-district (sub-municipality and sub-town council) local administration in Zanzibar is exercised through the *Sheha*. The regional commissioner, upon advice from the DC, appoints the *Sheha*.

According to the Regional Administration Authority Act No. 1 of 1998 (Section 17), the *Sheha*, within his/her *Shehia*, is responsible for:

- a. Implementation of all the government laws, orders, policies and directives, for maintenance of law and order;
- b. Reconciliation and settlement of all social and family disputes arising in that area in accordance with the cultural and customary values of that area and wisdom;
- c. Recordkeeping of all documents related to the registration of marriage, divorce, births and deaths, *ngoma* permits, transportation of crops, livestock, charcoal permits and so forth as directed from time to time by the institutions concerned;
- d. The control of immigration in his/her *Shehia* and keeping records thereof;
- e. Receipt of notification for convening all public meetings; and
- f. All other things which are legal and has been assigned by the DC.

In the absence of police, s/he can order arrests (Section 19-3).

A *Shehia* Advisory Council has been established to advise the *Sheha*. The council should be composed of a minimum of 12 members—all appointed by the *Sheha* in consultation with the DC. A third of the members shall be “elderly” (60 years or above and “respectable in his *Shehia*”).

In recent years, it has become more common to appoint women as *Sheha*, but party membership (of the ruling party CCM) remains a must.⁵⁹

6.0 LOCAL DEVELOPMENT PLANNING PROCESSES

Several parallel planning processes are in place for planning of similar small-scale development projects at the community level. In general, all these projects are initiated at the community level and have presumably passed through the above-mentioned *Shehia* Advisory Council before being tabled for approval and funding through any of the three procedures presented below as the community forwards the request to:

1. The district council for approval and funding;
2. The district or regional development committee for approval and funding (processes may within these institutions differ according to the sector of the development project proposal);
or
3. Ministry of Finance and Economic Affairs (MoFEA) Community Development Program, where the Sector Policy and Research Department evaluates applications and approves proposals according to its own criteria.

The latter is by far the single biggest funding mechanism for development funding as TZS 200 million was set aside in FY 2002/03.

The funds available at the local government level for funding community-based initiatives is entirely through co-funding from local taxes. A directive instructs local authorities to earmark 75 percent of all local revenue to community-based projects. For a typical rural district, that would amount to some 7 million TSH, but most fail to assign more than 50 percent of their own-source

⁵⁹ Focus group discussion with a group of *shehas* and *shehia* members in 2010.

revenue to such capital investments. The requests for support are typically for cement or iron sheets to small infrastructure projects. The councils also pay for the technical services (e.g., drawings) from the technical staff of the district administrations.

7.0 CENTRAL GOVERNMENT OVERSIGHT

MLGRASD is responsible for the regional administration, the district administration, and the local governments.

The ministry administers its responsibilities in this regard through two directorates:

- Directorate for Planning and Administration, and
- Directorate for Regional Administration and Local Government.

The ministry maintains one office in Zanzibar and one in Pemba (Chake-Chake). The number of university graduates is low (five) and personnel generally lack clear job descriptions. Reporting procedures from councils, districts, and regions are unclear and generally not followed.

The ministry also oversees five special departments:

1. *Kikosi Maalumu cha Kuzuia Magendo* (KMKM) created by the KMKM Decree no. 13, 1979; A special anti-smuggling unit;
2. *Jeshi la Kujenga Uchumi* (JKU), a kind of building brigade formed under *Jeshi la Kujenga Uchumi* Decree Number 5, 1979;
3. Reformative Centers (open prisons);
4. Fire and Rescue Services; and
5. Volunteers.

Clearly, a number of these institutions are disciplined instruments of state, and have a coercive element. They sit uneasily with the local government component, which is supposed to maximize democratic participation.

8.0 KEY LESSONS AND ISSUES

The system of local governance in Zanzibar is characterized by a high degree of duplication between the deconcentrated administrations at regional and district levels and the limited authority or resources (finances and personnel) transferred to elected local governments. Local accountability and autonomy are virtually absent. Personnel are not allocated functions in a rational manner and are mainly constituted by lower cadre staffs.

Conclusions and challenges are discussed below under the following categories:

- Institutional arrangements (assignment of responsibilities),
- Local accountability,
- Local government financing,
- Local government election issues, and
- Capacity issues.

8.1 INCONSISTENT INSTITUTIONAL ARRANGEMENTS

The division of responsibilities between central government, the regional administration, district administrations, and local governments is unclear. Regional and district administrations largely

duplicate each other. Presumably, the regions should play some kind of monitoring role, whereas districts would be more directly responsible for implementation of programs. However, given the size of Zanzibar, one can question the logic of having more than two offices (one in Pemba and one in Zanzibar) charged with monitoring. The Good Governance Strategy⁶⁰ proposes a rationalization of the structures subject to more detailed analysis and consultations.

In many cases, responsibilities for a wide range of *service functions* key to local planning and management are divided between a wide range of institutions, creating confusion and lack of coordination. Effective urban planning within the municipality has been hampered by the unclear and overlapping roles of the Commission for Lands and Environment, Stone Town Conservation and Development Authority, Department of Water, and the Commission for Roads.

The transition from a one-party to multiparty state has still to be effectively completed. Government and political bodies were fused during the period of one-party regime. To delink the state machinery from the political parties completely remains a challenge—not least for the local government system.

8.2 LACK OF LOCAL ACCOUNTABILITY

The elected local governments—in particular the rural—are charged with few functions and resources. The regional and district administrations are only upwardly accountable. Even planning of simple small-scale community infrastructure projects are not under clear local mandate and accountability (e.g., MoFEA maintains right of approval for the bulk of funding for community projects).

The councils themselves are currently not fully elected—but partially appointed by central government. This is an indication of a wider problem of limited local accountability of the local administration to the local population. The development committees at sub-district level (*Kamati ya Maendeleo*) are entirely appointed (and not described in law).

The *Sheha* is appointed by the regional commissioner and reports to the DC. The *Sheha* are not locally accountable. As the *Shehas* have been involved further in the controversial administration of voter registration as well as administrative matters relating to the settlement of internal immigrants, they have been discredited in some areas.

8.3 LOCAL GOVERNMENT FINANCING

It is clear that the financing of local governments is insufficient for any meaningful role in development. Current unclear demarcation between local governments leads to conflicts regarding who has authority to collect taxes. Likewise, conflicts occur between local authorities and various central government institutions over a range of taxes such as trade licenses, road licenses, etc. Revenue-sharing arrangements are generally in need of clarification.

Shehas collect various taxes, which reportedly are not systematically documented by receipts.

⁶⁰ Prepared by the Ministry of Good Governance in 2002 with the assistance of UNDP. The consultant team included Professor H Othman, Professor Mukandala, Dr Per Tidemand and Robert Makaramba.

An appropriate system for fiscal transfers from central government to local governments also needs to be developed once the standards of expenditure assignments have been clarified and decided upon.

8.4 LG ELECTION ISSUES

A number of governance issues of the local government system are particularly related to the electoral laws:

1. First, it should be noted that **no separate local government election law is in existence**. Instead, Chapter V of the General Election Law describes the particular features of local government elections. This leads, however, to confusion in a number of cases where the law becomes open to different interpretations.
2. The **demarcation of electoral constituencies** does not sufficiently address equality in representation. This may be rectified after the planned population census later this year. Another problem of demarcation is specific to the three town councils: here the number of wards exceeds the number of *Shehias*—just as ward boundaries cut across *Shehias* and creates immense logistical problems.
3. **Conflicts occur often between the mayor and the council** that appoints him/her, creating a need for consideration of directly elected mayors/chairmen.
4. **Women’s participation in local politics** is even lower than in national politics. For the election of the House/Parliament, women are reserved a minimum representation. Such stipulations are not made regarding women’s participation in local councils. Only five out of 140 councilors are female.
5. The electoral law insists that **all candidates for local government elections should be registered party candidates**. This leads to overly politicizing local elections already marred by national party conflicts. The system further prevents local elections to emphasize local issues (rather than national) and may prevent capable persons uninterested in party politics to serve within the council. Thus, the Good Governance Strategy recommends the RGOZ consider non-party candidates to stand for local elections.
6. **Civic education** is so far mainly in the form of voter education, and generally emphasizes national elections. Activities to raise awareness on local governance issues are necessary to prepare more meaningful future local government elections.
7. **National elections and local government elections are held simultaneously**. This means national elections and national political issues overshadow local issues and local government elections. However, due to the costs involved in holding separate local government elections, it is recognized as unpractical to change the system within the foreseeable future.
8. **The Electoral Commission is at the moment not solely managing elections as some functions are undertaken by the ministry**. This leads to claims of partiality.

The Good Governance Strategy thus recommends the following for improvements of local government elections:

1. Passage of a separate Act to clarify arrangements for local government elections;
2. Demarcation of electoral constituencies to reflect the size of populations, streamlined with demarcation of *Shehias*;
3. Direct election of the mayor and council chairmen;
4. Reserved seats for women’s participation in local councils;
5. Non-partisan candidates allowed and encouraged to stand for local government elections;

6. Separate civic education programs for local government elections; and
7. Consideration of the possibility (given costs) of separating national and local government elections.

8.5 CAPACITY ISSUES

Many fundamental problems of local government capacity are recognized. These include:

- **Finance:** local governments do not have sufficient revenue to provide basic services. This is mainly due to the overall institutional arrangements, but also due to poor capacity for actual revenue collection and financial administration.
- **Awareness:** both the population at large as well as politicians and staff of local government systems are generally unaware of the basic laws and regulations that guide the system. Strong personalities take advantage of their position and conduct business contrary to legislation.
- **Human resources:** local government staff lack basic skills and qualifications. There is no system in place for basic induction of local government staff. Qualified staff are difficult to attract to local governments. Central government staff at the district level are in some cases reported to be “poor performers” transferred from the center. Competent people have, in the past, been excluded from employment due to political biases in appointments. A merit-based appointment and promotion system need to be established. Few women are working in management functions. The level of education for councilors is also low. Records from the electoral commission indicate that, even in the municipality, few councilors are educated up to O levels, just as several (rural) councilors have not completed primary education and functionally illiterate.
- **Manuals** or other documentation/media that give guidance in more operational aspects of local government planning, finances, and management procedures are virtually nonexistent.
- **Equipment:** local authorities lack basic equipment—ranging from basic office facilities (e.g., offices, communication, safes, etc.) to tools and equipment of production of services (e.g., vehicles and equipment for garbage collection).
- Finally, the capacity of the **ministry** responsible for the overall local government system also needs to be considered if the envisaged reforms are to be effectively guided. The Ministry of State Regional Administration and Zanzibar Special Departments is not only responsible for the overall local government system as well as the regional administration, but also a number of special departments such as the coast guard (involved in the control of clove smuggling), fire brigade, and others. The overall structure, staffing, human resources and facilities of the ministry needs to be addressed as a capacity issue in an overall reform program.

9.0 TENTATIVE REFORM PROGRAM

There is broad agreement on the need for reform and improvement of the system of local governance in Zanzibar. However, a substantive reform program has not yet been decided upon.

A wider Good Governance Strategy was endorsed by RGOZ and is supported by UNDP with financial contributions from DfID. This includes some support to a local government reform. In 2003-2004, this involved support for further analytical work and study tours for senior RGOZ staff and politicians to facilitate initial guidance on appropriate institutional and policy reform issues before embarking on more comprehensive capacity-building measures.

From 2009, local government reforms have been included as component in a wider public sector reform strategy where it is indicated that a local government reform policy should be developed by 2010. At the time of the fieldwork (August 2010), this was still in its preparatory phase as elections (October 2010) were expected.

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