



UNITED REPUBLIC OF TANZANIA

**President's Office
Regional Administration
and Local Government**

**Local Government
Reform in Tanzania**



Introduction

The Government of Tanzania is committed to providing high quality and responsive services to all Tanzanians wherever they are in the country. This is a challenge not only to the national government but also Local Government Authorities as well. Achieving the stated goal will require fundamental changes in the way that the national and Local governments organise and conduct their activities, people, systems and resources. It is in this context that, in 1996, the Government of Tanzania prepared the Local Government Reform Agenda. The vision of the reform agenda is that democratically elected, autonomous Local Government Authorities (LGAs) will deliver services according to locally defined needs, though within the national policies and legal frameworks. LGAs will make their own decisions about human, financial and physical resource allocation in a transparent manner, and be accountable to the local electorate and the Central government.

What is Local Government Reform?

Local Government reform is the process by which control over locally provided services is devolved to locally accountable, democratically elected Councils. Local Authorities in Tanzania have traditionally had little role in the planning of services rendered according to local priorities, as the planning and decision-making powers were held centrally. Funding of services through subventions has hitherto been directed by centrally defined priorities and its nature has actively deterred Local Authorities from taking initiatives.

The reform programme devolves financial and human resource management to the Local Authorities through the introduction of block grants, transfer of district staff to their employment, and the right to employ and discharge staff locally. This collectively provides the cornerstone on which autonomous Local Authorities may be built.

It is fundamental to the successful implementation of the reform process that the structures through which the Local Authorities operate are appropriate to the new role of the Council and the locally defined strategies that they have identified.

The Local Government Reform in Brief

The Local Government Reform is best outlined in the Policy Paper on Local Government Reform (1998). This policy paper is based on the Chama Cha Mapinduzi (CCM) Election Manifesto of 1995; recommendations from the National Conference on the vision for Local Government in Tanzania (May 1996); the Local Government Reform Agenda (November 1996); recommendations made by Presidential Commissions and Committees as well as researchers and experts of Local Government; discussions with and recommendations from ALAT; representatives from Local Authorities, sector ministries and other Central Government organs in various fora. Further, the paper includes recommendations from the stakeholder workshops on the Local Government reform components, recurrent policy statements by the President, the Prime Minister and other political leaders, and the preparatory work done by the Office of the President.

The policy paper sets in detail:

- The Government's vision of a new local government system
- Linkages between Civil Service, Sector and Local Government reforms
- The Local Government Reform process
- The Amendment to the Local Government Acts
- The revision needed in other legislation
- The implementation process
- The financial implications of the reform implementation

Government's Vision of a New Local Government System

The vision of a future Local Government system was formulated and endorsed at the national conference: "Towards a shared Vision for Local Government in Tanzania", May 29-31, 1996. The overall objective is to improve the delivery of services to the public, and the main strategy to do so is decentralisation by devolution (D by D). The vision has been summarised and elaborated in the Local Government Reform Agenda 1996-2000 that was endorsed in November 1996:

- The *raison d'être* for the devolution of roles and authority by the Central Government, and the existence of the Local Government, will be the latter's capacity and efficiency in delivering services to the people.
- Local Government Councils will be free to make policy and operational decisions consistent with the laws of the land and government policies without interference by the Central Government institutions.
- The role of Central Government institutions will be confined to facilitation and enabling of Local Governments in their service provision; development and management of a policy and regulatory framework; monitoring accountability by Local Government Authorities; financial and performance audit; and provision of adequate grants.
- The strength and effectiveness of Local Government institutions will be underpinned by: possession of resources and authority necessary to effectively perform the roles and functions that the individual Local Government Authority has been mandated to perform by the local people and by the Central Government; having adequate numbers of appropriately qualified and motivated staff, who will be recruited and promoted exclusively on the basis of merit; mounting necessary training and upholding professionalism in Local Government; and capacity to operate efficiently and cost-effectively.
- The leadership of the Local Authorities will be chosen through a fully democratic process, which should also extend to Village

Councils and basic organisations.

The Local Governments will:

- Facilitate the participation of the people in deciding on matters affecting their lives, planning and executing their development programmes; and
- Foster partnership with civic groups.

Local Governments will thus be holistic, i.e., multi-sectoral, government units with a legal status (body corporate) operating on the basis of discretionary, but general powers under the legal framework constituted by the national legislation. Local Governments have the responsibility for social development and public service provision within their jurisdiction, facilitation of maintenance of law and order and issues of national importance such as education, health, water, roads and agriculture. Local Government Authorities constitute a unitary governance system all over the country based on elected councils and committees, and professional administration.

Decentralisation of government and reform of Local Government include four major areas. The four areas are as follows:

- Political decentralisation – this entails devolution of powers and the setting of the rules for councils and committees. It includes the integration of the previously centralised or deconcentrated service sectors into a holistic Local Government system. It implies the creation of real, multifunctional governments at the local level within the framework of national legislation.
- Financial decentralisation – this means that Councils have financial discretionary powers and powers to levy local taxes. Central Government, in turn, has the obligation to supply Local Governments with adequate unconditional and other forms of grants.
- Administrative decentralisation – this principle involves de-linking Local authority staff from their respective ministries and procedures for their establishment of a local payroll. Local Governments will thus have, and recruit their own personnel, organised in a way decided by the respective councils in order to improve service delivery.

- Changed central-local relations – this means, among other things, that the role of the Central Government vis-à-vis Local Councils will be changed into a system of inter-governmental relations with the Central Government having over-riding powers within the framework of the Constitution. In specific terms, line ministries will change their role and functions into becoming: policy making bodies; supportive and capacity building bodies; monitoring and quality assurance bodies within the Local Government legislation framework; and control bodies.

In short, the overall objective of the reform is to improve service delivery by making Local Authorities more democratic and autonomous within the framework established by Central Government.

Linkages between Public Sector Reforms

Public sector reforms started at various points in time and proceed with different speeds. Nonetheless, they all aim at improving service delivery. In that regard the Government has appreciated the need for the activities to be co-ordinated. This is one big challenge for the reform process. The over-riding principle in the reform process is to redefine the role of central and sectoral ministries to be confined to policy making, regulation, monitoring and performance assessment and interventions to ensure the legality of public service provision. Actual implementation to be in the hands of Local Governments, service boards/and or executive agencies, NGOs and the private sector.

The Local Government Reform Process

The actual reform process involves several decisions, strategies and modalities of implementation. From the outset it was deemed necessary to institute some changes in the following areas: Enactment of the Regional administration Act, No. 19 of 1997; Adoption of the Policy Paper on Local Government reform; Amendment to the principal Local Government Acts of 1982; Approving the Local Government Reform Programme 1999 – 2004, together with its strategy of implementation; and agreeing with development partners on how to finance the Reform Programme. This could be said to have been initial preparations.

Actual implementation of the Reform Programme began in January 2000 starting with 38 Councils. Beginning 2002/2003, implementation of the Reform Programme involved all the 114 Councils in the following areas (outcomes):

- Good governance in Local Authorities
- Local Government finance
- Restructuring Local Authorities
- Human resource development
- Legal review and harmonisation
- Capacity building for PO-RALG and Regional Secretariats
- Policy co-ordination

Implementation experience after one year had shown that there was need to formulate a long term implantation plan. This plan was divided into three phases as follows:

- July 2002 – June 2005: First Medium Term Plan. Implementation of this phase of the Reform Programme is the responsibility of the Local Government Reform Team.
- July 2005 – June 2008: Second Medium Term Plan. Implementation of this phase of the program will be the responsibility of the President's Office, Regional Administration and Local Government.
- July 2008 – June 2011: Third Medium term Plan. Implementation

of this phase of the Reform Programme will be the responsibility of the Councils after being capacitated.

The implementation of the Local Government Reform Programme goes hand in hand with the Public Service Reform Programme and the two complement each other.

The first Medium-Term Plan (July 2001 – June 2005) revolves around and emphasizes decentralization by devolution as well as addressing problems in, among other areas, the following:

- Financial transfers to Local Authorities and distribution of funds using agreed formula;
- Issues involving Local Government staff and staffing;
- Harmonisation of Local Government legislation and sector laws;
- Procedures, guidelines and other modalities of improving Local Government reform and sector reforms;
- Hasten the implementation of reforming Local Authorities;
- Capacity building for institutions responsible for supervising implementation of the LGR including PO-RALG, Regional Secretariats and Councils.

Achievements and Challenges

The Local Government Reform initiative has made many and important strides in the last four years. There are also several challenges which the responsible institutions for implementation of the reform have to overcome. Below we list some of the key achievements recorded so far, and the challenges that have been identified and require attention of all those involved in the implementation of the Local Government Reform Programme. We list the achievements as well as the challenges by outcome as follows:

Good governance

Achievements include, but not limited to, the following:

- The public and particularly stakeholders continue to be educated, informed and sensitised on meaning, objectives, strategies and implementation of Local Government reform;
- New procedures, guidelines and modalities of managing Local Authorities taking into account principles of good governance have been prepared, disseminated and are being followed in all Councils;
- Code of conduct and ethics for basic level leaders have been prepared, disseminated and are being followed in all Councils;
- Local Government election regulations for villages, vitongoji and mitaa have been prepared, disseminated and have been used in the said elections at those levels;
- Planning Guidelines for Villages and Mitaa have been prepared, disseminated and are being used by the intended Authorities;
- Probes involving Councils that have had major problems of financial mismanagement, ethics, conflicts etc. have been carried out and remedial action recommended and implemented.

Restructuring

Main achievements in this outcome include, among others, the following:

- Restructuring Manual has been prepared, disseminated and is in use in all 114 Councils;
- Guidelines for expenditure of Council restructuring funds have been prepared and are being used;
- Guidelines for Local Government staff retrenchment has been prepared and are in use;
- Thirty-eight (38) phase one Councils have prepared, among other things, strategic plans; new organigrams; personnel audit reports; and have improved their working environments and implemented staff retrenchment;
- Seventy Councils have embarked on restructuring and improving their structures and have completed situational analysis exercise;
- Fifty-two Councils are in the process of preparing stakeholders' workshops for formulating council vision, mission and strategies to attain the said vision and mission;
- Twenty-four Councils are in the process of forming Council Reform Teams which will spearhead the restructuring process;
- Guide to outsourcing of service delivery in Local Government Authorities has been prepared and is being used by Councils.

Local Government finance

Improved delivery of public services depends to a great extent on the availability and judicious use of financial resources as well as qualified staff to see through Council decisions. Several major achievements have been recorded in that regard. Below we list some of these achievements:

- Criteria for grants to Local Authorities based on revenue sharing formula have been prepared and are in use beginning 2004/05;
- A formula-based capital development and capacity building transfer system (Local Government Capital Development Grant System) has been developed and is now operational;
- On the job training in financial management using a computer based system has been conducted and thirty-two Councils are using the system;
- Fourteen financial experts have been recruited and allocated to regions where they are assisting Councils in improving financial management and control;
- Twenty-three experts forming a special group assisting Councils using the computer-based system have been trained and assigned their places of work in designated zones;
- All Councils have completed a revenue rationalisation and harmonisation exercise aimed at, among other things, improving efficiency in revenue collection.

Human resource development

One of the key requirements for Councils to deliver quality services is the availability of competent, skilled, committed and motivated staff. This outcome has, among other responsibilities, to ensure that the required staff are made available to Councils. In that regard there are several achievements to date:

- Local Government staff regulations (2000) have been prepared, disseminated and are in use in the (38) phase one Councils;
- Local Government Service Boards and Committees have been formed and operating in the (38) phase one Councils;
- Training has been conducted to basic level leaders as follows: all village, vitongoji and mitaa chairpersons as well as 3,447 Councillors;
- Training has been conducted to all District Commissioners on Tanzania Mainland;
- Training has been conducted to all (2,537) Ward Executive Officers (WEOs) and 106 District Executive Directors (DEDs);
- Training for Village Executive Officers (VEOs) involving 3,940 has been carried out and preparation for further such training is underway;
- Training for records keeping and registry management has been conducted in twenty nine out of the thirty-eight of the phase one Councils.
- Open and confidential registries have been restructured and improved.

Legal outcome

The main function of this outcome has been preparing the legal framework that would facilitate decentralisation by devolution, i.e., empowerment of the people through Local Government Authorities. Major activities have revolved around the following: preparation of various pieces of legislation; review of existing legislation; harmonisation of various Local Government legislation and sector laws; and preparation of various instruments for implementing the Local Government Reform. In that regard some achievements are worth noting:

- Principal Local Government Acts have been reviewed and an Amendment Act No. 6 of 1999 has been passed to allow implementation of Government Policy on decentralisation by devolution;
- Review of pro-poor sector legislation including those in Education, Health, Water, Agriculture, Roads and Land; and preparation of proposals for rationalisation and harmonisation of the laws so as to be in tandem with existing Government policy on decentralisation by devolution;
- Facilitation of the enactment by Parliament of Act No. 19 of 2004 that amended the Public Service Act No. 8 of 2002 that provides for Local Authorities to recruit their own staff;
- Prepared, published and disseminated copies of the Local Government Amendment Act that include all amendments to Local Government legislation as well as those of Act No. 6 of 1999;
- Prepared and disseminated various instruments including Code of Conduct and Ethics for Councillors and Staff, Election Regulations for Grassroots Elections;
- Preparation of a Bill for making, approving and implementing by-laws based on computer software.

PO-RALG

This outcome specialises in building capacity for the President's Office – Regional Administration and Local Government as well as the Regional Secretariats to enable them to fulfil their responsibilities in assisting Local Authorities to provide quality public services. Notable achievements have been recorded in that direction:

- Prepared and facilitated the approval of the new organisation structure for PO-RALG which has been assented to by the President in January 2005;
- Preparation of a Medium-Term Plan which takes into account PO-RALG taking leadership in reforming Local Authorities. Expenditure estimates for 2004/05 and 2005/06 are based on the MTP; and
- Programme for capacity building for PO-RALG has been prepared and development partners will be requested to provide funds for implementation.

Policy Co-ordination

The Local Government Reform Programme is one among many public reforms being implemented in Tanzania. There are reforms being implemented in education, health, roads, water, finance, justice and constitutional affairs and public service. All these reforms need to be co-ordinated and the sector legal frameworks rationalised and harmonised. Encouraging successes have been scored in this regard including:

- Ongoing co-ordination of activities including the legal harmonisation exercise;
- Formation of several inter-ministerial committees for coordination purposes;
- A 1st Annual National Conference on Public Sector Reforms was held in October 2004 to share, among other things, experiences, achievements, opportunities and challenges with an overall objective of co-ordinating such efforts to achieve the desired goals – efficiency and effectiveness in delivering public services leading to poverty reduction.

Conclusion

This booklet has tried to present in a summary form what the Local Government Reform is all about; the background and legal basis, the reform agenda, Government policy on Local Government and the vision guiding the reform process. It has also mentioned the achievements recorded so far in the reform process. It is also evident from the presentation that some challenges remain to be tackled.

The main challenge for all those involved in the reform process is to sustain not only the momentum gained so far but also, and more importantly, the political will that exists now as well as making resources available to see the process through. In this regard it is incumbent upon the people to take up ownership of the reform process in their respective communities so as to ensure that the intended results are realised. The role of Local Authorities is well known. What remain to be seen are concerted efforts on their part to implement the reforms and ensure improved service delivery to the people. And for the Central Government to provide the necessary support in terms of policy guidelines and financial resources, technical backstopping as well as monitoring and evaluation.



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