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**FORMATIVE PROCESS RESEARCH ON THE LOCAL
GOVERNMENT REFORM PROGRAMME IN TANZANIA**

FIELDREPORT 2

Dar es Salaam, 3 September 2003

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FORMATIVE PROCESS RESEARCH ON THE LOCAL GOVERNMENT REFORM IN TANZANIA

Fieldwork - August 2003

Summary of findings

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Introduction

This note provides a brief summary of findings from the fieldwork carried out in August 2003. The fieldwork was conducted in Kilosa DC and Moshi DC. The note derives from the joint researchers' workshop held at REPOA 25-27 August 2003, and involved the following researchers: Odd-Helge Fjeldstad (CMI, project and team leader); Amon Chaligha (UDSM/REPOA, team leader); Einar Braathen (NIBR); Siri Lange (CMI); Deo Mushi (UDSM/REPOA); Erasto Ngalewa (REPOA, co-ordinator); Ambrose Kessy (UDSM); Florida Henjewe (REPOA); and Geoffrey Mwambe (REPOA).

Governance

1. The series of workshops on good governance carried out in the case councils have raised awareness of the intentions of the LGRP and key governance issues, including demarcation of the roles of the councillors and council staff. In particular, these workshops seem to have contributed to improve the relations between the CMT and the councillors.
2. According to people interviewed at the village level, the governance workshops have also contributed to awareness rising among citizens on their rights, and on the importance of accountability and transparency in governance.
3. This may also have been instrumental when the village assemblies in two of the four villages visited during our recent fieldwork fired elected and appointed officials for mismanagement. In Chanzuru village in Kilosa the VEO and the village chair were fired earlier this year for having 'cooked' the minutes of the village council. A similar case

was reported in Chekereni village, Mabogini ward in Moshi DC, were the VEO and the village accountant were fired.

4. Job descriptions/guidelines for council staff at all levels, however, are still unclear in some of the case councils. Such guidelines should focus on core responsibilities and the demarcation of roles between councillors and council staff. Everyone working in the LAs should know what they are supposed to do, and this should be included in their working contracts.
5. Newly recruited WEOs and VEOs and newly elected councillors/leaders should be offered training workshops on their duties and responsibilities, including issues of governance and participatory planning. These training seminars should take place immediately after they have been appointed/elected. At present we experienced that some of these newly appointed/elected officials did not know anything about the LGR and its intentions. When asked about the LGR some referred to the CCM manifesto. We did not see any written material (e.g. leaflets) describing the objectives and focus of the LGR for staff at sub-council level and for village leaders. Such leaflets have already been developed for councillors.
6. In-house trained staff in the DT's office should not be transferred without council consent. For instance, some in-house trained PLATINUM staff in Kilosa DC were transferred immediately after their training. This is costly for the local authorities and also demotivating for pursuing in-house training. The value of such training is further eroded if the trained staff is transferred to councils which have not implemented PLATINUM.
7. The majority of staff and councillors interviewed, considered devolution of human resource management (hiring/firing) to local authorities to be positive. However, we have not come across any plans for staff development in the case councils. Hence, the staff and some councillors interviewed expressed concerns about the dangers of nepotism and corruption when devolving human resource management.
8. There is also a need for establishing mechanisms to protect staff from arbitrary firing and to reduce the problem of recruiting unqualified staff. In the councils visited several staff members of the DT's office were unqualified for their jobs and had been recruited since they were related to or had close contacts with powerful people in the DC.
9. The practice of transferring poorly performing staff to other councils should be discouraged, since it often creates problems for the councils which receive incompetent/corrupt staff. In one council visited, the previous DT had been transferred at

least three times in recent years. In several of the councils he had worked, we were informed that the DT's office turned into mess. He did not comply with the Financial Regulations and did not take action on the inquiries made by the IA. This laxness and non-compliance with the regulations should imply firing and not just a transfer of the problems to other councils.

10. Participatory or bottom-up planning is attempted in the case councils. However, the extent and depth of popular participation vary widely between and within the case councils. In the better resourced councils (i.e. Ilala and Mwanza) some of the priorities made in the wards are implemented. In contrast, in some of the rural case councils (e.g. Iringa and Kilosa) many plans are not implemented due to lack of funding. Hence, in some councils we observe bottom-up planning without money. If plans are not implemented, citizens' present enthusiasm for bottom-up planning will most likely erode over time.
11. The involvement of NGOs and CBOs in the councils' planning system varies between the case councils. While the restructuring councils have institutionalised the incorporation of CBOs/NGOs involvement in the *Stakeholders' Forum*, this is not in place in other councils.
12. The case councils' capacity to co-ordinate donor activities is still weak. Donors go to councils, offer money and initiate projects, including different planning and implementation models. We experienced several examples in the councils visited where the different donor approaches to project planning and implementation led to confusion in the recipient councils' participatory planning systems. For instance, senior officials in the councils visited said they did not know whether they should use the O&OD approach, the TASAF approach or the UNCDF approach.
13. National guidelines for donor initiated/funded projects and plans may reduce this problem. Such guidelines should, however, be general (not too detailed) to avoid obstructing flexibility and local initiatives.

Finances and financial management

14. Fiscal autonomy in district councils is limited both with respect to revenues and expenditures. 80-90% of total revenues in rural councils are conditional grants, compared to 50% in Mwanza and around 30% in Ilala.
15. In 2002, Moshi DC generated only 9% of its total revenues from own sources. The corresponding figure for Kilosa is 10% of which development levy was the most important source.
16. However, the rationalisation of many local revenue sources has reduced the already limited fiscal autonomy even further.
17. There are certainly many good reasons (human rights perspectives, economic distortions, administrative costs, equity considerations, political legitimacy of the councils etc.) for abolishing development levy and other local taxes, but none of our case councils were prepared for this measure on such a short notice. When the CMTs received the directive from the CG in late 2002/early 2003 on rationalisation of the local tax system, they provided a list of taxes which were to be abolished and which were to be retained. Kilosa DC, for instance, had 64 different revenue bases in 2002, and suggested to keep/retain 25 of the most revenue productive ones. These 25 sources contributed to more than 90% of the councils' own revenues, of which development levy alone contributed to 36%. Other important local taxes which now have been abolished are bicycle tax and livestock cess. Before the rationalisation Moshi DC had 39 different own revenue sources and decided to abolish 16 (i.e. 23 sources were planned to remain).
18. The bulk of the rural councils' own revenues are used to pay the salaries of locally employed staff (including tax collectors), and allowances to staff and councillors. However, villages retained some of the development levy collected. In Iringa DC, for instance, 30% went back to the village (20% to pay the VEO, village chair and vitongoji leaders for mobilising people to pay taxes, and 10% to development activities, including stationaries). In Kilosa DC, 45% of the development levy collected went back to the village (20% were allocated to the village government; 10% to women and youth activities in the village administrated by the DC-HQ; and 15% were put into the bank account of the village and administrated by the DC-HQ. In Moshi DC, 20% of the development levy and market fees collected were returned to the wards. Then the Ward Development Committee distributed this money according to ward plans.

19. The abolition of local taxes has raised concern among the CMT and some councillors. The immediate consequences of the rationalisation, is that some activities is scaled down or postponed. In the councils visited in August 2003 council meetings have been postponed to save allowances. The reform will most likely also have some impacts on activities at the village level, since some of the development levy collected were retained in the villages (as honorarium for village leaders and VEOs, for stationeries and to some extent for development activities).
20. Moreover, the way the local tax reform was carried out, taking many people by surprise, has led to confusion among both collectors and taxpayers on what taxes actually are abolished and which are still in place. Hence, in both Moshi and Kilosa DC, many taxpayers resist paying taxes which are still in place.
21. Furthermore, outsourcing of local revenue collection has been temporarily abolished. In the councils visited collection of market fees at some markets was outsourced through a tendering process to private agents. In Kilosa DC, until 14 June 2003, the private agents collected substantially higher amounts (30-50%) than previously when the DC was responsible for collection. However, collection during the last two months has dropped substantially and the agents have not managed to fulfil their contracts (even though market fees are not abolished, - and most likely because it has become more difficult to collect due to the confusion caused by the way the local tax rationalisation was implemented). Hence, the council has cancelled the contracts with the agents. The WEOs now collect market fees in Kilosa.
22. Another concern raised in the councils visited, was that the Central Government would not be able to compensate for the revenue shortfall. PO-RALG has requested all councils to provide an estimate on how much revenues are lost, and stated that it will subsidise the loss in 2003. But the CMTs are sceptical about the sustainability of CG transfers, and fear that council activities will have to be further reduced.
23. The abolishment of development levy, however, has implied that VEOs and WEOs now can perform their main responsibilities, such as supporting the village governments and ward committees on development issues, planning etc., as well as putting more effort into local conflict resolution. Previously, most of their time was spent on tax collection and revenue mobilisation.
24. The CMTs in the councils visited have started to explore methods to reduce the financial gap caused by the tax rationalisation by: (1) outsourcing revenue collection to private collectors to enhance revenues from existing sources (e.g. natural resource products,

including charcoal, wood and other forest products, and livestock auction fees); (2) reducing costs (e.g. by postponing council meetings and retrenching staff); (3) more cost effective spending (e.g. on electricity and stationeries); and (4) measures for economic diversification to expand the tax base (e.g. a longer term strategy to introducing new cash crops).

25. In general, and unsurprisingly, ordinary citizens and some local councillors interviewed were very positive about the rationalisation of local taxes. Some informers also argued that the abolishment of local taxes (in particular development levy) would make people more able and willing to contribute to self-help activities and to pay for social services. But some councillors expressed concern about the impacts of the abolition for council activities, in particular the impacts on sitting allowances. One councillor (chair of the Economics, Works and Environment Committee in a council visited), argued that the reform was not sustainable and that development levy would be re-introduced within 3-years.
26. Indications on improvements in budgeting differ between the case councils. During the last three years, for instance, there is a trend towards more realistic revenue budgeting in Moshi DC. While the actual revenue collection in Moshi corresponded to less than 60% of the budgeted revenues in 2000, the figure for 2001 was about 80%, and increased to 91.4% in 2002. For Kilosa DC, however, the trend is opposite. In 2000 and 2001 actual collection of own revenues corresponded to 85-90% of budgeted revenues. However, in 2002 the accounted revenues represented only 67.3% of the estimates (estimated revenues were TSh 460 million in 2002 compared to actual collection of TSh 309 million). The deteriorating trend in Kilosa DC during the period 2000-2002 might be due to the previous management problems in the District Treasurer's office, which the new DED – an accountant by profession - actively has addressed.
27. We find some indications that financial management is improving. Moshi DC, for instance, received a clean audit report for 2001 from the CAG. In Kilosa DC the new DED has put much effort since she arrived last year to make the DT's office complying with the Financial Regulations. She is also following up inquires made by the Internal Auditor, which until last year seemed to have been ignored by the then DT. Whether these changes will be reflected in the CAG's reports remain to be seen.

Service delivery

28. Service delivery involves a number of sectors, like education, health, water, roads and agricultural extension services. We have found it harder to draw conclusions on this theme than on governance and finance. Changes in service delivery result from a more complex set of factors and are more challenging to analyse. The service delivery analysis will benefit a lot from the citizens survey and a closer look at secondary data. At this point, our observations are based on interviews. From the material we have, we can say something about the management of the services. This summary of findings is based on interviews with representatives at District, Ward and village level, as well as user representatives.
29. General observations: There have been improvements in the recent years, especially in the field of education. However, it is easier to develop social services like education and health than economic services, like agricultural extension services and capital inputs to new economic development. The reasons for this may be that education and health are more predictable and also tend to reach a larger proportion of the population. This may have shifted focus away from economic services that are very much needed in districts like Kilosa and Bagamoyo with very low pro-capita income.
30. The changes observed in the education sector are the following:
- The most important factor is the re-introduction of free UPE in 2001 which has contributed to larger enrolment of children.
 - The increased enrolment entailed acute shortage of classrooms, desks and textbooks in 2001.
 - However, since the PEDP has provided resources for new classrooms, desks, teachers, teacher houses etc, there have been significant cuts in the pupil/teacher and pupil/classroom ratios. This again may have improved the quality of the education, as indicated by improved pass-rates the last year.
 - In 2001 the School Committees were instructed to elect chairperson and vice chairperson with at least Form IV qualifications.
 - The PEDP (2002-2006 project) has made the school committees more attractive and active. The school committees have served to bring together the school, the village government and the community. The village government is, among other things, in charge of mobilising the whole community for self-help contributions. The local authorities (village governments) have effective sanctions against community

members who evade the self-help contributions. The success of the committees appears to be a result of their close collaboration with the village government and their expression of community “ownership” of the schools.

- The national political leadership strongly supports the reforms in the education sector.
31. Compared to other sectors, the education sector has more simple or quantifiable development and performance indicators (targets such as the number of classrooms, enrolment rates, teacher houses, textbooks per pupil etc.) than other sectors.
 32. It is important to bear in mind that the sustainability of the improvements in the educational sector depends, among other factors, on the commitment of the teachers. Teachers’ salaries have been increased, but are still low. One of the head teachers who were interviewed had been in service for 30 years and earned only 120,000 Tsh. a month.
 33. We also had interesting discussion regarding the background of the teachers. While their grade (A or B/C) certainly is important for the quality of their work, some school committee members argued that teachers who work in the communities where they originate from are more dedicated than those coming from outside.
 34. The health sector: In this sector we find an increase of private facilities. Private supply of health services is on the increase and has improved the overall coverage. However, the number of private dispensaries varies much between the case councils. In Moshi, there are twice as many private dispensaries as public ones, in Kilosa the opposite is the case.
 35. There are substantial differences in the quality of various health facilities. In particular, the quality of private health service provision varies much. It is important to distinguish between non-for-profit private providers, i.e. missions, and profit-making providers. According to our informants some of the profit-making dispensaries give so-called ‘underdose’ to their patients to save money.
 36. In Moshi DC the local authority collaborates closely with the mission (Church) dispensaries. For instance, the District Medical Officer may provide missionary health facilities with staff who are paid by the council.
 37. The number of people who are members of the Community Health Fund (CHF) seems to have dropped in the case councils. For instance, in Chanzuru village, Kilosa DC, the membership of CHF has dropped from 36 households to only 6 today. This drop might be due to the fact that children get free consultation, and one pays only TSh 1000 per consultation. Hence, it is cheaper for people not to pay the annual membership fee of

TSh 5000 per household. However, the VEO in Chanzuru claimed that poverty was the reason why people did not pay the TSh 5000. According to the ward councillor of Chanzuru ward, more people than before now prefer to go to private health facilities where they pay user fees because the CHF is perceived to be too expensive.

38. Awareness on HIV/AIDS varies between the case councils. In Moshi DC awareness seems to be higher than in Kilosa DC. This might be due to the documented higher prevalence of HIV/AIDS in Moshi, as well as the work of local NGOs. Furthermore, in all council meetings (including village, ward and council levels, plus CMT-meetings) the HIV/AIDS is supposed to be on the agenda. However, data on effects of awareness campaigns is still missing, and so is data on the extent of the pandemic. Testing equipment is missing at the dispensary level in the councils visited, and doctors at this level say that they seldom or never encourage people to test, even when the patient has typical signs of HIV/AIDS.
39. Water is a major problem and concern in Kilosa and the lower Moshi rural. In Moshi, they have now received funding for a large water project from GTZ. This is the result of the work of the District Water Engineer, who has spent several years working on a proposal to donors for repairing old water pipes. The project involves the grassroots through water-users associations who are responsible for the water sources and pipes.
40. Some concluding remarks on community participation: We find indications that the recent reforms in the education sector have contributed to improve citizens' participation, which again has contributed positively to the implementation of the reform.
41. For instance, the School Committees seem to be more active than before. It has also become more attractive to be a member of the School Committee. By contrast the Dispensary/CHF Board show signs of declining activity and community support. Several factors are at work here. First, the dispensary covers several villages which may be an obstacle to community participation. Secondly, user fees might make the villagers more alienated from the dispensary. Third, is the time factor. The health reform has gone on for a longer time than the primary school reforms and may have lost some momentum.
42. Service delivery is increasingly dependant on self-help. However, many factors may undermine the self-help efforts:
 - First, some informants claim that it is harder to mobilise people for collective actions in areas with a religious and/or ethnically heterogeneous population compared to more homogenous communities.

- Secondly, politics may also become a hindrance for self-help. This was the case in Moshi DC where the opposition is strong. According to our informants there are tensions within school committees and village governments. People from the opposition allegedly say that the citizens should not contribute to development projects since services 'should be provided by the government'.
- Last, but not least, extreme poverty is a hindrance to self-help. Disadvantaged districts with a poor population and low capacity at the council level (less qualified/committed staff) may need extra support from the central government, i.e. equalisation grants.