

The role of civil society in decentralisation and alleviating poverty

An exploratory case study from Tanzania



Walter Egli

Dieter Zürcher

June 2007

Table of contents

List of Abbreviations	iii
Executive Summary	1
1 Introduction: Decentralisation, Local Governance and Civil Society	2
1.1 Conceptual Background	2
1.2 Hypothesis and Key Questions	3
1.3 Methodology, Scope and Limitations	3
2 Decentralisation Background Tanzania	5
2.1 Political and Administrative Structure and Processes	5
2.2 Historical Perspective on Local Governance and Decentralisation	6
2.3 The Role of Civil Society Organisations	9
3 Decentralisation and CSOs: Progress and Challenges	12
3.1 Political Sphere	12
3.2 Administrative Factors	16
3.3 Fiscal factors	20
3.4 Case studies: Kongwa, Bukoba and Muleba Districts	23
4 Effects on Access to Services, Empowerment and Impact on Poverty	26
4.1 Effects on Access to Services	26
4.2 Effects on Empowerment	27
4.3 Impact on Poverty	28
5 Conclusions and Lessons learned	30
Annexes	32
A Conceptual frame and guiding questions	32
B List of people met	34
C Literature	37
D Map of Tanzania	39
E Governance Structure of Tanzania	40
F Governments and Related Indices of Liberty	43
G Tanzania Governance Noticeboard (Data for Dodoma Region)	43
H Governance Scoring and Access to Services	44
I Tanzania at a Glance (World Bank)	45

Asante Sana (Acknowledgement): *We would like to wholeheartedly thank all our interview partners for dedicating their valuable time to the discussion with us and for openly sharing their experiences with the decentralisation process in Tanzania.*

List of Abbreviations

CBHI	Community Based Health Initiative (SDC funded and implemented by GTZ)
CCM	Chama Cha Mapinduzi (<i>Revolutionary State Party</i>)
CMI	Chr. Michelsen Institute
CSO	Civil Society Organisation
D-by-D	Decentralisation by Devolution
DC	District Commissioner
DED	District Executive Director
DFID	Department for International Development
DP	Development Partner
DPGWG	Development Partner Governance Working Group
ESRF	Economic and Social Research Foundation
FOGOTA	Forum for Grass Roots Organisations of Tanzania
FCS	Foundation for Civil Society
GoT	Government of Tanzania
Haki Elimu	NGO (<i>right to education</i>)
IRDP	Institute for Rural Development Planning, Dodoma
LGA	Local Government Authority
LGRP	Local Government Reform Programme
LGCDG	Local Government Capital Development Grant (Scheme)
LVIA	Assoziazione di Volontariato Internazionale (Italian NGO)
Mkukuta	National Strategy for Growth and Poverty Reduction
NGO	Non Governmental Organisation
NPER	Net Primary Enrolment Ratio
OPM	Oxford Policy Management
PEDP	Primary Education Development Plan
PETS	Public Expenditure Tracking Survey
PMO-RALG	Prime Minister's Office for Regional Administration and Local Governance
RC	Regional Commissioner
REPOA	Research on poverty alleviation
RLDC	Rural Livelihood Development Company
SACCOs	Saving and Credit Cooperatives
SDC	Swiss Agency for Development and Cooperation
TANGO	Tanzania Association of NGOs
TNG	Tanzania Governance Noticeboard (Maintained by REPOA)
URT	United Republic of Tanzania
WB	World Bank

Executive Summary

The scientific staff of NADEL, MAS ETH in Development and Cooperation, undertook study tours to Tanzania and Mali in early July 2006 in order to analyse pro-poor decentralisation policies and the role civil society organisations play. This report summarises the findings from Tanzania.

The visit to Tanzania included discussions in Dar es Salaam with a wide spectrum of stakeholders representing international and local civil society as well as government organisations involved in the decentralisation and local governance reform. The study tour included a visit to Dodoma (capital of Tanzania) and field visits in the Kagera Region (Bukoba and Muleba Districts) and the Kongwa District.

Main conclusions can be summarised as follows:

General: Tanzania has seen several decentralisation eras, some with devastating consequences. The most recent decentralisation era (since 2000) aims at devolving political powers from central government to local government authorities by the decentralisation-by-devolution principle (D-by-D). This is implemented with some difficulty and at a rather slow pace, and has not achieved its high expectations. The cooperation of state actors with the civil society organisations (CSOs) has improved and parallel to the shift towards budget support donors provide programm support to CSOs. There is a gradual shift of some donors to support more umbrella CSOs, which however, have rather weak linkages to the local level.

Political decentralisation: While there seems to be some resistance at the level of central ministries to devolve power, the centrally appointed executives play a decisive role at regional and district level, and often are more experienced and powerful than the elected councillors. There has been considerable progress at local level to introduce participatory planning mechanisms and to enhance the knowledge on the principles of D-by-D among local officials and the population in general. CSOs at all levels are playing an important role in strengthening the capacity of local actors to gradually transform the D-by-D discourse and participation into reality.

Administrative decentralisation: Contrary to the goals of decentralisation, staff and officials of local government authorities are still under a considerable degree of control by central government. Some central ministries are maintaining parallel procedures in order to continue centralised human resource management for certain categories of staff such as teachers. In spite of huge efforts to train LGA staff, officials and the population in general, limited capacity of human resources at local level still seems to be the major bottleneck for implementing area-wide decentralisation and participatory planning. Civil society organisations are particularly important for demanding local government authorities to respect and fulfil the principles of good governance such as transparency, accountability, fighting corruption and so on.

Fiscal decentralisation: Among the three decentralisation spheres substantial progress has been made by making transfers from central government to LGAs more transparent and they have substantially increased in recent years. However, the dependency from the centre grew as a result of the abolition of some local taxes in 2004. The shortage of funds (and capacity) at local level is a major bottleneck for efficient planning and execution. Civil society has a major role (also acknowledged by the government) to track performance at local level in order to increase accountability of locally elected council members and representatives of ministries as well. There is scope to systematically engage CSOs in the budgetary and expenditure review process, which requires a strengthening of the will and technical ability for exchanging and analysing planning and financial information on both sides, the LGAs as well as the CSOs.

Further research: Poverty reduction outside of the capital Dar es Saalam has been marginal between 1991 and 2001. There are no recent figures available that would coincide with the latest decentralisation era to attribute poverty reductions with the recent decentralisation efforts. Within the scope of this exploratory study it was also not possible to assess the impact of the strengthened civil society participation on pro-poor decentralisation. The forthcoming Household and Budget Survey (planned for 2006) will provide a data base for analysing the role of CSOs and the governance performance at district level in the light of progress in poverty alleviation.

1. Introduction

1.1 Conceptual Background

Governance and principles of good governance have emerged as an important topic of development policy since 1990. Yet the concept of what the essence of governance is remains multifaceted till now (Pierre/Peters 2000). Similarly, the issue of decentralisation and the potentials to reduce poverty and to increase good governance at the sub-national level by decentralising responsibilities and resources have become key issues in development policy in recent years (Jütting 2005). In many developing countries decentralisation efforts have been planned and implemented as a means to improve service delivery to all citizens (incl. the poor), to increase participation of the citizens and to improve good governance at the sub-national level in general. Poverty reduction on the other side has not been at the centre of decentralisation measures until recently. An OECD analysis (Jütting 2004, 2005) illustrated that fiscal, political and administrative decentralisation does not alleviate poverty automatically unless a number of critical factors are met. If decentralisation is to have an impact on poverty reduction, then the following preconditions should be met: a strong commitment from the centre is required, decentralisation must be embedded in a broader reform programme, policy making processes should be transparent, regular democratic elections are required, broad civic participation is needed, and a high level of information sharing among all stakeholders must be ensured.

Concurrently to these debates civil society has emerged as an important stakeholder. Donors have realised the importance and value of these non-state actors to improve the effectiveness of the state. The increasing importance of the concept of civil society during the past 15 years is seen as one of the most significant trends in international development (World Bank). International NGOs as well as mushrooming networks of local NGOs, producer associations and informal community based organisations have begun to play an increasingly important role in expanding local service delivery capacity, demanding transparency and accountability, and advocating rights in various sectoral fields (education, water, etc.) as well as cross cutting issues such as human rights and cultural issues. Civil society participation is perceived to be indispensable to assure need-based planning and implementation of activities at local level and to strengthen accountability of local governments to their citizens.

There is no consistent, generally accepted definition of the concepts of Local and/or Good Governance, Decentralisation, Poverty and Civil Society in the growing literature. All concepts are redefined under different contexts or disciplines and they are continuously reshaped in the debate. For the sake of a clear understanding, in this paper we use the terms as follows:

Civil Society: The World Bank defines Civil Society as “a wide array of non-governmental and not for profit organizations that have a presence in public life, expressing the interests and values of their members or others, based on ethnical, cultural, political, scientific, religious or philanthropic considerations.

Decentralisation as per Jütting (2004) is defined as “.... a transfer of public functions from higher tiers to lower tiers of governance. It can be administrative, fiscal, political or a mixture of these.”

Governance as per UNDP (1997) means „the exercise of economic, political and administrative authority to manage a country’s affairs at all levels. It comprises the mechanisms, processes and institutions, through which citizens and groups articulate their interest, exercise legal rights, meet their obligations and mediate their differences.” **Good governance** as per BMZ (2002) includes five criteria, such as (1) respect for human rights, (2) popular participation in political decision-making, (3) rule of law and certainty of the law, (4) a market friendly and social economic order, and (5) development oriented state action aimed at sustainable development, fight against corruption and efficient public administration.

Poverty is a multi-dimensional concept, which the DAC/OECD (2001) defines by five dimensions (1) political: rights, freedom, influence; (2) socio-cultural: status, dignity; (3) human: health, education, nutrition; (4) economic: consumption, income, assets; and (5) protective: se-

curity and vulnerability. These five dimensions are supplemented by two cross cutting aspects: gender and the environment.

The governance concepts do not only apply to states – consolidated or fragile ones – but go beyond. In this regard, the EU uses the term multi-level governance to describe the relation between the EU and its member states. Similarly, debates about world trade and the international war on terrorism have raised the awareness that (good) governance issues are closely related to globalisation and global security issues. Thus the subject of governance and “optimal” decentralisation is closely intertwined with the process of the emergence of global markets, international competition, and global security issues. Bottom-up innovations and advocacy work can alter the policy and institutional arrangements on how state and non state actors cooperate and compete within a multi-level governance system.

1.2 Hypothesis and Key Questions

The purpose of this paper is to examine the relations between these concepts and recent policy developments in the context of Tanzania. This context is characterised by the existence of an explicit decentralisation reform launched in 2000, the second national framework for growth and poverty reduction (Mkukuta) launched in 2005, and increased efforts for donor harmonisation which has shifted the aid delivery mode in favour of sector and budget support. As a result the government has received a much more prominent role compared to the civil society.

The hypothesis to be tested is that broad participation of civil society organisations, representing the various social and ethnic segments of the local population, is essential for pro-poor decentralisation. The analysis includes the whole variety of civil society organisations ranging from international NGOs operating from their headquarters in the North, over international NGOs operating from a strong local basis or through local affiliates, local urban NGOs that have not much in common with the rural poor, to a broad choice of producer or credit associations and informal community based groups.

The basic question to be answered is “**How can civil society organisations (CSOs) of Tanzania influence pro-poor decentralisation?**” Specific questions were formulated to gauge civil society’s influence in setting the decentralisation agenda, in providing crucial basic services (e.g. health) or to which extent CSOs advocate the rural poor about their rights and obligations. Questions also relate to the extent to which the decentralisation process has been able to reduce poverty in Tanzania. The underlying conceptual frame and the questions used during the interviews are attached in Annex A.

1.3 Methodology, Scope and Limitations

The analysis included a review of relevant documents (see Annex B), a two weeks’ mission to Tanzania which included interviews with major stakeholders in the decentralisation and local governance reform process. These included representatives of the government at the various levels, donors, international NGOs, Tanzanian NGOs, local groups as well as private sector representatives (see Annex C).

The visit included a trip to the Dodoma Region and specifically the Kongwa District (see map and key figures in Annex D), which was used as a brief case study on how planning, implementation and evaluation of development activities are conducted at the local governance level. The selection of this region in Tanzania was based on the SDC Country Programme 2004 – 2010 which has introduced a reorientation of the Swiss interventions at micro and meso level to the Central corridor as a result of a more prominent poverty oriented focus.¹

¹ The new region had to figure among the country’s lower 50 % in terms of poverty status, underserved by donors in the intended domains, be reasonably accessible and they should have some economic potential (SDC 2004).

Prior to the two weeks' NADEL mission, one of the authors (Walter Egli) made a field trip to Bukoba and Muleba Districts to visit projects implemented by the Swiss NGO Swissaid and its partner organisation FOGOTA (Forum for Grassroots Organisations of Tanzania). While the purpose of the visit was to know the results of Swissaid project activities, issues of decentralisation were discussed with their staff and beneficiaries, and meetings took place with district officials at Muleba.

The analysis is purely based on a case study approach applying qualitative interview methods and using secondary data sources. This exploratory study should be seen as a first step in view of a broader cooperation with Tanzanian partners. All omissions, generalisations, factual mistakes and possible misunderstandings are the responsibility of the authors.

2. Decentralisation Background in Tanzania

2.1 Political and Administrative Structure and Processes

Tanzania has a five level governance system including village, ward, district, region and central levels. The main characteristics of these governance levels are provided in Annex E. In terms of developmental activities, the centre, the district and the village play the decisive roles in decision making and implementation of activities, whereas the ward and regional level mainly have functions to coordinate and to assure compliance with overall national strategies.

The independence of the executive, the legislative and the judiciary is contested in the literature. Based on our interviews, it is concluded that the academia and to a major extent the media are fairly independent. However, many crucial positions at the local governance level, were and still are centrally appointed positions (e.g. Regional and District Commissioners). The political processes in Tanzania are very much shaped by the CCM party which has been in power since independence in 1963. The ruling party obtained 80 % of the seats in the parliament and 98 % of the seats at local government level in the past elections (2005) giving it a comfortable majority. The recent parliamentary debate was quite vivid and especially the (few) opposition members questioned the proposed budgets from all angles. The critical debates about the allocation criteria of scarce resources were reflected in newspapers.

Two recent papers have more thoroughly analysed the power structure in Tanzania. Heyden (2005) characterized the politics as relying on personal “deals”, where trust is confined to face-to-face arrangements, in rural areas but also in urban areas. This important role which informal institutions play was phrased as “economy of affection” where exchange is not based on contracts but on consensus, ambiguity and reciprocity. The development partners (i.e. donors) have recently mandated a series of analysis about the accountability structures in Tanzania (REPOA / OPM / CMI 2005). The studies applied a bottom up and a top down perspective respectively and the main conclusions were:

Top-down perspective	Bottom-up perspective
<ul style="list-style-type: none"> ▪ Weak structure of checks and balances. The power structure is dominated by the Presidency, the Executive and the CCM Party ▪ The Executive has a dominant role in setting the budgets, the Parliament has a rather formalistic oversight ▪ Limited ability of NGOs, media or other interest groups to play a corrective role ▪ The introduction of an Integrated Finance Management System and related mechanisms have reduced scope for spending outside the approved budget ▪ The budget process remains opaque because of inadequate transparency, delays in audit reports and not user friendly information. 	<ul style="list-style-type: none"> ▪ The strong oral tradition at local level limits the degree of answerability and controllability ▪ Faith based organisations were considered to be the best performing and most credible partners ▪ In practice, a complex web of cooperation and overlapping between governmental and social institutions exist (-> no shortage of accountability mechanisms at local level) ▪ In rural areas, the patriarchal mode of decision making dominates ▪ The ability to acquire and disburse funds is an important qualification for councillors ▪ Significant improvements can be expected from better transparency (-> there is rather a shortage of resources than resource leakage)

“Policy making is top down and dominated by donors, investors and bureaucrats in that order” was the conclusion by Prof. Mukandala (DPGWG 2005), when he reiterated the importance to support state and popular institutions which perform oversight functions. Despite the progress in the transition process, he identified weaknesses in raising the popular voice in the public arena although there is a growing openness and less timidity to voice demands by the people.

The gradual improvement in the governance framework can be seen from gradual improvements in indicators for civil liberties and political freedom as well in the governance indicators during the past two elected presidencies of Mr. Mwinyi 1985-95 and Mr. Mkapa 1995-05 (see Annex F). The recent dramatic improvements shown by the World Bank in terms of control of corruption seems overoptimistic, especially if compared with the stagnation in the corruption perception index (as shown by Transparency International). Also our interview partners raised the concern of corruption, especially so at the local governance levels.

There are big expectations from within the government but also the civil society that improvements in the governance framework will continue to be strengthened with the newly elected presidency of Mr. Kikwete.

2.2 Historical Perspective on Local Governance and Decentralisation

a) Decentralisation eras and civil society

Decentralisation efforts have a long history in Tanzania and date back to colonial times. At independence in 1961, Mainland Tanzania had a relatively decentralised structure of local governance. Then, the country moved towards a centralised system under President Julius Nyerere and saw a series of decentralisation eras in the last two decades (Boex / Martinez-Vazquez 2006). The following table summarises these main policy changes in local governance and puts it in relation with the emergence of a civil society.

Time line of policy changes in local governance and civil society		
Date	Local Government	Civil Society
1950s		Liberal attitude towards associations: they could operate legally even without registration. As a result of social unrest the colonial Government saw them increasingly as an irritant before independence
1960s	1961: Independence Abolishment of the native authorities (established in 1926) and introduction of councils (17) with elected and appointed members above district level 1967: Arusha Declaration (<i>ujamaa</i> or “pulling together”) called for egalitarianism, socialism and self-reliance. It involved decentralisation the creation of cooperative farm villages and the regions becoming primary drivers of rural development planning	Strong cooperative movement, which was weakened during the 1960s as a result of central government interferences 1962: Amendment to the societies ordinance gave the Government the power to dissolve any company or association in case of unlawful trade 1967: The Arusha Declaration led to the absorption of CSOs into the single party structure introduced in 1965
1970s	1972: Abolition of local governments because of poor performance: abolishment of local taxes, low maintenance capacity etc. -> expansion of central power to village level 1978: Decision to reinstate urban councils in order to change decline in standard of living	Civil society was confined to party structures (youth, trade unions, etc.). Advocacy oriented CSOs were strongly discouraged
1980s	1980: CCM requests the re-introduction of local government 1984: Re-introduction of local government (district, municipal and cities authorities)	Increasingly new organisations not affiliated to the party were tolerated

1990s	<p>1990: Economic liberalisation and public sector reforms introduced accompanying structural adjustment programmes</p> <p>1992: Re-introduction of multi-party democracy</p> <p>1996: Publication of the Local Government Reform Agenda</p> <p>1998: Policy Paper on Local Government Reform stipulating the D-by-D approach</p>	<p>1993: A study reveals that 61% of secondary schools, 87% of nursery schools and 43% of hospitals were run by mostly faith based CSOs (CMI 2000)</p> <p>1996: National Steering Committee for NGO Policy Formulation established (with participation of CSOs)</p> <p>1998: Drafting of an NGO Act</p>
2000s	<p>2001: Phase 1 of the LGR Programme (Common Basket Fund established by GoT with 8 bi- and 2 multilateral donors)</p> <p>2002: Phase 2: LGRP Medium term plan 2002-2005</p> <p>2005: Phase 3: Medium Term Plan and budget 2005-2008 with Local Government Capital Development Fund</p>	<p>2002: Despite widespread opposition from stakeholders the NGO Act was passed, but dialogue to improve the Act continued</p> <p>2005: The amendment to the NGO Act was passed</p> <p>2006: CSOs' role in decentralisation consolidated (manual on expenditure tracking, manual for CSOs on how to engage in decentralisation announced)</p>

Decentralisation efforts in Tanzania date back to the 1960s. The decentralisation efforts during the 1970s are somewhat inconclusive. On one side the central government promoted the *ujamaa* village concept without considering feasibility and costs. It included forced resettlements of several million people (though at the late stage). On the other side it abolished local governments in 1972 expanding central control further with generous support by the donors. By the early 1980s, a team of party officials controlled the state and the economy almost entirely (Heyden 2005). Thus, under the rhetoric of decentralisation the local government systems got increasingly centralised during that era.

In the early 1980s the economic crisis deepened and shortages of basic commodities frustrated many people. The effects of the self-reliance strategy became obvious to millions of people and “the perforation of the state machinery by personal and informal initiatives had begun in earnest” (Heyden 2005). In 1982 the local governments and district authorities were reinstated after realizing that the top down (de)centralization process had failed. These decentralisation efforts were coined by heavy-handed officials managing decision-making at region and district level but local authorities were under-resourced and staff with local governance experience was lacking.

The last years of the 1980s saw an era of gradual but progressive liberalisation of the economy and the political sphere with slight improvement of rights and freedom. The introduction of the multi-party system - as a conditionality by donors – in 1992 has increased the political competitiveness, but the CCM party remained the ruling party till now and is uncontested given the marginalised and fragmented opposition.

Decentralisation received a major push in 1996 when the Government of Tanzania published a local government reform agenda. The subsequent policy paper in 1998 defined far reaching decentralisation aims by promoting the famous D-by-D principle: decentralisation by devolution. This approach aims at the devolution of real power and authority to elected sub-national governments and not only at a deconcentration of central agencies. This far reaching reform wants to fundamentally change the role of the central and local authorities: the central ministries are expected to switch from direct implementation to a role of support and monitoring of local authorities under the slogan “hands off, eyes on”.

The formal decentralisation reform started when the Government of Tanzania and several donors committed their support in form of basket funding for the Local Government Reform Pro-

gramme (LGRP), which officially began in January 2000.² The programme is now in its third phase (2005-2008) and was evaluated several times. The main aims of this programme are:

- Devolution of power to locally elected councils and committees (political decentralisation)
- Collection of taxes and budgeting based on local priorities (financial decentralisation)
- De-linking local authority staff from the respective line ministries making them accountable to the local government (administrative decentralisation)
- Changing the role of line ministries from control to that of policy making, regulating, support and monitoring to ensure quality of services and national standards.

b) Decentralisation in the Mkukuta Strategy

This ambitious change agenda was supposed to be closely coordinated with the other three main reform agendas that were (and still are) implemented within the Mkukuta strategy, which is the National Strategy for Growth and the Reduction of Poverty: the Public Service Reform (increased effectiveness of the state), Public Financial Management Reform (more efficient and effective resource mobilisation and management, i.e. budgeting, etc.) and the Legal Reform. Naturally, these are complex change processes where various stakeholders follow their specific and often self-interests and potential losers resist change. The coordination efforts and cross-effects of these reforms have proven to be more difficult, and progress is more slowly than anticipated. Civil society has become a partner with its own voice that has been increasingly consulted for the design and implementation of these policies.

The importance of decentralisation and good governance as principles of policy reforms has been duly reflected within the Mkukuta strategy (2005). The following table illustrates their importance:

Mkukuta Strategy (2005/6 – 2009/10)	
Principles	Clusters
<ul style="list-style-type: none"> ▪ National ownership ▪ Political commitment to democratisation and human rights ▪ Maintenance of macro-economic and structural reforms ▪ Building on sector strategies and cross-sectoral collaboration ▪ Building local partnerships for citizens to engage in policy dialogue ▪ Harmonisation of aid ▪ Equity and sharing of benefits ▪ Sustainable development ▪ Strengthening of macro-micro links and decentralisation ▪ Mainstreaming cross cutting issues 	<p><u>Cluster I</u> Growth and reduction of poverty: sustained and equitable broad based growth of at least 6-8 % by scaling up investment in the agriculture and off-farm sectors and in infrastructure.</p> <p><u>Cluster II</u> Quality of life and social well being: reduction of vulnerabilities and ensuring equitable access to quality services in order to improve quality of life and well-being with a focus on the poorest.</p> <p><u>Cluster III</u> Governance and accountability: this aims at four outcomes a) good governance, b) rule of law, c) sustaining peace and political stability, and d) war against corruption</p>

² In 2006 the following bilateral donors are supporting the LGRP: Denmark, Finland, Ireland, (has the lead from donor side), Germany, Netherlands, Norway, Sweden and the UK. The following multilaterals finance the programme: EU, UNDP/UNCDF and the World Bank.

2.3 The Role of Civil Society Organisations

Besides the government, the private sector and civil society play crucial roles in defining and observing the emergence of rules and regulations. The lead agency for the decentralisation reform is the Prime Minister's Office for Regional Administration and Local Governance (PMO-RALG), under which the LGRP is implemented. It is worthwhile to first look back to see how civil society and the collaboration between the government and the CSOs emerged.

For much of the late colonial era a rather liberal attitude towards associations prevailed. However, the freedom of expression was restricted as a result of political tensions during the immediate pre-independence time. After independence in 1964, the earlier strong cooperatives movement (organised around export commodities like coffee, tea etc.) was an important pillar of civil society. After independence, however, the leadership of the cooperatives was altered to serve party politics. As a result, the cooperative movement lost much of its power and credibility. The revival of the cooperative movement in the form of producer associations and the recent scheme to expand credit and saving groups (SACCOs) has still to overcome the resistance towards collective action through awareness raising about the importance and utility of intermediary structures in order to pool interest and resources of producers and user groups.

Formal civil society organisations were strictly discouraged between the late 1960s until the mid 1980s unless they were closely affiliated to the CCM party structures. CSOs included trade unions (e.g. teachers), youth organisations, women organisations, which were representing party interests and not genuine interests of its members. With the dawn of political and economic liberalisation many of the existing CSOs did cut their relations with the party and became more independent. Also new civil society organisations providing basic services or advocating policy issues were founded.

By the mid 1980s, around 200 NGOs were officially registered and many of them were actually active. In 1993, mainly faith-based NGOs were responsible for a substantial proportion of service delivery. For example, 61 % of secondary schools and 43 % of hospitals were operated by CSOs (CMI 2000). Four years later, the number of NGOs had increased to 2000 already, though many remained silent organisations to be activated in the case of funding opportunities. In the same year the process of formulating an NGO policy started which resulted in strong debates about the detailed provisions and elimination of inconsistencies. The bill could not be passed for several years because of the opposition from the NGO side. A major issue of contention was that the NGO act 2002, as well as its amendments released in 2005, stipulates that NGOs as per definition shall be "non-partisan". This basically means that "NGOs are organisations that do not seek political power or campaign for any political party" (Iheme 2005). Also the regulation that they have to fully account to the government for the origin and use of their funding was disputed and seen as incursion by some NGO representatives.

This provision of the NGO law makes it possible to ban politically active NGOs. Most advocacy work related to poverty reduction and rights of citizens is political by its nature. Thus there is a feeling that the government likes service delivery NGOs that are supportive in achieving the development objectives (which are the party objectives at the same time), whereas NGOs that are criticizing the government can face serious difficulties. The recent case of Haki Elimu shows that the government indeed puts some pressure on the organisation but eventually avoided to ban it as a result of lobbying, especially by the media and intellectuals (see Box below).

Today there are an estimated 4'000 NGOs, both international as well as national, either delivering services in education, health (especially HIV/AIDS) and credit and savings sectors or advocating aspects of rights to services. Additionally, there are around 1'400 credit and saving groups (SACCOs). There is no data available, but many registered NGOs are considered "briefcase NGOs". They are dormant unless they are able to get access to donor funding. Dhuru (2005) concludes that many local CSOs have only a limited membership base, are seldom representative, and that they have to adjust their activities in order to fulfil pre-determined goals of donors. Donors to local CSOs are not only international NGOs but also bilateral agencies. They

provide more substantial means to local CSOs in an attempt to balance their recent move to deliver more aid in form of General Budget Support.³ Several times it was mentioned that donors prop up local CSOs so that they can fulfil the function of overseeing government spending.⁴

REPOA /OPM /CMI (2005, component 1) have made a classification of main CSOs and local groups that are active at national level and at local level. The study points to the fact that only little is known regarding the normative influence these organisations have and how informal organisations are funded and whether there is overlapping with formal CSOs.

Despite the various weaknesses of NGOs and informal community organisations (see also section 3.1 on participation) NGOs and umbrella organisations (e.g. TANGO) increasingly play a vital role in demanding access to information, providing services and advocating rights. Through this process they are becoming powerful normative actors demanding to improve standards and to adhere to principles of good governance in various areas. However, we also heard the opinion that the government more easily accepts those NGOs that engage only in service delivery and views with some suspicion NGOs exercising a watchdog function regarding the monitoring of access to services and the human rights situation. The much-publicised case of Haki Elimu is a vivid illustration of this point (see following box).

Haki Elimu (right to education) is a NGO founded in 2001 aiming at the promotion of public participation in education governance by strengthening school committees, teacher & student associations, facilitating planning at local level, advocating democratic principles in school management among other activities. For the advocacy work a variety of instruments are used: campaigns, and the use of radio and TV spots have proven to be very effective.

In 2005 Haki Elimu released a report that summarized the findings of several government or government commissioned reports about the performance of the Primary Education Development Plan. This report provoked a strong reaction from the Government leading nearly to the ban of the NGO since it was accused of having distorted the truth (subsequently the NGO was not provided with government data any more). The report reviews the progress in the education sector and points to the many deficiencies such as big regional imbalances, poor condition of many infrastructures, imbalances in teachers' deployment and leakage of funds at local level.

The organisation with its 23 staff was threatened with a ban by the Government unless it apologised for the wrongdoing. However, thanks to intensive lobby work by journalists, intellectuals and the excellent reputation of its performance, Haki Elimu could continue to work. With the change of Ministers at the end of 2005, the working relations have further improved but there is a general sense among CSO representatives that the Government does not appreciate NGOs that take their watchdog role too seriously.

Among the broad range of CSOs in Tanzania the influence in terms of setting the political agenda differs. It is most prominent in the case of national urban NGOs and there are several landmark decisions by the parliament in which NGOs did a lot of lobbying (Land act 1999, NGO Act 2002). The perceived influence is highest among business associations and media at the national level, and local authorities such as clan committees and religious organisations at the local level (REPOA / OPM / CMI 2005, component 1). NGO networks and international and national NGOs are perceived to have low to moderate influence in affecting society's prevailing ideas and distribution of resources.

Civil society in Tanzania is perceived as being fragmented and rather weak, by NGO representatives as well as by government representatives and by the parliamentarians. The present civil society is characterised by the following strengths and weaknesses:

³ Presently Tanzania receives US \$ 1'700 million of ODA annually, of which almost half is in form of General Budget Support and the rest Sector wide approaches or traditional project assistance. Total ODA represents approximately 16 % of GNI and covers almost 40 % of the state budget.

⁴ Similarly, the broadcast media and press has expanded and diversified significantly with many private radio, TV and news products emerging since 1990.

Strengths	Weaknesses
<ul style="list-style-type: none"> ▪ Most NGOs are pro-poor oriented and provide vital services, mainly in the health and education sectors ▪ There is a more conducive environment now, also as a result of bottom up planning and of civil society's lobbying ▪ There are about 10 urban based NGOs, or networks, which can influence the policy formulation process ▪ The best way to convert poverty research into policy formulation is through civil society organisations ▪ Capability to set standards and advocating rights has improved through coordination in "stakeholder forum", and campaigning ▪ Often dedicated and motivated young staff 	<ul style="list-style-type: none"> ▪ Heavy dependency from donor funding and therefore many are inclined to align activities to donor priorities ▪ Secure funding has priority over lobbying advocacy work. There could even be a tendency of self-censorship. ▪ Lack of commercial / entrepreneurial thinking (e.g. in credit and saving groups) since profit making has been perceived as a "sinful" activity for a long period ▪ Poor market linkages. "Sometimes products are there but no buyers" because of poor transport, lack of information, etc. ▪ The NGOs are fragmented. There are only 2 umbrella organisations (TANGO and TACO-SUDE) ▪ Most CSOs have a small membership base and often cannot claim to be representative for their constituency

3. Decentralisation and CSOs: Progress and Challenges

3.1 Political Sphere

a) Political Commitment

The Tanzanian decentralisation process is based on the principle of “decentralisation by devolution”, meaning that power is being “devolved” from central to decentralised levels of the political system and public administration. Devolving power implies entrusting – within national legislation - real control over finance and staff to elected Local Government Authorities (LGA). This policy is clearly set out in the 1998 “Policy Paper on Local Government Reform”, which remains the key political document for decentralisation till today.

Among the key findings of the 2004 Joint Government-Donor Review on the Local Government Reform Programme is the conclusion that the overall Government policy on D-by-D has met with very limited success so far (URT 2004). It concluded that “Tanzania is not yet on a clear decentralisation path”. Most of our interview partners agree by and large with these conclusions. Following the arguments of the 2004 Review there seems to be the following reasons behind these limited results:

- There is limited internalisation of the basic concepts of D-by-D by central ministries, which continue to seek direct control over LGA. “Central ministries are not yet clear that their role within a devolved system of governance is to establish a precise legal framework for LGAs and appropriate systems for inspection, supervision and support” (URT 2004). More outspoken critics find that (some) ministries are actively opposed to D-by-D rather than simply lacking role-clarity
- Decentralisation so far has mainly resulted in deconcentration, bringing the bureaucracy closer to the people. “Some bureaucrats felt like semi-gods at the local level”. Now it seems to be difficult to reduce their influence
- There seems to be limited acceptance of the fact that D-by-D means transferring power to elected sub-national governments. Establishing local governments elected democratically would imply a huge step away from a political culture which until very recently (some would say: still now) has been determined by a one-party centralised state. Implementing such a change would require a political will and decision-making structure at the highest level of government that was not apparent under the hitherto existing scheme of the LGRP
- Devolving power to LGA implies a new role of sector ministries that appears to be neither understood nor accepted. Instead of directly implementing national policies in a decentralised mode of operation, sector ministries are supposed to assume a role of overall policy-determination, resource allocation, regulation, support and monitoring. Efforts and success to win understanding and support for this re-defined role of sector ministries have been limited to date.

Our interview partners and our personal observations confirmed the continuing strong presence of central government at local level. There are several mechanisms, which continue to ensure central government influence and thus limit local autonomy:

- Key staff at local level continues to be appointed by the central government (District Commissioners, District Executive Director). The elected district councillors and lower level tiers of LGA (ward, village) have no authority to hold executive district staff to account or to dismiss them
- In most districts, an overwhelming majority of elected district councillors are members of the ruling CCM party and have (probably) little inclination to question or openly criticise decisions taken by district commissioners appointed by the central (CCM) government
- So far most of the funds available at local level emanate from sector ministries budget (e.g. education, health) and are tied to very specific regulations of these ministries

- The change of mindset from the implementation to the supervision function of Local Government Authorities (LGA) takes time and many changes have not really developed deeper roots (e.g. mechanistic or formal application of decentralisation procedures). People still sit down and wait for action (to be taken by others) and the mentality to have a right to free services is still widespread. More advocacy work is required, by CSOs and the government. Communication of all the policy changes and related procedures throughout the various administrative levels is a real challenge: paperwork and workshops are not enough.

In contrast to the reservations of central government towards genuine decentralisation we found evidence of strong commitment with the LGRP at local level. Officials at regional, district and village level were well informed about the reform process and in some cases expressed their firm belief in the goals and underlying philosophy of decentralisation by D-by-D. They pointed out the positive aspects and results achieved so far such as increased involvement of village population in planning, strengthened partnership between LGA and local civil society organisations (NGOs), and increased transparency with regards to locally available budgets and decision-making. Our visit to the Kongwa District (see box below) provided a vivid example of what can be achieved in terms of local development and coordination between local stakeholders if the district executive staff is committed to the principles of decentralisation.

Nevertheless our interview partners also emphasised the huge challenges that still lie ahead mentioning among others the limited capacities of all stakeholders (LGA staff, local CSOs, village groups, etc.), the limited financial and human resources and the limited access to technology and communication facilities.

Civil society organisations at national and local level generally have actively supported decentralisation in Tanzania and are involved in numerous ways. However, the Tanzanian Government with its authoritarian tradition seems still uneasy in its relationship with CSOs, especially those that it perceives as being overly critical. Government and civil society have yet to agree on a mutually acceptable frame of constructive criticism.

At national level CSOs and their federations have been participating in the formulation of the decentralisation policy and are included in the donor-government steering group of the LGRP (Cluster Three of Government-DPG Consultation Mechanisms). Some NGOs are implementing initiatives that are crucial for the long-term success of decentralisation. Two examples are RE-POA, a research and training organisation, and TANGO, the Tanzania Association of NGOs.

REPOA⁵ is implementing – among other projects – the web-based “Tanzanian Government Notice Board”, a public expenditure tracking system where detailed budgetary information on each district is made available to the public. The same NGO has also been implementing capacity building programmes aimed at strengthening local CSOs for service delivery and policy engagement. The purpose of this initiative is to strengthen local participation and to promote the bottom-up planning processes based on the O&OD approach (see below). REPOA is also publishing the results of applied research on various aspects of development and governance at local level.

TANGO, a national NGO umbrella organisation, is implementing various capacity building and training schemes including the publication of manuals aimed at increasing the capacity of local NGOs to form local or regional networks for policy engagement (advocacy). TANGO sees its role in empowering local and regional organisations in order to strengthen local capacities for establishing a policy dialogue between LGA and local CSOs or civil society networks at district level. TANGO encourages CSO representatives to get elected into district councils and provides advice and support. According to TANGO it is this dialogue at district level, which gives local and regional CSOs a voice in local political affairs and development planning. However, the presence of them at village and district level seems to be generally rather weak with the noticeable exception of local programmes of churches and some international NGOs.

⁵ REPOA (Research on Poverty Alleviation) is an independent non-profit research organisation

Another important CSO voice is the Policy Forum, an umbrella organisation of the most important NGOs in Tanzania addressing jointly development policy issues. The political commitment of local level (village, ward, district) or regional level (region) LGAs and CSOs is a key element for the long-term success of decentralisation by devolution. There are at least three domains where civil society involvement at local level is crucial for effective decentralisation to succeed:

Participation: Participatory planning approaches such as O&OD (opportunities and obstacles for development) presuppose the existence of active and representative community-based groups and organisations, which assure that the needs and interests of all societal groups are taken into consideration.

Legitimacy: Elected districts councils and (in the future) elected district executive officials such as district commissioners can only claim democratic legitimacy when a variety of civic groups and organisations participate in the electoral process at local level, in other words when the shortcoming of a still de-facto one-party state is replaced by a true multi-party system.

Accountability and Transparency: Governments whether national or local ones, tend to neglect accountability and transparency if they are not constantly reminded and pressured by civil society. There is a need of strong CSOs at local level that have the capacity to understand and monitor the performance of LGA and the expenditure of public funds and thus constantly remind local authorities of their duty to account for their actions to the public.

b) Policy Coherence

Lack of coherence and coordination with regard to the legal framework and legal harmonisation of the Local Government Reform is analysed in detail in the 2004 Review. This lack of coherence can be considered, as an indicator for the lack of political will of the central government to effectively implement decentralisation by devolution. The report cites a number of instances where legislation was passed that actually contradicted or hindered decentralisation. According to the assessment team the most significant setback of decentralisation was the Public Service Act and Public Service Regulation of 2002 and 2003, which contradicted earlier regulations of the Ministry responsible of RALG (Regional Administration and Local Government) that conceded local government authorities some autonomy regarding human resources management. Meanwhile the government is making efforts to take corrective measures. The report cites other cases where efforts to harmonise legal frameworks at the level of sectoral ministries either failed or were not pursued with sufficient rigor.

As long as ministries see the LGRP as just another sector reform programme, it is doubtful whether significant progress can be made. Decentralisation by devolution implies a profound restructuring of the entire state apparatus with consequences regarding legal and political coherence for all sector ministries. The report concludes that the success of the decentralisation process in future will depend on the capacity of PMO-RALG or some highest-level coordination authority to “impose D-by-D compliance on new legislation or on ministerial policy”.

More than thirty years after having decided to move Tanzania’s capital to Dodoma, the Ministry for Decentralisation (PMO-RALG) remains the only government entity, which is fully installed in the political capital. Obviously, the geographical distance to Dar es Salaam does not facilitate coordination and cooperation with other government entities. This fact might well be interpreted as an indicator for the lack of political will to fully implement decentralisation by devolution.

As evidenced by the Review of 2004, donors play a crucial role in keeping up the momentum of the decentralisation process and in keeping up the pressure to achieve a satisfactory level of policy coherence. Within the architecture set up between the bi-lateral and multi-lateral donors and the Tanzanian Government there is a specific structure of consultation and coordination for the Local Government Reform Programme. On the Tanzanian side there is the Local Government Reform Programme Consultative Group where the relevant ministries, donors and representatives of civil society organisations take part. On the donor side there is a specific working group formed by the donors engaged in local government reform. This group is chaired alternatively by Ireland and the Netherlands. The activities of both entities are regulated by Terms of

Reference and based on annual work plans. This strong presence of powerful outside actors in the decentralisation process leaves open the crucial question of ownership.

Problems of policy coherence also arise at local level as a result of the clash of two different planning cultures. On one hand there is the traditional top-down planning culture of the former centralised one-party state where party programme and Government policy are (almost) one and the same. In fact, a recent study has shown that there are no fundamental differences between the key national policy framework Mkukuta and the 2005 CCM electoral platform (CCM Election Manifesto). On the other hand, there is the new participatory bottom-up planning approach under the decentralisation scheme which is supposed to capture the felt needs of the people independently of political priorities of parties or Government at national level. The actual reality of this “clash of planning cultures” was illustrated by one District Commissioner who proudly showed us a report on the achievements of his district administration that was produced in his office. The cover of the report carried both the logo of the Government of Tanzania and the logo of the CCM. He explained that thanks to the fact that 29 out of 30 councillors in his district were CCM party members, the whole planning at district level was made in strict accordance with the CCM election platform and that with this report he could show to the people that his district administration was fulfilling the promises made by the party during the election campaign.

c) Participation

Participation in planning processes at local level is one of the pillars of the Local Government Reform Programme. As pointed out in the study of REPOA on local participation (Cooksey / Kikula 2005), the commitment of the Government to participatory planning is backed politically and legally and can be found in a number of relevant documents regarding development in general and decentralisation in particular. In the “Tanzania Development Vision 2025” which was proclaimed in 2000, the aim of local participation is described in the following terms: “Deliberate efforts must be made to empower the people and catalyze their democratic and popular participation. The strategy should entail empowering local governments and communities and promoting broad-based grassroots in the mobilization of resources, knowledge and experience with a view to stimulating initiatives at all levels of society”. This quotation shows that participation in local planning processes is not only seen as a technical means to ensure that felt needs of the people are taken into account in locally managed development processes. Participation is also defined politically as a strategy of empowerment aimed at increasing democratic participation in political processes.

A specific methodology was developed to ensure participatory planning within the LGRP: the “Opportunity and Obstacles for Development” approach (O&OD). This approach combines elements of the Participatory Rural Appraisal methodology and SWOT analysis (Strengths, Weaknesses, Opportunities, Threats). This planning method was adopted in 2001 by LGRP as a planning framework at local level for the whole country. It was first used in 2002 in pilot areas and subsequently adopted in many other districts. In 2004 PMO-RALG produced the O&OD Manual, which was used in widespread training processes for facilitators and officials at village, ward and district level.

The methodology proposed by the manual foresees a bottom-up planning process beginning at village level and going up to ward and district. The core result of the process is the Village Plan which is then approved at ward and district level. Then, the various village plans are integrated into a district plan approved by the elected district council. The whole process is supervised by the authorities at regional level (Regional Administrative Secretary).

The entire package of establishing the methodology for participatory planning, the training of facilitators and the implementation of the planning processes was widely supported by external donors. However the experience has shown that area-wide participatory planning processes at the grass-roots can be very costly. The 2004 Review of the Local Government Reform Programme explicitly mentions the O&OD participatory planning approach as an example for a

costly planning method, citing a report according to which in one single district (Hai District) \$ 100'000 were spent solely for facilitating participatory planning.

REPOA is one of the NGOs involved in training facilitators for O&OD participatory planning. In order to verify the success of its training and assess the use of participatory approaches to local planning in rural areas, REPOA carried out a tracer study (Cooksey and Kikula, 2005) among the participants of its training courses. The study shows on one hand that participatory methods in planning at local level are indeed increasingly used. However top-down guidelines of central ministries concerning the use of sectoral budgets (education, health, roads) severely restrict the implementation of village plans based on local priorities derived from participatory planning. Another factor limiting the effectiveness of local planning is the large number of villages and wards that make it difficult for districts to integrate village plans.

The study further identifies a number of other problems related to participatory planning: "LGAs are generally under-staffed and many staff are under-qualified; the transport they have is generally used by top officials for official trips, usually outside the district; LG staff lack incentives, many work only part-time; there is lack of data and existing data are generally unreliable; computers and other work tools are lacking. LGAs are more responsive to the region and to central ministries, to donors and international NGOs, than to villages. Half a dozen overlapping national reform initiatives and programmes impinge on LGAs, stretching capacity and creating ad hoc priorities and confusion." (Cooksey / Kikula, 2005, p. 32)

The assessment expressed in the following paragraph from the REPOA study aptly describes the fundamental contradiction concerning participatory planning, which coincides with opinions we heard from a number of our interview partners: "Politically, the discourse of participation and empowerment contained in PRA contrasts with the reality of the dominance of the political-bureaucratic class over economic and civil society actors and organisations. It is true that the bureaucratic mindset is slow to change and strongly influenced by a recent past of state-led, comprehensive development planning. More significant are the vested interests of political-bureaucratic class to retain central control of resources that devolution would put into the hands of others." (ibid.)

The Local Government Reform Programme did not initiate the use of participatory approaches to planning at local level. Participatory planning methods were first introduced by projects sponsored or executed by international governmental or non-governmental agencies. Observations during our field visits confirmed that NGOs have a prominent role in spreading the use of participatory approaches to project planning, implementation and monitoring. Many NGO projects at grassroots level have succeeded in establishing a "culture of participation" that is very effective for empowerment and for fostering ownership for local change processes. This is especially the case in programmes, which involve women. These experiences constitute an important basis and condition for the successful implementation of the O&OD methodology.

One of our interview partners pointed at an important and potentially critical issue with regard to participation. The implementation of participatory planning processes without adequate capacities and without the corresponding mechanisms of participation in the decision-making on allocating funds seems to have led to wide-spread frustration and disillusionment. Politically significant participation is not only about asking people what they need. Participation also means that people have a say in the decision-making on priorities and are involved in the implementation of projects and programmes designed by themselves for their own benefit.

3.2 Administrative Factors

a) Human Resources

Administrative decentralisation was intended to be one of the fundamental characteristics of Tanzania's decentralisation policy. The principle stated in the 1998 policy paper on decentralisation was that local government staff would be accountable to locally elected councils. This implied that councils would be responsible for recruiting, rewarding, promoting and firing their own personnel. Up to date this principle has not been fully implemented.

A major set-back in administrative decentralisation was the enactment of the new Public Service Act of 2002 and 2003 Public Service Regulations which introduced deconcentrated personnel management within a unified public service. This is severely limiting the possibilities of Local Government Authorities to manage their own staff. Meanwhile, measures have been taken to correct this situation by amending the Public Service Act in a manner that takes account of the needs and objectives of administrative decentralisation. However there are still a number of limitations to human resource management at local level:

- The institutional set-up of human resource management at local level is still basically centralised. Conditions of service are still designed by central government thus preventing LGAs to create locally adapted conditions and incentives
- Councils are still exposed to centrally-sanctioned staff transfer
- Some central ministries seem to be undermining administrative decentralisation by setting up parallel procedures in order to continue centralised management of certain categories of staff such as teachers and others
- LGAs have little power to decide over the size of staff at local level; councils continue to have limited power over recruiting and firing key staff
- Limited financial resources prevent LGAs to offer financial incentives in order to attract and maintain qualified staff.

As a consequence LGAs have difficulties in finding and retaining qualified personnel and there are a lot of vacancies, particularly in remote rural areas. There are expectations that the World Bank financed Local Government Capital Development Grants will widen LGA's discretionary power over staff management by providing untied funds to the district councils linked to performance indicators.

As some of our interview partners pointed out, the slow pace in administrative decentralisation is understandable and justified because of the scope of changes that is involved in administrative decentralisation. Changing the mindset of government officials who have been used to work in a formerly highly centralised public service is certainly a long-term task. On the other hand, the slow progress seems to be an indicator for the resistance and lack of political will of central government authorities to devolve power and resources to decentralised levels of government.

b) Capacity Building

Lack of capacity of elected councillors and staff was among the arguments most often heard from our interview partners to explain the slow progress and the deficiencies of decentralisation. Councillors often are elected for their party affiliation and not for their capacities and competencies as local leaders. In general the educational level of councillors, particularly in rural areas, seems to be rather low. One leading official of the LJRP complained that in many cases elected councils are not aware of their duties and functions and are not always complying with their obligations. Another problem is posed by the fact that councillors are elected for a five-year term. That means that efforts for capacity building for councillors must be repeated every five years. Also other actors such as district administration staff and ward and village officials seem to be ill-prepared for the demanding tasks related to participatory, bottom-up and transparent planning and management of local affairs.

Nevertheless, considerable efforts have been made by governmental and non-governmental organisations to strengthen the capacities of the different groups of actors. The 2004 Review contains some impressive figures about the training activities designed and organised by the LGRP (although not necessarily implemented by it):

- 72'000 grassroot leaders have participated in courses on local government issues
- All 3'500 councillors were trained on issues such as their role and responsibilities, revenues, finances, legislation
- More than 6'000 village and ward officials were trained
- Hundreds of thousand of booklets on various local government issues were distributed.

As awareness of the importance of capacity building for the successful implementation of decentralisation has increased efforts for training have been reinforced. An important step forward is the Capacity Building Grant put up by the World Bank as complementary measure to assure successful implementation of the Local Government Capital Development Grant scheme. It will provide means for systematic human resource development made available to qualified district administrations.

One training institution engaged in capacity building for decentralisation was visited during our stay in Dodoma, the Institute for Rural Development Planning (IRDP). It offers various degree programmes focused on local and regional development issues. Additionally, a postgraduate diploma course and short courses provide training opportunities for local leaders and staff of LGAs. The IRDP is mandated by PMO-RALG to develop and implement training courses for Local Government Authorities on the following topics: leadership, project cycle management, information management, local government strategic planning. In view of the Local Government Capital Development Fund the institute is developing training courses on financial planning and investment. However the limited capacities of the IRDP seem to be inadequate for the huge task of area-wide training of councillors, staff and local leaders.

All our interview partners and the written sources consulted coincide on the need for increased efforts in capacity building in order to overcome the enormous challenge posed by the far-reaching change processes of decentralisation. Nevertheless, some progress can be observed. A high-level official of the LGRP pointed out that Local Government Authorities have learnt that they are no longer part of a centralised state apparatus but members of self-dependent local entities, and that they are responsible to the villagers for the democratic and transparent management of local affairs. Bottom-up planning processes are internalised by all actors at local level and have been established area-wide as regular procedure. Also the 2004 Review stated that progress had been made in strengthening the organisational and individual capabilities of LGAs in areas such as financial and human resource management. Furthermore, it stated that general awareness of reform had been enhanced across major cadres such as councillors, directors and senior management, village and ward officials and elected representatives (URT 2004).

c) Governance

Decentralisation by devolution implies changes in two dimensions. On one hand, it aims at re-defining the power relationship between central and local government by devolving power and responsibility from the central state to local government authorities. On the other, it also re-defines the relationship between government authorities (at local level) and the citizens. The local government reform is therefore a governance reform. This implies that principles of good governance not only apply to central but also to local government.

The "Medium Term Plan and Budget, July 2005-June 2008" of the Local Government Reform Programme defines good governance by the following elements: democratically elected leaders, rule of law, equity, public participation, accountability, integrity and transparency. For this

period 2005 to 2008 the programme is focussing on the following priorities and has formulated these objectives:

- Increased accountability of politicians and public servants to service users
- Increased powers and responsibilities decentralised to lower level local government
- Gender issues mainstreamed in local government
- Increased civic awareness and involvement in local government processes.

The evidence available to us indicates that progress towards these objectives seems to depend to a considerable extent on personal inclinations of individual District Commissioners. Whether or not to invite local CSOs to stakeholder meetings, or whether or not to make figures on budgets and expenditure available to the citizens seems to be subject to personal decisions of local officials or politicians. However, democratic values such as accountability and public participation should not be favours granted by well-meaning politicians or officials, but rights to which citizens living under a democratic regime are entitled. Therefore the citizens through their organisations must demand these rights and exercise pressure if these are not granted.

Interviews with representatives of NGOs confirmed that Tanzanian civil society organisations are well aware of these challenges. At national, regional and local level we found evidence of numerous initiatives aiming at strengthening the capacity of the people to exercise their rights as citizens. Some CSOs such as REPOA and others are directly engaged in training and capacity building activities within the institutional context of decentralisation. Other CSO initiatives are focused on building regional and local capacities for participation and lobbying. In general the participatory approach of CSO projects and programmes such as those visited in the Kongwa District (LVIA) or in the Bukoba and the Muleba Districts (Swissaid and FOGOTA), which aim at empowering villagers by building up and supporting their self-help organisations, are laying an important groundwork for participatory and transparent local government.

The analysis of these issues within the broader context of policy reform and international development cooperation raises some interesting points. According to the agreements achieved between donors and partner countries in 2005 known as the "Paris Declaration", development aid has to be delivered based on the principles of harmonisation and alignment. This implies the following approaches:

- Donors should align their aid programmes with the overarching national development policy, in the case of Tanzania the national poverty reduction and growth strategy, the Mkukuta
- Donors should deliver up to 66% of their aid budgets in the form of programme-based aid (i.e. general budget support or sector-wide approaches)
- Donors should harmonise among themselves their aid delivery modalities in order to reduce transaction costs.

This harmonised approach tends to focus development cooperation on one actor, the central government. There is general agreement (which includes the authors of this study) that the new agenda launched by the "Paris Declaration" represents a desirable trend in international cooperation aiming at increased aid effectiveness. However, there is an inherent risk of marginalising other important actors of political and social change that hitherto where also partners of international donors, namely the private sector and civil society. In our view donors should develop mechanisms to enhance their support for civil society organisations at all levels in order to strengthen democracy and foster governance at all levels, independently of the preferences of the partner country's government.

Decentralisation by devolution can only succeed if simultaneously local government authorities and civil society organisations at local and regional level are strengthened in their capacity to act as partners in planning and implementation and to demand transparency and accountability.

3.3 Fiscal factors

a) LGA Revenues and Expenditures

A study by Fjeldstad (2001) illustrated the complicated tax system at the local level, differing in essence from district to district and resulting in more than 100 tax systems at the local level in Tanzania. This resulted in many inconsistencies between local efforts and central policies and the poor administrative capacity to manage local taxes resulted in a rather erratic tax collection. Combined with the deteriorating quality public of services as a result of budgetary constraints in the late 1990s and increasing corruption most taxpayers had the perception of taxes being “exploitative”. This increased tax resistance and sometimes local tax collectors were (selectively) coercive in tax collection. Many small taxes were more costly to collect than the revenues and they represented only 6 % of total tax revenues in Tanzania at that time. However, local taxes were a main source of revenues of rural districts because of small transfer payments from the central government at that time.

In 2003, an “over-the-night” decision by the central government, largely by-passing also the parliament, abolished several local taxes at once⁶. Thus, the local authorities lost various sources of income and the proportion of local taxes dropped significantly (see box on Kongwa). The share of own revenues of LGAs dropped from 20 % to an estimated 10 % of local tax income (URT 2004). Most of the revenues are now from shared taxes⁷ or stem from transfer payments from the central government that are conditional (e.g. for salaries of teachers and health staff). As a consequence, the financial dependency of LGAs from the centre greatly increased (especially of urban areas and districts). The whole process in this policy adjustment created unnecessary problems (drop in revenues) and a broad confusion on tax responsibilities. This pinpoints to the problems which a rapid shift in policies can create if the consequences are not ex-ante assessed and communicated properly.

On the other hand, the abolition of some of the local taxes has rationalised these local taxes and clearly reduced administrative work at local level. The interview partners argued that ownership by local people can be better fostered through beneficiary contributions in form of labour and material or the collection of direct user fees for example for drinking water than taxing them. This is certainly a valid point for rural districts with a high incidence of poverty, but for economically more advanced municipal authorities a sound local tax base could be important for careful allocation of public funds and promoting accountability by tax payers. Many of these decisions and fixing tax rates is a matter of sectoral policies. Overall, the decision making on most of the local taxes seems still highly centralised till now and fiscal autonomy of LGA has not really increased.

The main financial resources at district level besides the local taxes derive from a) conditional recurrent sector grants (usually sector specific allocations based on allocation formula), b) unconditional grants (LGCDG), and c) project related investments and subsidies. The conditional transfers from the central government, which are based on a formula, increased substantially during the past years (see also box on Kongwa) and they more than compensated for the reduction or abolition of local taxes. These transfers are disbursed as sectoral grants, personal emoluments and other charges. Education has by far the biggest resource allocation (ca. 70 % in most districts) followed by health (17 %). Other sectors like water, roads and agriculture get less than 15 %.

A substantial change related to the fiscal decentralisation was the increased transparency as a result of introducing village accounts (e.g. under the Primary Education Development Plan). Funds for primary school constructions are released directly to the village level and the elected council has the full responsibility for the management of the funds used for school expansion programmes.

⁶ E.g. the livestock taxes, development levy or the business licence among others.

⁷ 30 % of fuel levy, 20 % of land rent (for lease of state land), and hunting fees are transferred back to LGAs.

Boex / Martinez-Vazquez in their recent study (2006) concluded that Tanzania's progress in fiscal decentralisation "is placing the country at the forefront of local government finance reform in Sub-Saharan Africa." This success was attributed to a) the introduction of a formula based transfer of central revenues to LGAs considering local level demands, and b) the right sequencing of the reforms (by design and partly by luck), c) systematically considering lessons learnt based on experiences, and d) adjusting the regulatory frame as a result of a broad-based political will. Without such a will Boex / Martinez-Velazques argue the whole fragile fiscal reform would have failed as it did in many other African countries.

b) The Local Government Capital Development Grants Scheme

A new Local Government Capital Development Grants scheme was introduced in 2005. Thus related experiences are rather new and the scheme is being scaled up at present. This scheme, which is financed by the World Bank⁸ and some bilateral donors, will substantially increase the discretionary funds available at district level. This increases the local autonomy and responsibility substantially. The LGCDG scheme provides the districts with additional resources in the magnitude of US \$ 0.5 million per year in average in order to invest in priority projects selected at the local level (and approved by the higher levels) and to build local capacity through trainings on new procedures (e.g. such projects need to undergo an environmental impact assessment). This will put the priority to local level negotiations in order to decide whether a community wants to invest in more clinics versus more roads, or more class rooms versus more desks. This provides the LGA with ample responsibility and opportunity to engage in learning by doing.

The inherent risk of low capacity at local level to manage these processes and funds is met by a capacity building programme for councillors, LGA representatives and members of CSOs. In order to avoid that investment will be allocated to non-poverty related areas there is a clause that at least 80% of investments must go into priority areas outlined in the Mkukuta strategy. Another concern is that local technical and administrative capacities to implement this scheme are not yet in place in all LGAs. Another challenge is the big variation in capacity and performance of local authorities.

In order to obtain such funds, the districts have to qualify with a proven record of good governance behaviour mainly in the field of financial management (e.g. procurement, financial reporting, audit statements, etc.). Around 70 of the 120 LGAs are presently eligible and the scheme has increased the pressure on local authorities that do not yet qualify for participation. Local people and politicians increasingly opinion their voice to improve the performance of the district in order that it also qualifies for these additional resources. Some local government councils even started to demand the replacement of ministerial staff that was responsible for the low performance, which however was not much appreciated by the central ministries. There are also concerns that the capacity for independent audit of the LGA accounts is low (there are many vacancies in the LGRP) and that the assessment could be too lenient because of political considerations or pressure.

The past fiscal reforms and these LGCDG resources result in substantially increased budgets at the district level (see Annex G). The resources available at the local level are expected to increase substantially and in the case of the Kongwa District will show a 6 fold increase of per capita budgets at local level between 1999 and 2007. This good progress will, however, increase expenditures only to approximately US \$ 25 per capita and year (for the Kongwa District). This poses two challenges: firstly, to invest these additional resources in the districts requires a more active role for the CSOs and the private sector in project planning and implementation, and secondly the LGCDG resources of the World Bank are loans that will have to be paid back in future by Tanzania. Although the Bank has made a cost-benefit assessment, only improved performance of the LGA, better cooperation with CSOs and the private sector, and in-

⁸ The World Bank committed US \$ 30 million for a first phase in 2004, and an additional US \$ 92 million in 2006.

creased accountability at local level will ensure that these additional resources are spent in effective investments at local level benefiting the poor.

c) Accountability and Transparency

The transparency in budgeting and financial information at the village and district level has improved as a result of the Local Governance and Public Finance Reforms. The Finance Minister has reiterated the role of civil society in her recent budget speech when she said "... likewise the general public is reminded of its responsibility of regularly scrutinizing the council's expenditures by tracking disbursements from the Treasury" (URT 2006). Many people and organisations are aware that they have the right to see the figures of public finance and such figures have to be shown on boards. This political and legal right to information is ensured in the constitution as well as in a variety of policy documents that have further specified this right.⁹ Yet, the following problems persist in disseminating the information on budgets and expenditures:

- The analysis and interpretation of budget figures needs analytical skills that are not easily available, both among many elected councillors, local NGOs as well as ordinary citizens
- The access to relevant financial data is constrained because a) budgets can change substantially during the year (e.g. because a donor makes a substantial commitment on short notice), b) and that b) districts receive funds from a broad range of sources (bilateral donors, international NGOs etc) which are not all channelled through LGAs
- Analysis is further complicated because revised budgets and expenditures often do not match (e.g. underspending), or budgets and expenditures are not transparently linked or because no breakdown for individual items is available. Financial formats can be complicated and therefore analysis can be time-consuming
- Getting the disaggregated information on how funds are channelled from LGA to ward and village level can be a big challenge and involve a lot of work, especially when the funds are from various sources.

The level of transparency achieved at field level depends not only on technical measures such as the Finance Information Management System, or signboards and Internet homepages but depend on the willingness and communication capabilities of the District Commissioner, the District Executive Director and related staff to provide an information sharing platform. In Kongwa such a platform existed through the regular "stakeholder meetings". Secondly, information about budgets has become more transparent through notice boards in the districts and the web-based Tanzania Governance Noticeboard, maintained and updated by REPOA. Recently, the GoT has also started to provide detailed information on budgets and expenditures at the district level (<http://www.logintanzania.net/about.htm>). Despite these efforts, many interview partners believe that the outreach of such information in rural areas is very limited. For many people radios remain the single most important information tool and as long as Internet information is not translated into Kiswahili, such efforts are mainly for reassuring the critical donors. Also the recent joint expenditure review (PEFAR 2007) by donor and national representatives has concluded that data collection and reconciliation at the local level is a challenge.

Accountability is inextricably linked with the analysis of how and where the money is flowing. Though the LGA accounts are audited regularly (by MOF auditors) there is some concern regarding the independence of these auditors and the strong position and influence the district accountants have. As a specific form of social audit,¹⁰ the Public Expenditure Tracking Surveys

⁹ Mkukuta states that „equitable allocation of public resources with corruption effectively being addressed“. The LGRP explicitly mentions the role of CSOs: “the demand side of the information equation is where NGOs in particular have a comparative advantage” (PMO-RALG 2005).

¹⁰ Social audits date back to the 1950s. It is a way of measuring, understanding, reporting and ultimately improving an organization's social and ethical performance. A social audit helps to narrow gaps be-

(PETS) were piloted in Tanzania and a network of CSOs has elaborated a training manual in order to scale it up (Hakikazi Catalyst et al. 2006). PETS refers to a system of presenting public financial information in a way that allows the main stakeholders such as councillors, government officials and CSOs to analyse where the money is coming from and where it is being spent. The draft training manual outlines 3 different methodological approaches:

- Focus on efficiency and effectiveness: Compilation of budget/expenditure tables and analysis of the flow of funds to lower tiers at LGA level
- Focus on marginalised groups (e.g. gender): Policy analysis on the basis of policies and possibly sex-disaggregated data
- Focus on community: participatory development of community score cards to monitor budgets and poverty indicators.

Although the access to information is legally guaranteed, the actual access to such data is cumbersome and requires a strong CSO network in the district and strategies to involve the media.

Good governance and decentralisation is a main concern in the Mkukuta strategy and a priority for the government. Capacity building to absorb all the new guidelines and procedures has started rather late but is now being taken up by many stakeholders and training providers. The problem is that this capacity building (changing mindsets) takes more time than technocratic changes in procedures, guidelines etc. There is still a big need for the government to actively engage with the civil society and to fully exploit the complementary potential.

On the other side there is substantial potential to improve financial and operational transparency on activities and results at the CSOs. For various reasons, some NGOs are quite comfortable with opaque levels of transparency. A successfully established CSO platform is the creation of the Foundation for Civil Society (FCS) a few years ago, following an initiative of several donors. It has a substantial budget of several million US \$ and supports local NGOs nation-wide with small, medium and strategic grants. This aims at strengthening the capacity and voice of the civil society in Tanzania. It operates on a very transparent basis and all grants to local CSOs can be traced on their homepage. Yet, the organisation is concentrated in Dar es Salaam and a continued growth of the portfolio would require its decentralisation. There are many big visible NGOs in urban areas but the link with grass root level activities (CBO) in the districts is a big (cultural) challenge for most of them.

Donors emphasise the importance of the watchdog function of CSOs. The Local Government Capital Development Fund is being linked to a performance assessment of LGA using criteria such as clean audit, orderly procurement, and transparency. Accordingly, it is the CSOs' task to put pressure on the local authorities to improve their performance so that the respective district will get access to funding.

3.4 Case studies: Kongwa, Bukoba and Muleba Districts

The following two pages depict our discussion results in the three districts.



Village women

Kongwa District Case Study



District Commissioner

Kongwa District was created in 1996 and has approximately 250'000 inhabitants today. Kongwa town is located 10 km from the Dar es Salaam – Dodoma highway, located in the semi - arid high-lands of central Tanzania. The people suffered from a sever drought in 2005 which resulted in food shortage of the staple crops millet and maize.

Political decentralisation: Kongwa, being a relatively small district, has only one representative in the parliament. Out of the 30 district councillors, 29 are from the CCM and one from an opposition party. The handing over of additional responsibilities with the LGRP to the district and village has initiated an empowerment process not only among the involved government staff but improved participation of ordinary citizens in planning, implementation and evaluation of investments. The leaders are now under a bigger pressure to deliver what is stipulated in the plan than before. A lot of networking is done by the councillors to attract funds from central ministries and donors (which is a main source of legitimacy and improves chances of re-election).

Administrative decentralisation: Every 2-4, months a stakeholder meeting of development partners takes place that is open to anybody. Strategic issues are discussed here between the line ministry representatives, local authorities, CSOs and citizens. Cooperation between the 61 CSOs and the authorities has considerably improved. However, only few of these CSOs are actually operational and they are either international NGOs (US-based “Helen Keller International” (health, nutrition) and the Italian LVIA (Lay Volunteers International Association) or faith based CSOs that receive donor funding. The CSOs submit their budgets to the district authorities, report regularly on their projects, and participate in district council meetings when matters of their concern are treated. Whereas budgeting seems to be a fairly consolidated matter, the reporting by LGAs to central ministries and individual donors is complex and subject to specific donor requirements.

Last year out of 1'300 primary students that passed class 7, only 760 had secured places in secondary schools. Thus, the villagers built additional classrooms and some additional teachers were provided by the ministry. Usually the best teachers at elementary level are promoted for secondary level without further studies or students from the university recruited as secondary teachers. Additionally, local civil servants volunteered to teach the students part time. This was presented as an example how government staff and ordinary people are now assuming more responsibilities to change life in the village through their own initiative.

Major constraints for effective public services are the lack of mobility (not enough bicycles, cars), the need to further train councillors and to further improve the transparency of relations between CSOs and the government. The district headquarter does also not yet have e-mail and internet access, making coordination work a challenge.

Fiscal decentralisation: According to the Tanzania Governance Noticeboard, the total budget available more than trippled between 2001 and 2005 to US \$ 2.3 million (see Annex G). Inflation reduced the net value by roughly one third in the same period. The local revenue collection continuously dropped to zero in 2005. Thus all budgeted revenues were transfer payments from the centre of which 75% were for personal emoluments (salaries of staff), 24% for operating costs (electricity, fuel, etc.) and 1% for development investments.

Most funds for development expenditures come from donors through: a) sectoral programmes (e.g. agricultural activities), bilateral programmes or NGO activities. These programmes and activities are coordinated through a regular “stakeholder forum”.

The district has received a fourth instalment of more than US \$ 100'000 in FY 2005 under the LGCDG scheme. This source of revenue was not mentioned for development activities during our interview. These grants would certainly increase the room for manoeuvring to address the most prominent local problems: water and food security in the district.

Swissaid Tanzania: Bukoba and Muleba District Case Study

The Swiss based NGO "Swissaid" has been managing a grassroots development programme in Tanzania since the early nineties. At present, Swissaid Tanzania is supporting the activities of its local partner groups in three areas: Dar-Coast Region; Mtwara and Masasi District in the South (Mwtara Region); Ngara, Muleba and Bukoba Districts on Lake Viktoria (Kagera Region). The two districts of Bukoba and Muleba were visited by Walter Egli (member of the Board of Trustees of Swissaid). The main purpose of the visit was to gain first-hand impressions on the fieldwork of Swissaid. At the same time, the visit provided valuable inputs for the NADEL exploratory study on decentralisation and civil society.



Swissaid Bukoba Team and FOGOTA Umbrella Organisation

Swissaid's approach aims at promoting self-help groups at the grassroots and supporting these groups with training, technical advice, small grants and credits. These support services are delivered out of so-called umbrella organisations, which cover the groups in a determined geographical area. Representatives of the participating groups govern the umbrella organisations. Increasingly the umbrella organisations are successfully mobilizing funds from sources other than Swissaid.

The umbrella organisations have begun forming their own organisation, the Forum of Grassroots Organisations of Tanzania (FOGOTA). The purpose of FOGOTA is to support the umbrella organisations in their efforts to mobilize their own funds and in their policy engagement at regional and national level (advocacy, lobbying).

In the two districts of Bukoba (3 umbrella organisations, 95 groups) and Muleba (4 umbrella organisations, 108 groups) the support of Swissaid is focused on the following thematic areas: Land tenure for women, diversification and improvement of sustainable agricultural production, animal husbandry, environment conservation, handicraft and carpentry, trade, HIV/AIDS



Dairy Goats Project

The success of the projects was not only visible observing the state of agricultural plantations, animals or reforestations. The groups also confirmed these positive impressions by expressing their satisfaction with the economic impact of the projects. An obvious impact of the many years of continuous work with the groups is the empowerment of the villagers, especially women who are assuming positions of responsibility within their groups and in the umbrella organisations. A considerable number of members of Swissaid or FOGOTA groups have been elected into village or district councils. Officials of the district administration of Muleba emphasised the importance of grassroots organisations such as FOGOTA as partners for local government.

Another important result of Swissaid's continuous presence is the capacity of the umbrella organisations to organise and deliver services such as training, technical advises or micro-credits to village groups as well as competencies in project cycle management, financial management and methodology of participatory approaches and adult education. District officials in Muleba confirmed that this capacity represents an invaluable asset in areas where the capacity for service delivery of Local Government Authorities is limited.

Only recently have the umbrella organisations of Swissaid and FOGOTA begun to seek a more active involvement in advocacy and lobbying activities at local or regional level. For instance, the umbrella organisations of Bukoba and Muleba districts are participating in a CSO network at the level of the Kagera region that tries to improve the modalities of service delivery of the regional and local health authorities regarding HIV/AIDS testing.



Youth Group Engaged in HIV/AIDS Awareness Raising

There seems to be little awareness of the opportunities and potentials offered by decentralisation. While a number of members of these groups have been elected as district councillors, the groups as such apparently are not engaged in an active dialogue with district authorities.

4. Effects on Access to Services, Empowerment and Impact on Poverty

4.1 Effects on Access to Services

Generally, all representatives from the government and CSOs have stressed the fact that access to basic services has improved, although at a somewhat slower pace in rural areas. However, opinions differed on whether this was up to expectations and up to the desired quality standards. In the context of this exploratory study, it was not possible to analyse specific changes in access to services at district level. The following table provides some selected but aggregated trends on access to services:

Access to services (examples)			
Indicator	1990	2000	2005
Net primary school enrolment %	ca. 50	59	95
No. of primary teachers	na	105,000	135,000
Teacher pupil ratio primary	1:37*	1:37	1:56
Teacher pupil ratio secondary	1:17*	1:20	1:22
Urban water supply coverage** %	67 (87)	70 (90)	73 (85)
Rural water supply coverage**	43 (35)	50 (46)	53 (42)

* 1995

** Reported by Ministry (Reported by Survey/census)

Source: Poverty Brief, DP Poverty Monitoring Group, and URT (2006)

Access to services has most spectacularly increased in education but the teacher to pupil ratio has deteriorated since the number of students has increased much faster than the number of teachers, with substantial regional variation (some schools have 80 and more pupils per teacher).

The lower ministerial figures in access to drinking water in urban areas are explained by the circumstance that private sources (boreholes) are not registered and many households obtain water from their neighbours. Explanations for the declining trends in access to water in rural areas are not given. However, disparities in access to water in rural districts are enormous, ranging from 4 % (Sikonge) to 82 % (Arumeru). It is this rather huge divide of access or quality of services that are specifically addressed by advocacy CSOs and (opposition) parliamentarians.

The LGRP assesses the performance of each district. The following graph shows the relation between the governance performance (using the rating for 2003) and the net primary enrolment ratio for the ten best and ten last districts that participated in the LGRP scheme (38 in 2003). One would assume a positive correlation between the governance scoring in a district with its primary education level. This brief analysis reveals that there is no significant difference (correlation) discernible between the ten best performing district councils and the ten lowest performing. The correlation among the ten best performing councils is marginally negative (-0.2), whereas the correlation among the ten lower performing councils is slightly positive (0.12, see Annex G). That would not yet provide evidence that better governance has improved access to primary education as a result of decentralisation in a sector that has seen a substantial expansion of services during the past years. But any conclusions on such a selective basis might be premature and risky because the analysis a) would have to include access to other basic services (secondary education, health, roads, etc), b) would have to include a time series analysis in order to capture the effects of decentralisation related capacity building effects (e.g. changes between 2002 and 2005), and c) such changes are the outcome of behavioural changes in

planning and implementation of projects at district and lower levels and impacts having a time lag in order to be shown in statistics.

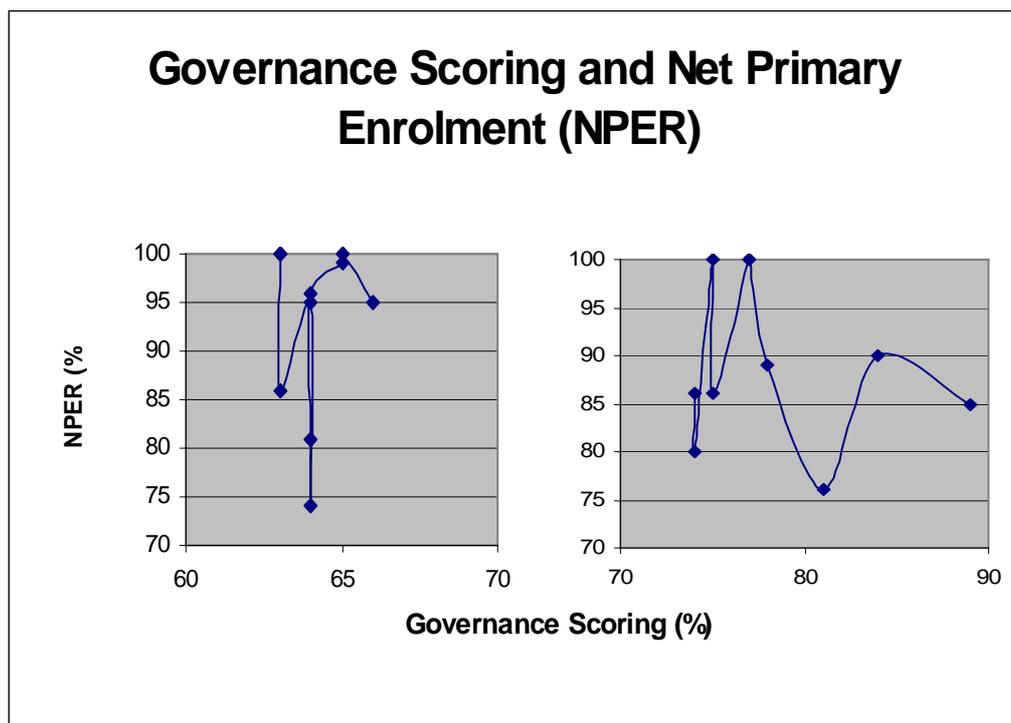


Figure: *Relation between the governance scoring of district councils (2003) with net primary enrolment in 2004 (see also Annex G).*

There is substantial data available at the district level (though of varying reliability) and the analysis of the progress of decentralisation with changes in access to services would reveal explanations whether the decentralisation process has contributed to better services or not. Similarly, such an analysis should include the changes in activity levels of CSOs in the districts in order to assess the extent to which CSOs have contributed to improved access. Such an analysis was beyond the scope of this study but could be the topic of further research.

4.2 Effects on Empowerment

All the interview partners, from government and the civil society organisations, have emphasised that the Local Governance Reform Programme and the subsequent bottom up planning process has contributed to empowerment processes:

- Participatory decision making and for the first time prioritisation of development investments at local level were introduced through the LGRP and related sectoral reforms (e.g. In education)
- Improved coordination and transparency of activities that are implemented by the various stakeholders at local level
- Ordinary citizens are now much less shy to express their views and raise questions. They are more aware about their roles and responsibilities in contributing to better basic services (education, health, water and agriculture)
- A significant diversification of the CSO and community based organisations has taken place and a much intensive role in the policy dialogue at the district level can be observed

- Increased pool of ministerial field staff who were key agents for the positive changes achieved at the local level.

Yet, the expectations about achievements were very high and the evaluation in 2004 concluded that “over-ambitious targets, national and local elections, coordination issues with other reforms and delays in putting the necessary legislation in place” meant that progress in implementing the D-by-D reform was considerably slower than originally anticipated. Staff responsible for the decentralisation process seemed fairly self-critical during our interviews; especially the possibility to get the real commitment of the other line ministries was seen as critical bottleneck.

A critical factor that was mentioned by the interview partners is the role of the donors, being it bi- and multilateral donors or international NGOs. Given the high amount of aid (approximately 50 % of the government budget) and the trend to channel aid through budget support bears the risk that the role of CSOs does not grow correspondingly. Their influence could grow again if they are capable to compete for service delivery or capacity building contracts that will become a feature of budget support at the district level.

It seems that there is a corresponding shift towards budget support with the CSOs, though on a much smaller scale than in the case of the government. Some donors shift towards more budget financing and programme financing for CSOs. Overall, it seems that the CSOs play a prominent role in balancing the government at local level as complementary service providers or as oversight body. The big public budget expansion will put many CSOs in a complementary service delivery role.

Many of these positive changes in empowerment cannot only be attributed to the LGRP but are the result of the broader democratisation and economic liberalisation reforms undertaken since 1990. In order to increase public awareness about the importance of the LGRP, the government introduced a “Local Government Day” which is celebrated on 1st of July starting from 2005. Yet, the principles of the decentralisation reform are not much known in the broad public.

4.3 Impact on Poverty

The first decentralisation era (1972-1984) was characterized by an effort to de-concentrate central authorities to the local level with the effect that central government controlled everything down to the village level and ended in a socio-economic disaster (deterioration of infrastructure and a rapidly falling standard of living). The recent decentralisation era (since 2000) is now characterized by the devolution of authority to the Local Governments that were re-introduced some 25 years ago. And what are the effects this time?

There has not been much systematic analysis about the impact of decentralisation and the role of the civil society on poverty in Tanzania. Ngware (2005) was exploring whether the LGRP is impacting positively on the lives of the Tanzanians. The exploratory paper concluded that it has indeed made a positive difference (e.g. introduction of equitable and transparent transfer of revenues and capital development grants from the centre, integration of administrative staff into the LGA administration, strengthening of the local democratic institutions, etc). However, the report states that the evidence is based on the conviction of the authors and not on empirical data. Thus the report is not based on directly observed and tangible evidence but was rather based on declared aims of the LGRP.

What is certain is that the present decentralisation era coincides with a) a relatively robustly growing economy, b) a set of major policy reforms that are implemented as a package and c) a stronger and more vocal civil society compared to earlier decentralisation efforts. The following table summarises the poverty incidence. However, there is no attempt made to relate these changes to any of the above shifts in the policy framework.

Economic Growth and Poverty Incidence			
% of population below basic needs poverty line / share of population	1991	2001	2006
Rural areas	41 / 82	39 / 79	31* / na
Urban areas			14* / na
a) Dar es Salaam	28 / 5	18 / 7	
b) Other urban areas	29 / 13	26 / 14	
Average annual GDP growth	2.5 (90-94)	4.0 (95-99)	5.8 (00-04)

* projection

Source: URT (2005) Poverty and Human Development Report

The accelerated growth since 1994 has positively impacted on poverty in Tanzania as shown in the 2001 data. The data also clearly shows that the poverty reduction is mainly taking place in the capital of Dar es Salaam, whereas effective poverty reduction in rural and other urban areas was moderate, despite impressive agricultural growth. The poverty elasticity is clearly in favour of urban areas: 1 % of economic growth reduces poverty by 1.3 % in rural and 2.6 % in urban areas where poverty is often not very deep. In order to reach the MDGs of halving poverty by 2015 would require an average growth of 6 %, in order to reach the more ambitious Mkukuta target of halving poverty by 2010 will even require an average growth of 8 % per year.

The challenge is to reduce the poverty rates in rural areas. This can only be achieved if agricultural development perspectives for the millions of smallholders producing mainly for self-sufficiency can be sustainably improved. Civil society, especially producer organisations in form of commodity specific organisations, producer cooperatives or integrated producer schemes need to play a more important role in future than today. The government should provide clear guidance on how to optimize the cooperation between Local Government Authorities and the CSOs towards this aim.

Within this study it was not possible to correlate district level data in order to assess whether successful decentralisation and increased participation of civil society organisations in planning, budgeting and expenditure reviews has positively impacted in poverty reduction. The planned budget and household survey foreseen for 2006 in the Mkukuta Monitoring Master plan will provide a basis to compare the income data of districts with the governance performance¹¹ under the D-by-D decentralisation between 2001 and 2005. However, there would be the challenge to develop a methodology to measure the participation/influence of CSOs at the local level.

¹¹ The LGRP monitors the governance benchmark of the districts through a set of 222 indicators which have been unchanged since 2001.

5. Conclusions and the Role of Development Cooperation

The conclusions shall be presented in the form of strong and weak factors about the role of the civil society in pro-poor decentralisation in Tanzania

Achievements so far:

1. Decentralisation reform (D-by-D) in Tanzania, which started de facto only in 2000 is embedded in a broader reform agenda and in line with the Mkukuta strategy, the national poverty reduction strategy (2005). The reform has benefited from the gradual economic and political liberalisations that started almost 20 years ago which seem to be irreversible by now. This process happened concurrently with a broadening and deepening of the civil society which has an important role as service deliverer (especially in rural areas) and to advocate rights of citizens.
2. The D-by-D reform has its undisputed success in the bottom-up planning process that was introduced country wide. Known under the “opportunities and obstacles to development” approach (O&OD) it combines a variety of participatory approaches for need based planning.
3. The Local Governance Reform together with the other steps of economic and political liberalisation have fostered a new sense of responsibilities and ownership at the local level. This has created a feeling of “they know that they are equal” among participants in village, ward and district level planning (as it was expressed by a District Commissioner).
4. Transparency of governance and transparency of the cooperation between the government (at all levels) and the civil society has steadily improved. The civil society is seen as a complementary partner for development activities and also its (critical) role as oversight institution is accepted as long as critical statements are supported by constructive recommendations. Though some NGOs were at the point of prohibition, counter pressure from media, intellectuals etc. have strengthened the role of civil society organisations.
5. The change in fund managements as a result of fiscal decentralisation has empowered local authorities (councils). The transfer of funds and spending responsibilities to the village level has improved transparency and accountability, but tracking of local expenditures remains a challenge.
6. There is a broad consensus that the decentralisation efforts through the LGRP and through reforms in line ministries have brought better services closer to the poor people (e.g. primary school enrolment is almost 95 % now and access to rural water supply has increased from 43 % in 1990 to 53 % in 2005). Yet, the deficiencies in quantity and quality of services in education, water, health and roads at local level are still enormous.
7. The recently introduced Local Government Capital Development Grant increases the discretionary resources available at local level. Although this is funded through a World Bank loan it might reduce the overwhelming dependency of local districts from donors and civil society organisations in addressing local problems with development investments.

These are clear signs that a change in the mindsets of people about the importance and role of local government and civil society and citizens has started. However, decentralisation process has not progressed as rapidly as expected in 1998 and the following challenges remain:

1. The lack of skilled and experienced staff at regional and district level within line ministries and local authorities, the often rather low education background of councillors and among leaders and members of the civil society requires additional capacity building efforts. The principle of democratic change means that due to the functional rotation such capacity building efforts will have to become a built-in factor of the development process.

2. The extremely limited financial resources at local level bear the risk, that bottom-up plans based on felt needs cannot be implemented within a reasonable time span and that the participatory planning process loses its credibility. The scarce resources and the political pressure to satisfy many constituencies increase the risk of a piecemeal approach contradicting the need to focus investments to strategic problems (e.g. education quality at secondary level).
3. The abolition of local (rural) taxes makes sense from the perspective of poverty alleviation and administrative cost-effectiveness. However, dependency from central transfers has increased and most decisions on taxes are taken by the centre without broad consultation process. This reduces local ownership and the incentive to implement cost-effective projects at local level (especially in towns with a potential for a broader and growing tax base).
4. The civil society sector is still at its infancy stage, despite the emergence of national umbrella organisations. Financial dependency from donors is enormous, correspondingly influencing the flexibility to readjust strategies. Service delivery oriented organisations play a vital role in strengthening access of poor people to social services. Advocacy oriented civil society organisations play an increasingly important role in urban areas with a growing middle income class, while they are still at an initial stage in rural areas.
5. The additional Local Government Capital Development Grants available for the districts that qualify, offer unprecedented scope for investments decided for by the LGA but bear the risk that scarce resources are wasted in inefficient investments and funds are misused if no adequate control measures are put in place: technical and financial expertise at local level has to be improved, and independent auditing and public expenditure tracking surveys should become the routine rather than the exception.
6. The administrative decentralisation has seen a setback when the Public Service Reform has allocated the powers of appointment, confirmation of appointments and promotion of local staff to the line ministries (Public Service Regulations 2003). In future, increased responsibilities for appointment, promotion and termination of appointments should be decentralised to LGAs in order to fully comply with D-by-D principle for administrative decentralisation.
7. Presently the centrally appointed executives play a decisive role at regional and district level, and often are more experienced and powerful than the elected councillors. In order to comply with principles of political decentralisation, the executive at the district level should become an elected posting in the mid term. This, however, requires a functioning multi-party democracy and the scope of changing majorities.

Decentralisation by devolution can only succeed if simultaneously local government authorities and civil society organisations at local and regional level are strengthened. There is a need to review the role of CSOs in the light of increasing aid harmonisation allocating more ownership and resources to governments. The CSO sector in Tanzania should receive due consideration and support should aim at:

- Strengthening CSO's capacity for participating in policy making at national level through the support of independent research organisations, policy networks, advocacy and lobbying organisations
- Capacity building in the field of organisational development, specifically for non-profit civil society organisations and social movements
- Strengthening and supporting participatory service delivery through CSOs in order to establish a broad network of community-based organisations (CBOs).

Annex A: Conceptual frame and guiding questions

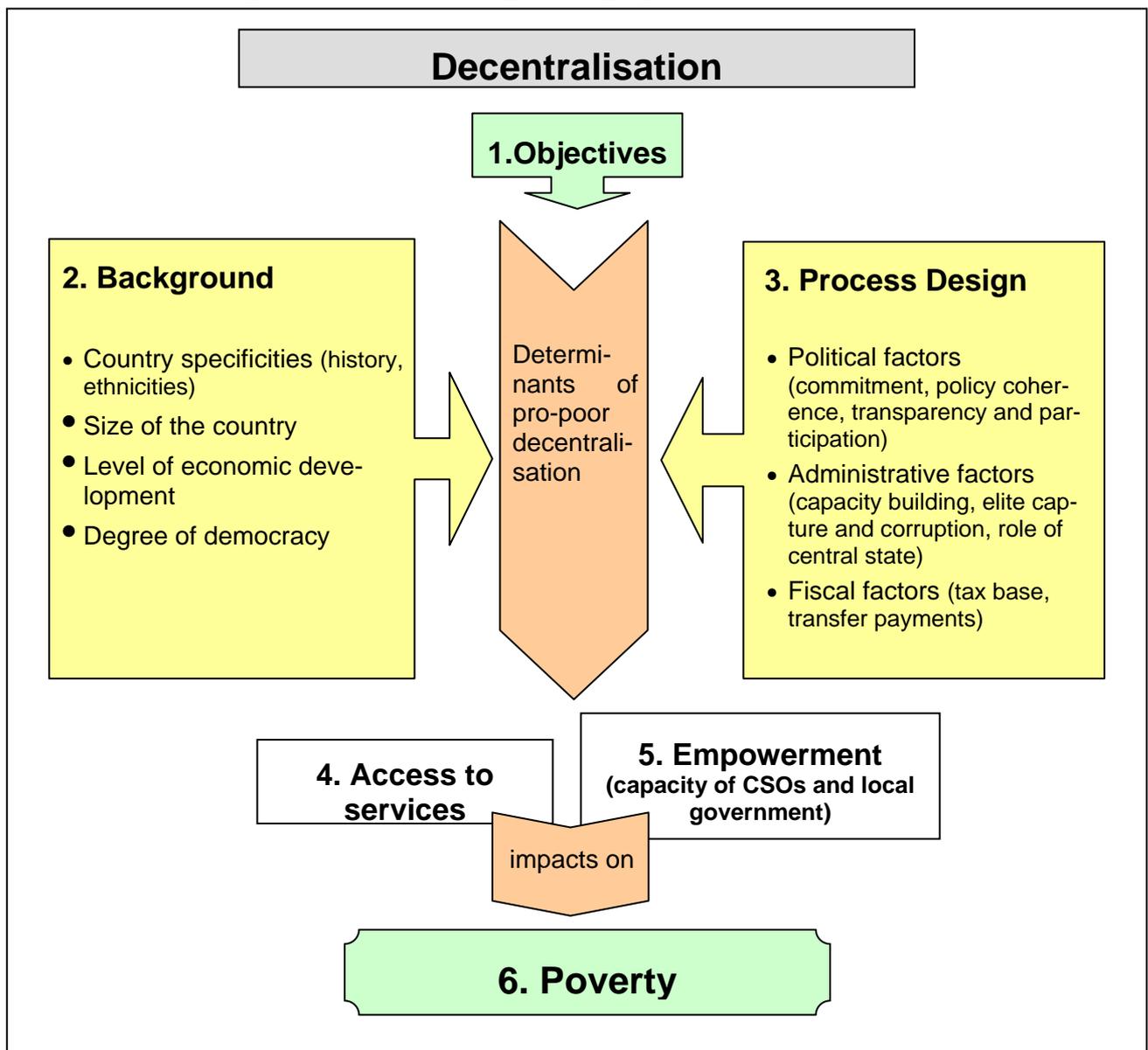


Figure : Model used to formulate the questions (adapted from Jütting 2005).

1) Objectives of decentralisation

- Does civil society have a stake in defining the objectives of decentralisation and local governance reforms?
- What is the role of civil society organisations assigned to them by the legal decentralisation framework and declared through official discourse?
- Does the legal framework support the foundation and work of CSOs?

2) Background

- General background information on size, social, economical and political aspects of the country: What has been the tradition of civic participation in politics?
- What types of CSOs do exist at local level and what has been their history in local affairs? (political, social or religious background; types of activities; funding; leadership; political involvement; etc.)

- What is the capacity of CSOs to dialogue with Government and to participate in political processes? (service delivery and advocacy)
- Do CSOs represent the needs and interest of all social and ethnic segments of the population?

3) Factors regarding the design of the decentralisation process

Political factors

- Commitment to decentralisation

- To what extent is the government committed to delegate power and responsibilities to CSO? Do central and local authorities actively promote civil society participation in decentralised public sector management?

- Internal policy coherence

- Is decentralisation part of a broader agenda of reforms undertaken by the government (economic liberalisation, democratisation reforms,)?
- Is there a coherent policy set that supports CSOs in the decentralisation process?

- Transparent and participative process

- How well structured is the information flow between CSOs and local government agencies (information on activities of local institutions, coordination platform)?
- Which CSOs participate how effectively in local planning and budgeting and what is their role in monitoring, expenditure review and control? (e.g. social auditing)
- How well does media inform on decentralisation and public policy issues?

Administrative factors

- Elite capture and corruption

- Are traditional and modern CSOs dominated by local elites?
- What is the role of the CSOs to counter corruption and to monitor administrative behaviour (inspection; investigating commissions appointed)?

- Capacity building

- Does the central government invest in capacity building and/or financial support of CSOs?

- Central / local powers

- Does the service delivery of CSOs complement the service provision of local government agencies and how do they adjust to new public services that were not there before?
- How is decentralisation affected by appointees from the central government at local level?

Fiscal factors

- To what extent do CSOs improve the local tax base (income generation of beneficiaries/members?)
- Do CSOs lobby for increased transfer of payments for poor regions?

4) Access to services

- How and to which extent do the CSOs improve incomes in rural areas?
- Do CSOs bring basic services (e.g. health, extension) closer to poor people?

5) Empowerment

- Do CSOs represent and promote the interest of the poor and socially excluded?
- To which extent does donor support strengthen the local CSOs?

- To which extent do CSOs increase the voice of the poor?

6) Poverty impact of decentralisation

- To which extent do improved access to services and empowered local CSOs contribute to reduce poverty?

Annex B: List of People Met

Dar es Salaam

Mrs. Katharina Häberli, SDC, Deputy Country Director
Mr. Jared Duhu, SDC, National Programme Officer
Mr. Emmanuel Kazungu, FOGOTA, Secretary General
Mr. Ally Suedi Kasingo, FOGOTA, Human Resources Officer
Mrs. Rose Safari, Swissaid Tanzania, Country Director
Mrs. Mary Mwingira, TANGO, Executive Director
Mrs. Claire Lhewabura, Project Officer Friedrich Ebert Stiftung
Mrs. Waheeda Shariff Samji, Carpe Diem Ink Consultants
Mrs. Rehema Tukai, REPOA, Research Coordinator
Mrs. Joanita Magongo, REPOA, Researcher
Mr. Paul Sherlock, Embassy of Ireland, Development Specialist
Mr. Charles Chitinka, PMO-RALG, Human Development Officer
Mrs. Vera Florida Mugittu, Managing Director Muvek Consultants
Mrs. Annet Witteveen, Intercooperation Representative
Dr. Oswald Mashindano, Senior Research Fellow, ESRF
Mr. John Ulanga, Executive Director, Foundation for Civil Society Dar es Salaam
Mrs. Mora, Information Officer, World Bank

Dodoma Region

Mr. Felix Bachmann, Chief Technical Advisor, Intercooperation, Rural Livelihood Development Programme
Mrs. Safia Mbamba-Chuma, Project Officer, RLDC
Staff of the Rural Livelihood Development Company (RLDC)
Mr. Yunuev Rugeiyamu, Deputy Regional Administration Secretary
Mr. Masdom and Mr. Mrichodi, representatives of the Regional Administration Secretariat
Mr. Shaban Muyombo, District Commissioner, Dodoma Urban
Mr. Zitto Kabwe, Member of Parliament, Chadema Party
Mr. Omal Ilyas, free-lance Consultant
Prof. Batimo Sebyiga, IRDP, Director of Studies
Prof. Innocent Zilihona, IRDP, Head Department of Research and Consulting
Mr. Bitegeko B. Claudio, PMO-RALG Dodoma, Director Governance Section
Mrs. Naomi Sawe, PMO-RALG Dodoma, Senior Town Planner
Mr. D.V. Toureka, PMO-RALG Dodoma, Economist
Mr. Lurige S. Andres, PMO-RALG Dodoma, Economist
Mr. Zawachiel B. Mchome, Regional Commissioner Dodoma Region
Mr. Musiba, Principle, Training Institute for Local Government, Hombolo

Kongwa District

Mrs. Florence Horombe, District Commissioner, Kongwa District

Mr. Mashaka Mwenda, Sr. Economist, Planning Department, Kongwa District

Mr. Anania Bansimbile, Agricultural Field Agent, LVIA

Mr. Levison Nyanganyi, Microfinance Field Officer, LVIA

Mr. Ricardo Paloscia, Country Coordinator, LVIA

Mrs. Simona Conti, Administrator and Microfinance Sector Coordinator, LVIA

Mr. Japhet Chamgeni, Agricultural Field Animator, LVIA

Village Secretary Ibwaga Village

Bukoba and Muleba District

Thomas Byarugaba, Programme Officer, Swissaid Tanzania

District Agricultural Officer, Muleba District

District Trade Officer, Muleba District

Leaders of the following FOGOTA and/or Swissaid groups:, Waitu Boresha, Vumilia Butemba, Kashangura Tweyambe, Muleju, Muvimawamu, Uhunziasilia, Kimwaka Katunguru, Mwavuli-Uvibo, Kamachumu, Buhungiro, Tutunyu

Annexe C: Literature

A) General

BMZ (2002): Good Governance Policy, Paper Nr. 405

DAC/OECD (2001): The DAC Guidelines. Poverty Reduction

Jütting et al. (2004): Decentralisation and Poverty in Developing Countries: Exploring the Impact; OECD, Working Paper No. 236

Jütting et al. (2005): Decentralisation and Poverty Reduction; OECD, Policy Insights No. 5

Jütting et al. (2005): What makes decentralisation in developing countries pro-poor?

UNDP (1997): Governance for Sustainable human Development. (<http://magnet.undp.org/policy/>)

B) Tanzania

Boex, Jameson / Martinez-Vazquez, Jorge (2006): Local Government Finance Reform in Developing Countries. The case of Tanzania. Palgrave Macmillan New York.

CMI, Chr. Michelsen Institute (2000): CMI Report R 2000:6, Civil Society in Tanzania

Cooksey Brian, Kikula Idris (2005): REPOA Special Paper Nr. 17, When bottom-up meets top-down: The limits of local participation in local government planning in Tanzania

Duhu Jared (2005): Donors strengthening Civil Society in the South: A case study of Tanzania. In: International Journal of Not-for-Profit Law Vol. Nr. 8, Nov. 2005

DPGWG (2005): The Political Economy and Accountability Structures of Tanzania: Perspectives. Seminar report. 14-15 September 2005

Fjeldstad Odd-Helge (2001): CMI Working Paper, Fiscal decentralisation in Tanzania: For better or for worse?

Fjeldstad Odd-Helge et. al. (2004): Local Government Finances and Financial Management in Tanzania, Observations from six councils, 2000-2003. REPOA

Haki Elimu (2005): Three years of PEDP Implementation: Key Findings from Government Reviews

Haki Kazi Catalyst, REPOA, TGNP (2006): Training Manual on Public Expenditure Tracking. Draft.

Hutton Guy: Decentralisation and the sector-wide approach in the health sector. A key issue paper established in the frame of the SDC Backstopping Mandate 2002 of the Social Development Division's health Desk, Swiss Agency of Development and Cooperation

Hyden Goran (2005): Why do things happen the way they do? A power analysis of Tanzania

Iheme Emeka (2005): Strengthening Civil Society in Tanzania: A response. In: International Journal of Not-for-Profit Law Vol. Nr. 8, Nov. 2005

ILO (2006): Standing on their own: Cooperative reform in Tanzania. (http://www.ilo.org/public/english/bureau/inf/features/06/coop_tanzania.htm)

Mogella Cosmas (1999): The state and Civil Society Relations in Tanzania: The case of the National NGOs Policy

Ngware Suleiman (2005): Is the local government reform programme impacting positively on the lives of Tanzanians? Institute of Development Studies, University of Dar es Salaam

PACT Tanzania (undated): Legislative Roadmap – A guide for civil society organisations

PEFAR (2007): Public Expenditure and Financial Accountability Review. Aide Memoire (draft).

PORALG (2004): The Opportunity and Obstacles for Development, a Community Participatory Planning Methodology. Handbook and Training Manual

PORALG (2005): Medium Term Plan and Budget July 2005 – June 2008.

REPOA, Haki Elimu, Legal and Human Rights Centre (2005): Access to information in Tanzania: Still a challenge.

REPOA (2005): Governance Indicators on the Tanzania Governance Noticeboard. (www.repoa.or.tz/tgn)

REPOA / OPM /CMI (2005): Understanding Patterns of Accountability in Tanzania, Component 1 – Revised Inception report.

REPOA / OPM / CMI (2005): Understanding Patterns of Accountability in Tanzania, Component 2: The bottom up perspective. Final Report

REPOA / OPM / CMI (2005): Understanding Patterns of Accountability in Tanzania, Component 3: Analysis of Values, incentives and power relations in the budget allocation process

Samji Waheeda Shariff, Albee Alana (eds) (2000): Selected studies of civil society in Tanzania: Policy social capital & networks of the vulnerable. Department for International Development DFID

SDC (2004): Swiss Co-operation in Tanzania: Country Programme 2004 - 2010.

Transparency International (2005): Corruption Perception Index 2005

UNCDF (2006): Decentralisation in Tanzania,

(http://www.uncdf.org/english/countries/tanzania/local_governance/other_project_related_reports/ngwilizi_decentralization.php)

United Republic of Tanzania: The Tanzania Development Vision 2025. (www.tanzania.go.tz/vision.htm)

United Republic of Tanzania (2002): The Non-Governmental Organizations Act, 2002

United Republic of Tanzania (2002): The Public Service Act 2002

United Republic of Tanzania (2003): The Public Service Regulations 2003.

United Republic of Tanzania (2003): The Public Service Scheme 2003

United Republic of Tanzania, PO-RALG (2004): Joint Government - Donor Review, Final Report

United Republic of Tanzania (2005): the Cooperative Societies Act 2003, Revised edition 2004

United Republic of Tanzania (2005): Mkukuta – National Strategy for Growth and Reduction of Poverty

United Republic of Tanzania (2005): Poverty and Human Development Report

United Republic of Tanzania (2006): Speech by the Hon. Minister for Finance, Introducing to the National Assembly the estimates of Government revenue and expenditure for FY 2006/2007

C: Internet Sources [May 2007]:

Civil Society:(<http://www.tanzaniagateway.org/civilsociety/>)

Economic and Social Research Foundation: (<http://www.esrftz.org>)

Local Government Information (<http://www.logintanzania.net/about.htm>)

Prime Minister's Office for Regional Administration and Local Governance: (<http://www.poralg.go.tz>)

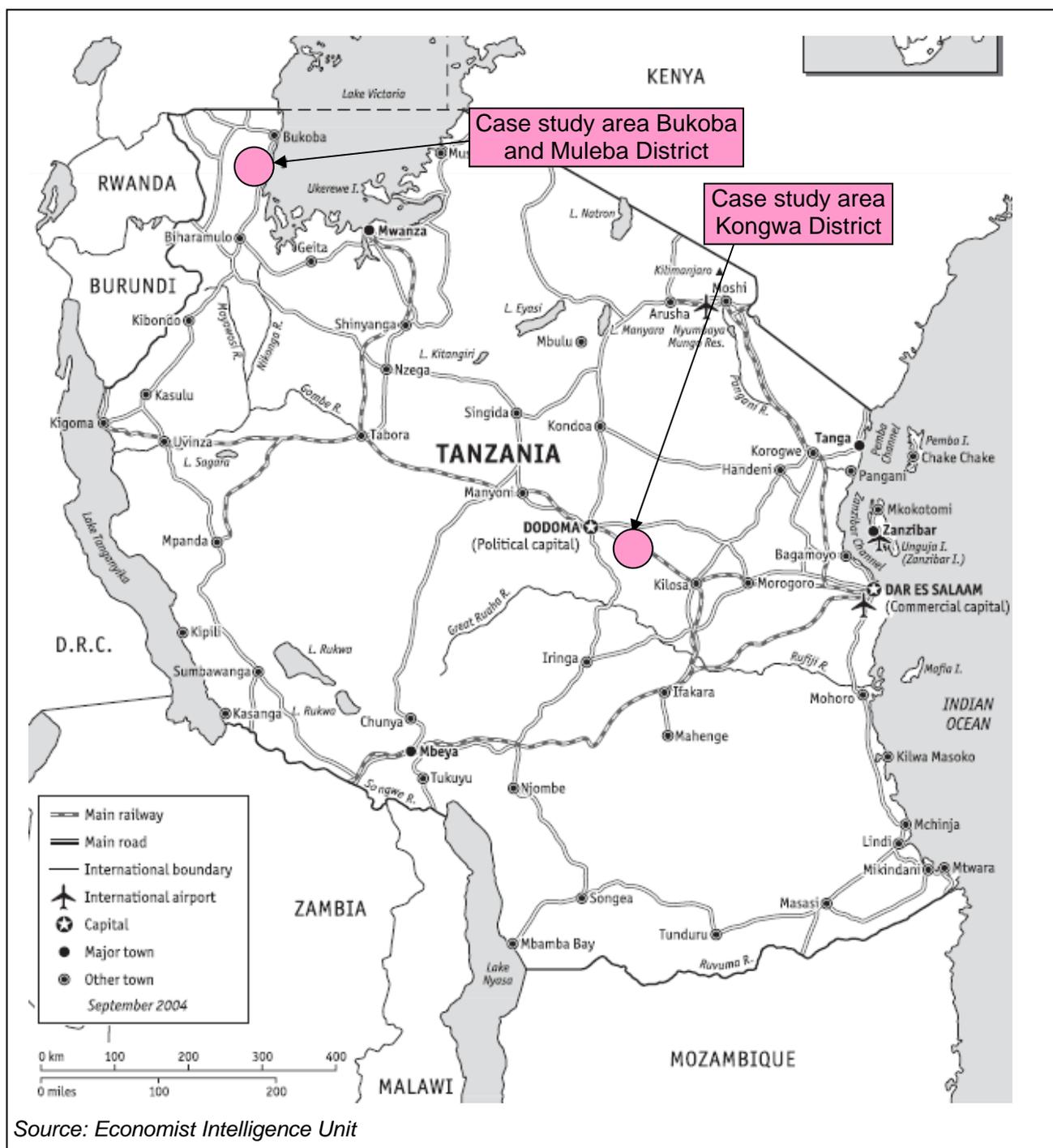
REPOA: (<http://www.repoa.or.tz>)

Tanzania Governance Noticeboard: (<http://www.repoa.or.tz/tgn/>)

United Republic of Tanzania (Government): (<http://www.tanzania.go.tz/>)

World Bank: (<http://www.worldbank.org>)

Annex D: Map of Tanzania



Key Figures				
	Tanzania	Kongwa Distr.	Bukoba Distr.	Muleba Distr.
Inhabitants (2002)	34.6 million	249,800	395,100	386,300
% of population below the poverty line (2002)	35 %	40 %	18 %	27 %
Primary education net enrolment (2004)	91 %	72 %	85 %	86 %
% of households having electricity	9 % (1999)	1 % (2002)	2%	1%

Source: Poverty and Human Development Report 2005

Annexe E: Governance Structure of Tanzania

	Executive	Legislative	Judiciary	Civil Society
Central Level	Central Government	Parliament	Court of Appeal High Court Constitutional Court	Altogether ca. 4'000 registered CSOs
Union of Tanzania (Tanzania mainland and Zanzibar)	President (elected for a 5 year term by popular vote) and Vice-President (appointed by Pres.), President of Zanzibar (elected), Prime Minister and Cabinet (30 Ministers (elected by Parliament))	320 members in total 232 constituencies 75 women (quota) plus House of Re. Zanzibar (5), Attorney General (1) and Presidential appointees (max 10)	Judges are appointed by the President (High Court: not less than 15 according to constitution)	A number of umbrella organisations exist: - TANGO (ca 800 members) - TACASODE (ca 600) - Policy Forum (ca 60) - ...
Regional Level	Regional Commissioner (RC)		Resident Courts	Magistrate's n.a.
26 regions (incl. 5 in Zanzibar and Pemba Islands)	Appointed by the President			
District Level	District Commissioner (DC) District Executive Director (DED)	District Councils	District Magistrate's Court	Case: Kongwa District (Dodoma Region)
22 urban (2 city: Dar es Salaam, Mwanza; 9 municipal and 11 town) councils and 94 rural councils	Both are appointed by the central government	Elected by popular vote (25-30 councillors representing wards)	Judges are appointed by the Chief Justice	61 registered CSOs, of which the most active mentioned NGOs are international NGOs (LVIA, Helen Keller International) or local initiatives supported by donors (CBHI/SDC)

Ward Level		Development Committee All village chairpersons	Ward tribunals (Land dispute act)
Village Level 10'200 villages	Village Executive Director Appointed by	Village Council Between 15 - 25 councillors elected by the village assembly	Primary Court Judges are appointed by the Chief Justice

Note:

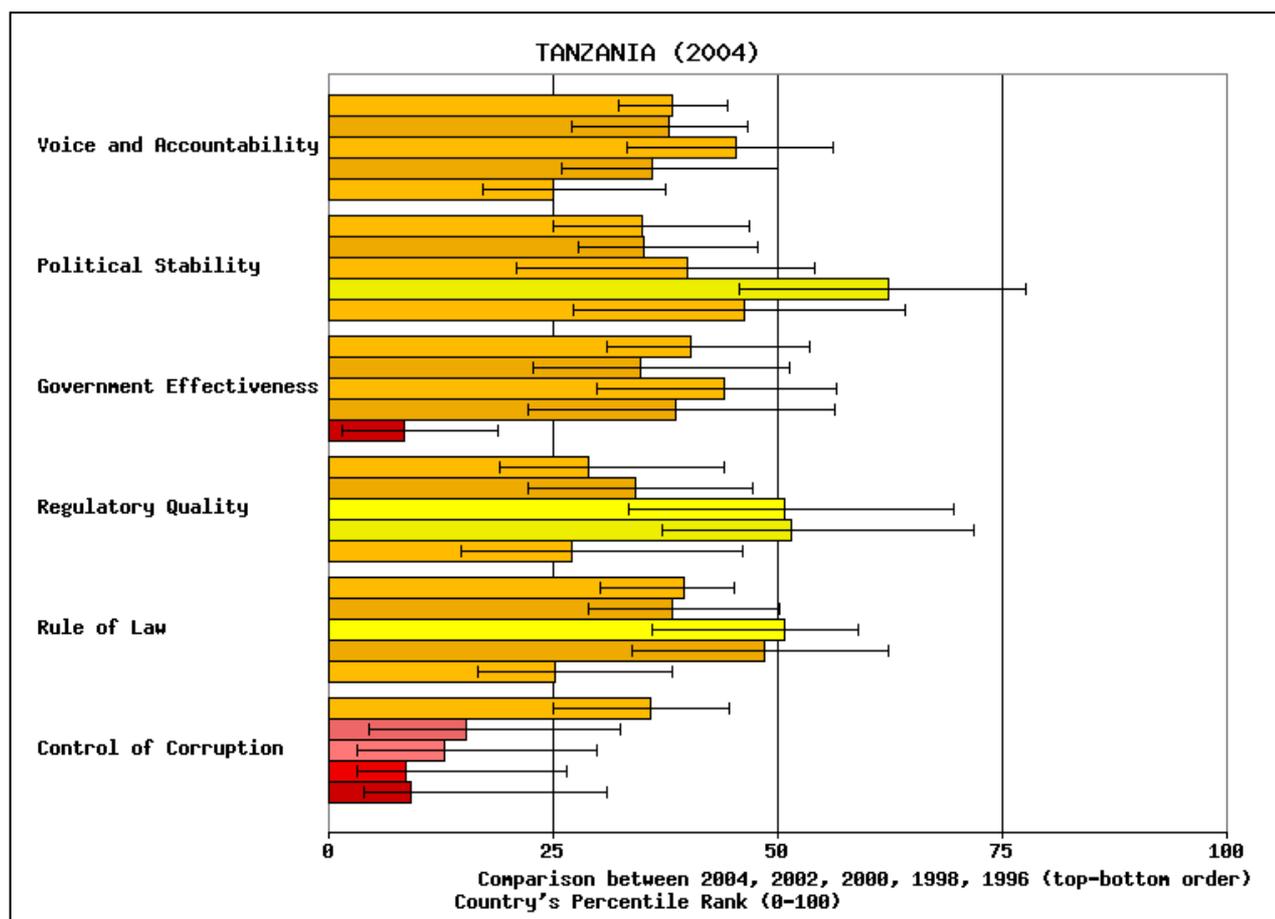
- 1) The constitution of 1977 mentions three levels of governance: national, district and village
- 2) Between Ward and District level is the Divisional Secretariat and below the village is the "vitongoji", the smallest unit of a village with an elected chairman.

Annex F: Governance Indicators Tanzania

Governments and related indices of political rights and civil liberty (only years with changes)

Year	President	Political rights	Civil liberties	Status
1972	Nyerere (72-85)	6	6	Not free
1990	Mwinyi (85-95)	6	5	Not free
1994		6	6	Partly free
1995		5	5	Partly free
1998	Mkapa (95-05)	5	4	Partly free
1999		4	4	Partly free
2003		4	3	Partly free
2006	Kikwete (05- ..)	n.a	n.a	Partly free

Source: www.freedomhouse.org



Source: World Bank: Governance matters IV, updated data and new results for 1996 - 2004

Annex G: Tanzania Governance Noticeboard

(www.<http://www.repoa.or.tz/tqn/>, data for Dodoma Region, Mio. TSh, rounded)

District	Description	1999	2001	2003	2005	2007	99-07
Dodoma M.C	Personal Emolument	1,252	1,774	2,142	3,514	6,760	
	Other Charges	40	231	405	761	553	
	Development	26	30	36	44	n.a.	
	Total Grants	1,318	2,036	2,583	4,319	7,313	
	Revenue collection	377	417	521	325	n.a.	
	Total Budget	1,695	2,505	3,090	4,644	7,313	
	Budget Per Capita (thousand)	5,200	7,800	9,600	13,400	22,700	+ 436 %
Kongwa	Personal Emolument	540	901	1,216	1,910	3,746	
	Other Charges	29	190	392	611	789	
	Development	25	24	60	39	n.a.	
	Total Grants	594	1,115	1,668	2,560	4,535	
	Revenue collection	157	121	97	85	n.a.	
	Total Budget	750	1,256	1,745	2,644	4,535	
	Budget Per Capita (thousand)	3,000	5,100	7,000	10,600	18,200	+ 606 %

Note: Source: TNG
 1 mio TSh = US \$ 1050 in 2006
 Italic figures are not rounded to millions

Annex H: Governance Scoring and Access to Services (Primary Education)

Rank	Council	Phase1	Gov. Scoring* 2003	NPER 2004	Correlation
1	Bakuba DC	x	89	85	-0,20248234
2	Masasi	x	84	90	
3	Kilwa DC	x	81	76	
4	Iringa MC	x	78	89	
5	Lindi TC	x	77	100	
6	Songea DC	x	77	100	
7	Tabora MC	x	75	86	
8	Mufindi MC		75	100	
9	Bariadi DC		74	80	
10	Mbarari DC		74	86	
...					
29	Shinyanga DC	x	66	95	0,12709075
30	Bunda DC		65	100	
31	Njombe DC		65	99	
32	Bukoba TC		64	96	
33	Bukombe DC		64	81	
34	Kasulu DC	x	64	74	
35	Temeke MC	x	64	95	
36	Muleba DC		63	86	
37	Musuma TC		63	100	
38	Sumbawanga DC	x	63	100	

* The governance score includes 222 indicators in the following areas:

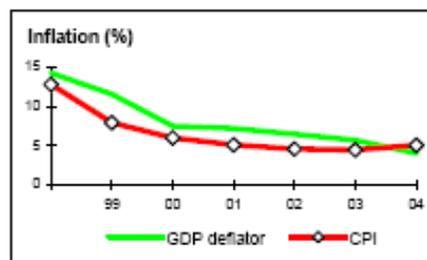
Democracy	20
Community participation	27
Rule of Law	14
Integrity of leaders and workers	27
Transparency and accountability	19
Executive administrative efficiency	83
Gender mainstreaming	8
Planning procedures	5
Planning skills/resources available	8
Planning interventions	11

Source: URT 2004 (Governance score) and Poverty and Human Development Report 2005 (NPER)

Annex I: Tanzania at a Glance (World Bank)

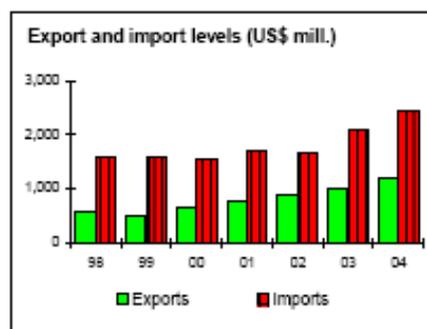
PRICES and GOVERNMENT FINANCE

	1984	1994	2003	2004
Domestic prices				
(% change)				
Consumer prices	36.1	33.1	4.4	5.0
Implicit GDP deflator	..	31.2	5.7	4.0
Government finance				
(% of GDP, includes current grants)				
Current revenue	..	10.5	11.4	12.2
Current budget balance	..	-1.8	-2.5	-3.6
Overall surplus/deficit	..	-5.1	-8.0	-9.7



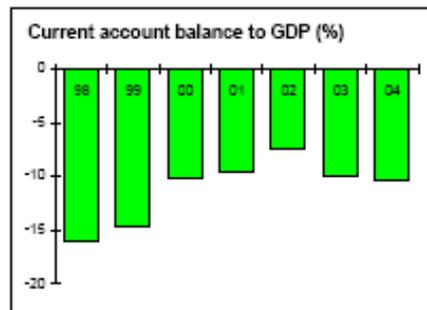
TRADE

	1984	1994	2003	2004
(US\$ millions)				
Total exports (fob)	388	486	995	1,208
Coffee	154	115	40	47
Cotton	50	105	40	47
Manufactures	33	77	72	79
Total imports (cif)	856	1,344	2,104	2,425
Food	83	97	186	215
Fuel and energy	230	124	375	470
Capital goods	336	597	855	975
Export price index (2000=100)	85	88	109	121
Import price index (2000=100)	104	145	116	135
Terms of trade (2000=100)	82	61	94	90



BALANCE of PAYMENTS

	1984	1994	2003	2004
(US\$ millions)				
Exports of goods and services	491	855	1,691	1,961
Imports of goods and services	920	2,242	2,682	3,038
Resource balance	-429	-1,387	-991	-1,078
Net income	-73	-154	-54	-50
Net current transfers	41	465	29	12
Current account balance	-480	-1,076	-1,016	-1,115
Financing items (net)	495	1,183	1,447	1,347
Changes in net reserves	-35	-107	-431	-231
Memo:				
Reserves including gold (US\$ millions)
Conversion rate (DEC, local/US\$)	15.3	509.6	1,038.4	1,089.3



EXTERNAL DEBT and RESOURCE FLOWS

	1984	1994	2003	2004
(US\$ millions)				
Total debt outstanding and disbursed	7,225	7,246	7,516	7,901
IBRD	206	114	3	0
IDA	518	1,998	3,474	3,916
Total debt service	130	184	92	250
IBRD	31	42	3	3
IDA	5	25	29	89
Composition of net resource flows				
Official grants	291	565	929	..
Official creditors	324	162	459	326
Private creditors	36	2	16	13
Foreign direct investment (net inflows)	-8	50	248	..
Portfolio equity (net inflows)	0	0	0	..
World Bank program				
Commitments	0	183	219	393
Disbursements	74	183	397	343
Principal repayments	17	43	12	63
Net flows	57	140	385	280
Interest payments	20	24	20	30
Net transfers	38	116	364	251

