THE LOCAL GOVERNMENT REFORM PROGRAMME IN
TANZANIA – COUNTRY EXPERIENCE

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1.0 INTRODUCTION

1.1 The founding provisions of the Constitution of the United Republic of Tanzania stipulate that Tanzania is a sovereign United Republic and a democratic and socialist state, which adheres to multi-party democracy and social justice.

1.2 In this regard the Constitution provides that:

- Sovereignty resides in the people and it is from the people that the Government through this Constitution shall derive all the power and authority from the people;
- That the primary objective of the government shall be the welfare of the people to whom the government is accountable;
- That the people shall participate in the affairs of their government in accordance with the provisions of the Constitution;
- That government means and includes a local government authority.

1.3 The Tanzania Constitution further stipulates that Local Government Authorities shall be established in each region, district, urban area and village of the United Republic, which shall be of the type and designation, prescribed by law to be enacted by Parliament for Tanzania Mainland or the House of Representatives in the case of Tanzania Zanzibar.

1.4 Article 146(1) of the Constitution states that the purpose of having local government authorities is “to transfer authority to the people”. Local government authorities have been given power to participate and to involve the people in the planning and implementation of development programmes within their respective areas and generally throughout the country. Every
local government authority has a constitutional mandate and obligation:-

- To perform the functions of local government in its area;
- To ensure the enforcement of law and public safety of the people; and
- To consolidate democracy within its area and to apply it to accelerate development of the people.

1.5 Tanzania local government system is based on political devolution and decentralization of functions and finances within a unitary state. Local governments are *hostilic*, i.e. multi-sectoral, government units with a legal status (body corporate) operating on the basis of specific and discretionary powers under the legal framework constituted by the national legislation. Local governments have a responsibility for social development and public service provision within their areas of jurisdiction; facilitation of maintenance of law and order and promotion of local development through participatory processes. The elected local councils are governments or organs which are at lower levels of one unitary Government of United Republic of Tanzania and thus required to operate within the national policy and legal framework while retaining their status as the highest political authorities within their areas of jurisdiction. The most powerful tools of councils are their annual workplans, budgets and control of resources exercised by the standing committees.

1.6 The local government system in Tanzania Mainland has had a chequered history. Dating back to 1926 when it was established by the colonial government, the system has gone through changes which partly reflect the changing national philosophy concerning the economic and social development of the country. The most dramatic change occurred during the period 1972-1984 when the government abolished local authorities along with all the institutions which were supporting the local government system including the Local Government Service Commission and the Local Government Loans Board. By the use of its deconcentrated field offices in the regions and districts, the central government took over responsibility for the provision of and management of basic services and for planning and implementation of development projects at the local level.

1.7 The deconcentration exercise of the 1970s and early 80s could not bring about the desired results i.e. increased public
participation in the development process and accelerated rural development. What turned out, instead, was rapid deterioration of service delivery in both rural and urban areas and overall decline of urban infrastructure.

1.8 Following the enactment of a set of local government Acts in 1982, the present system of local government was reintroduced in 1984. In the following year the Constitution of the United Republic of Tanzania was amended to effectively entrench local government in the country’s system of governance. Under the present set up there are twenty two urban councils (i.e. two city councils, twelve municipal councils and eight town councils), ninety two (rural) district councils and over 10,000 village councils. Despite these positive interventions the reintroduced local government system did not meet the expectations of the people in terms of improved service delivery. Apart from the elected councilors, the new local government institutions inherited the problems which were facing the earlier system of deconcentrated government administration.

1.9 At Government initiative, a number of researches and Presidential Commissions and Committees were set up to look into the performance of the local government system and recommend on how it could be improved. The research Reports and those by Commissions and Committees, among other things, strongly recommended that steps should be taken to evolve a new local government system which would respond to the existing environment and challenges.

2.0 THE LOCAL GOVERNMENT VISION

2.1 In response to the public concern over the deteriorating socio-economic conditions, the ruling party, Chama cha Mapinduzi (CCM) promised in its election manifestoes for 1994 Councillors Elections, and the 1995 Presidential and Parliamentary Elections, that if elected, the Party and its government would strengthen the local government authorities with the overall objective of improving the quality and access to public services provided through or facilitated by the local government authorities and hastening development at the local level.

2.2 In May 1996, a national conference comprising of delegates representing all segments of the Tanzanian Society was convened to take stock of the prevailing performance of the local
government system and propose measures for improvement. After extensive deliberations the participants emerged with a **Shared Vision** of a new local government system which would meet the current situation, challenges and be more instrumental in the ongoing fight against poverty, ignorance and disease.

2.3 The **Shared Vision** of a new local government system in Tanzania has the following characteristics:

(i) **Autonomous Local Authorities:**
The local government authorities will be free to make policy and operational decisions consistent with government policies without undue interference by the central government institutions.

(ii) **Cost effectiveness in service provision:**
The strength and effectiveness of the local government institutions will be underpinned by:
- possession of resources and authority necessary to effectively perform the roles and functions that the individual local government authority has been mandated to perform; and
- having adequate numbers of appropriately qualified and well motivated staff, who will be recruited and promoted exclusively on the basis of merit.

(iii) **Democratic Local Government:**
The leadership of the local authorities will be elected through a fully democratic process, which should also extend to village councils and other grassroots organizations.

(iv) **Efficiency in delivering services:**
The *raison d’etre* for the devolution of roles and authority by the central government, and the existence of the local government system, will be the latter’s capacity and efficiency in delivering services to the people.

(v) **Poverty Reduction:**
The local government authorities will:
- facilitate the participation of the people in planning and executing their development programmes; and
- foster partnerships with civic groups.
(vi) **Subsidiarity:**
Each local government authority will have roles and functions that will correspond to the demands for its services by the local people, and the socio-economical conditions prevailing in the area. The structures of each local government will reflect the nature of its roles and functions.

(vii) **Political Accountability and Transparency:**
The local government authorities will be transparent and accountable to the people. This will be the basis for justifying their autonomy from central government interference.

(viii) **Ethical Conduct:**
Local government leaders (Councillors and other elected leaders) and local government staff will adhere to a strict code of ethics and integrity.

(ix) **New Centre-Local Relations:**
In line with that vision, the role of the Central Government institutions will be confined to:

- facilitation of the local government authorities in their responsibility to provide services;
- development and management of the national policy and regulatory framework;
- monitoring accountability by the local government authorities;
- financial and performance audit; and
- provision of adequate resources (human and financial) to enable the local government authorities to deliver services.

2.4 The main principles of the local government reform as pointed out in the Government’s Policy Paper on Local Government Reform, published in October 1998 include the following:

- letting people participate in government at the local level and elect their councils;
- bringing public services under the control of the people through their local councils;
- giving local councils powers (political devolution) over all local affairs;
- improving financial and political accountability;
- securing finances for better public services;
• creating a new local government administration answerable to the local councils;
• de-linking local administrative leaders and staff from parent ministries; and
• creating new central-local relations based not on orders but on legislation and negotiations.

2.5 In this context the reformed local government will be holistic organizations, i.e. organizations dealing with most aspects of society and directly responsible for a wide range of sectors. Local councils will have general powers, which means that they are allowed to do anything, unless this is forbidden through legislation or reserved for central government.

3.0 THE LOCAL GOVERNMENT REFORM PROGRAMME (LGRP)

3.1 Following the formulation of the vision and subsequent Government endorsement of the Local Government Reform Agenda and the Policy Paper on Local Government Reform, the Local Government Reform Programme (LGRP) was developed and approved by the Government of Tanzania to guide structured attainment of the declared vision of the future local government authorities. The overall objective of the LGRP is to improve the quality of, and access to public services provided through or facilitated by local government authorities.

3.2 The programme has six components each of which aims at contributing to the achievement of the overall goal. The components and their respective objectives are listed below:

(i) Governance
   To establish broad based community awareness of the participation in the reform process and promote principles of democracy, transparency and accountability;

(ii) Local Government Restructuring
   To enhance the effectiveness of local government authorities in the delivery of quality services in a sustainable manner;

(iii) Finance
   To increase the resources available to local government authorities and improve the efficiency of their use;

(iv) Human Resource Development
   To improve the accountability and efficiency of human resource use at local government level;
(v) Institutional and Legal Framework
To establish the enabling legislation which will support the effective implementation of local government reforms; and

(vi) Programme Management
To support the effective and efficient management of the overall Local Government Reform Programme and in particular the work of the Local Government Reform Team.

3.3 The over-arching goal for the reform programme and its six components is to create good local governance based on political and financial accountability, democratic procedures and public participation.

Major Changes to be Introduced

3.4 Major changes are being introduced in the following areas:-

- Financial management;
- Human Resource management;
- Organizational structures and functions;
- Central – local relations; and
- Promotion of good governance within the Local Government Authorities.

3.5 In the area of financial management, the government will provide conditional and unconditional block grants to local government authorities in order to allow them more autonomy in planning and budgeting for service delivery in line with local needs and priorities but in compliance with national policies and standards. **Conditional block grants** will be provided for the more sensitive sectors of education, health, roads, water and agricultural services, and it is planned that at the beginning they will be sector specific. **Unconditional block grants** will be provided for the other development sectors such as natural resources, trade, cooperatives, lands and community development.

3.6 In addition to the provision of block grants, the sources of public revenues will be revisited and divided between the two levels of government (Central and Local Government) on a more rational basis, and in line with the expenditure responsibilities of each level. The aim is to ensure that local authorities are put on a stronger and sounder financial footing.
3.7 Management of staff will be decentralized so that a local government authority can appoint, promote, develop and discipline its own staff. This is a drastic departure from the current practice, which gives the responsibility of managing staff working in local authorities to a number of central government agencies, including parent ministries and service commissions.

3.8 Each local authority will revisit its structure and functions to ensure that they reflect the needs and conditions obtaining in the area under its jurisdiction. This will also be a drastic departure from the present set-up whereby there are uniform functioning and structures for all the local authorities.

3.9 The changes in central-local relations, will be in line with the vision of the Public Sector Reform Programme, which requires changes in the roles and functions of line ministries so that they become:

- policy and law making bodies;
- supportive and facilitative bodies;
- monitoring and quality assurance bodies; and
- control bodies (within the law).
4.0 LOCAL GOVERNMENT REFORM IMPLEMENTATION STRATEGY

(i) Strengthening Accountability

4.1 As one of the implementation strategy, the LGRP comprises five inter-locking elements aiming at strengthening accountability which are:

(a) Decentralization of authority and responsibilities, in order to give LGAs new powers:
- to employ, discipline and dismiss their own staff and set their own staffing levels;
- to make operational decisions over their budgets, transferring between items and re-organising expenditures; and
- to re-organise council committees and LGA functions and structures so as to deliver more effectively and efficiently the services mandated to them.

(b) Strengthening accountability of LGAs staff to councillors and councillors to their electorate through:
- the transfer of staff responsibilities to LGAs;
- the introduction of a code of conduct for councillors and staff;
- the increased awareness of the general public over the responsibilities of the LGAs; and
- the improved supervision of the Government over financial management and service performance.

(c) Increasing the resources available to LGAs by improving the share of viable revenue sources available to LGAs and enhancing grant financing from Central Government.

(d) Clarifying the framework for delivery of services on behalf of the Government, through reforms to the grant system and parallel sectoral reforms, which will give LGAs a clearer set of service responsibilities, in particular:

- a clear set of national minimum standards for service delivery; and
• predictable resource flows to finance those services ("conditional block grants" for each priority sector.)

**(e) Building capacity for effective resource management**, through training and skills-building particularly in the crucial areas of planning, budgeting, performance monitoring and financial management.

(ii) **Defining Roles and Responsibilities in Relation to the LGRP**

4.2 The Local Government Reform Team (LGRT) which is the technical arm of the President’s Office, Regional Administration and Local Government (PO-RALG) has been charged with the task of spearheading and supervising the implementation of the local government reform process under the direction of the ministry (PO-RALG). The LGRT includes six zonal reform teams which have been established each with specialists in local governance, finance and human resource development and restructuring. At council level, each reforming council has established a Council Reform Team to spearhead reform at the council level. Council Reform Teams are the main implementing bodies, assisted and facilitated by Zonal Reform Team (ZRT) in spearheading reform process. Each reforming council with assistance from the respective ZRT will design and implement its Action Plan which will guide the implementation of reform activities at council level.

4.3 The roles of the sector ministries with regard to the implementation of the reforms include, among others:

- Guiding the implementation of sector specific reforms by providing technical support to local government authorities;
- Setting national minimum standards of services and monitoring quality attainment;
- Advising on capacity building for the sectors;
- Facilitating dissemination of information during the implementation of sectoral reforms.

4.4 At the regional level, the Regional Secretariats perform the following functions:

- Provide policy guidance on behalf of PO-RALG and sector ministries;
• Coordinate reform interventions in the regions;
• Facilitate dissemination of information during the implementation of the LGRP and sector reforms;
• Scrutinize and advise on the council service delivery plans, budgets and quarterly implementation reports; and
• Monitor the implementation of the reforms.

4.5 The Association of Local Authorities in Tanzania (ALAT) plays a key role in influencing changes in policies so that they are in line with the principles of decentralization by devolution. ALAT also sensitizes, informs and works for sharing of information with and among its members concerning the reform processes.

4.6 The definition of the role within the three levels of administration i.e. the national, regional and council levels is informed by the following principles:

• That the overriding goal of the reforms is to improve the effectiveness and efficiency of service delivery by increasing accountability and giving greater control over resource allocation and management to local government authorities;

• That devolution of powers over resources, staff and local-level organizational and decision making structures will give local government authorities the power to make choices over structures, staffing and budgets and, by implication, the choice over the pace and nature of the reform;

• That the role of the Central Government agencies and in particular the PO-RALG, is to set the legal and regulatory framework for the reform and to facilitate reform actions;

• That sector ministries are vested with the technical competence and legal responsibility to ensure that approved sectoral policies are implemented and therefore set service delivery and staffing standards, monitor performance against those standards and assist in improving performance; and
• That the role of the local government authorities is to design and implement their own reforms within the new framework of powers and responsibilities.

(iii) Making appropriate changes in the Legal Framework

4.7 In order to effect the strategic changes envisaged in the local government reforms the legal regime affecting Regional Administration and Local Government has undergone substantial changes as indicated below:

(a) Restructuring of Regional Administration

Regional Administration has been restructured following the enactment of the new Regional Administration Act No. 19 of 1997. In the wake of this, small Regional Secretariats have been established to take the place of the former Regional Development Directorates, which tended to duplicate the functions and responsibilities of the local government authorities. The Regional Secretariats have been given a redefined back-stopping role to the local government authorities within their areas of jurisdiction.

(b) Amendment of Local Government Laws

The 1982 local government Acts were amended in February 1999 through Act No. 6 of 1999 to give legal effect to principles guiding the local government reforms focusing on good governance, enhanced transparency and accountability at all local government levels. In particular, the revised laws provide for decentralized management of staff and finances which are key prerequisites for meaningful decentralization through devolution of powers, responsibilities and resources to local government authorities. Specifically, Act No.6 of 1999 provides for:

• The councils’ authority to employ and manage their own staff;
• The councils’ authority to approve their plans and budget and be accountable to them;
• New relations between central and local government, by redefining the role and concept of “proper officer” and "assistant proper officer" and in this way, abolishing the existing command and control relations and emphasizing on intergovernmental relationship;
• Establishment of new grant system of block grants and equalization grants;
• A system of participatory democracy, accountability and transparency in the conduct of council business; and
• Mechanism for devolution of powers, functions and resources from central to local government and from higher to lower levels of local government.

(iv) **Programme Phasing**

4.8 Considering the limited capacity to provide the necessary supervision and monitoring both at central and local levels, it has been decided to have local government reform implemented in phases. The first phase, which involves 38 local authorities is already underway, and implementation at local authority level started in January 2000.

(v) **Designing Programme Budget and Funding Arrangements**

4.9 It is estimated that over a period of five years, the Local Government Reform will cost an estimated sum of US Dollars 40 million. In a joint Government and Donors roundtable meeting held in March 1997 it was agreed that the two sides (Government of Tanzania and Donors) would cooperate in financing the programme. A study was subsequently undertaken on the modality of financing the programme and it has generally been accepted by the two sides that the programme be funded on a basket funding arrangement by which resources from Government and Donors will be pooled to enable funding on an agreed action plan and budget which is more flexible than having funds earmarked to projects or activities. A detailed Financial Management Manual has been prepared to provide a guide on the management of the common basket fund. Bank Accounts for the basket fund were opened at the National Bank of Commerce and the Government and Donors are disbursing funds direct to these accounts to support the programme.

5.0 **STATUS OF IMPLEMENTATION**

5.1 Since the inception of the LGRP in 1997 a number of key achievements have been accomplished. Preparations have in particular been made for the launch of implementation of the programme on a phased arrangement. The first phase, which involves 38 local government authorities, started in January 2000.
Details of those major achievements are provided in the following paragraphs.

5.2 Amendments of the Laws

5.2.1 Regional Administration has been restructured following the enactment of the new Regional Administration Act No. 19 of 1997. In the wake of this, small Regional Secretariats have been established to take the place of the regional development directorates. The Regional Secretariat has a redefined back-stopping role to the local government authorities within the region.

5.2.2 The 1982 local government Acts were amended in February 1999 through Act No.6 of 1999 to give effect to new central-local relations which will allow smooth implementation of the LGRP. The local government laws, as amended, stress good governance calling for democratically elected local leaders and enhanced transparency in the conduct of council affairs, as well as greater accountability of the council to its constituents (the people). In particular, the revised laws provide for decentralized management of staff and finances by local government authorities both of which significantly underpin a largely devolved local government system.

5.2.3 The Local Government Acts, 1982 were revised and compiled by incorporating all the amendments, which were effected since they were enacted in 1982. The compiled version incorporates the amendments of Act No.6 of 1999 and those which were made up to and inclusive of 2000. As a single one stop document, the compiled Acts provide easy reference, reading, understanding and implementation. Copies of the compiled version have been printed and distributed to keys takeholders.

5.2.4 In order to provide enabling framework for implementation of Local Government Reform, various legal instruments have been prepared, discussed and issued. These include:

(a) The Local Government Financial (Block Grant) Regulations, 2000 GN 282 of 4/8/2000;
(b) The Local Government Service Regulations, 2000 GN 397 of 6/10/2000;
(c) The Local Government (Councillors Code of Conduct) Regulations, 2000 GN.280 of 4/8/2000; and
5.2.5 Procedures to govern grassroots elections were prepared, discussed, issued and published in the Government Gazette (GN.253 – 256 of 20/8/1999). These procedures governed the grassroots elections, which were held in 1999, so as to ensure democratic, fair and free election.

5.2.6 The exercise of reviewing and amending sector laws in order to bring them in line with institutional and legal changes on Local Government system has been initiated. Stage one of the exercise involving the review and preparation of review harmonization reports for the sectors of Agriculture, Water, Roads, Lands, Education and Health has been accomplished. Steps have been taken to launch stage two, which will involve the consultation and interaction with the sectors in the stage one, and preparation and facilitation of Bill to amend the laws of those sectors. This stage will also deal with the review and amendment of laws of the sectors, which were not involved in stage one.

5.3 Governance

5.3.1 Concerted efforts have been made to sell the reform to the people in a bid to have it effectively owned by them so as to stand better chances of success. To that end, awareness creation workshops have been conducted at regional and council levels to kick-start the implementation of the reforms. A weekly radio programme is used to inform the public about the reform.

5.3.2 Soap opera programmes on good local governance have been carried out through radio and television to sensitize the public on key principles of good governance and to highlight their roles and responsibilities in fostering sustainable development in their areas.
5.3.3 A draft national framework on participatory planning and budgeting at council and below council levels has been prepared.

5.3.4 Wide dissemination of a popular version on Local Government Reform with focus on the programme’s objectives and implementation strategies has been effected.

5.3.5 A draft popular version on good local governance has been prepared for later distribution to main stakeholders at all local government levels.

5.3.6 Model Standing Orders have been prepared to guide Local Government Authorities on the conduct of meetings and other council business in line with the main principles guiding the local government reform process.

5.3.7 Mitaa committees have been established in all urban areas, a move which has strengthened democratic governance at the lowest local governance level in the urban areas and bridged the wide gap which existed between the general public and their respective urban councils.

5.4 Regional and Council Restructuring

5.4.1 Regional Administration has been restructured to take account of its changed role from that of an implementor and controller to that of an enabler and back-stopping agent to local government authorities and other implementing agencies. To enable Regional Secretariats perform their new roles, an appraisal study of the organizational development needs has been carried out. The study is intended to highlight areas in the Regional Secretariat which require interventions to build capacity in terms of personnel, financial resources and working facilities to enable the Regional Secretariat to undertake the new role.

5.4.2 Following two restructuring exercises carried out on pilot basis in Mbeya Municipal Council and in Kondoa District Council, a council restructuring manual has been developed. The Manual which has 17 restructuring steps arranged in such a way that the previous step must be completed before embarking on the next
step, is guiding and assisting reforming councils in restructuring themselves. The implementation of the restructuring process in the reforming councils has passed step five which involved conducting of critical second stakeholders workshops that formulated the vision, mission and strategies of the councils. The councils are now preparing themselves to move to step 8 of preparing Councils’ Strategic Plans which will be followed by reviewing the organization structures in order to come up with appropriate organization structures and staffing levels that will implement the mission and strategies of the councils.

5.5 Staff Matters

5.5.1 Studies on the management of staff in a devolved system of local government have been carried out. This has included the development of a training programme. Country-wide training activities are being planned and already training of grassroots elected officials and councilors, as well as training in critical skills have been launched.

5.5.2 Regulations for the employment, promotion, development and disciplining of staff by local government authorities have been prepared and approved by the Minister responsible for local government. Regulations have been distributed and disseminated to relevant stakeholders and are now in use. All the staff working with local government authorities are now accountable to their councils. This arrangement has enhanced accountability of staff to their councils.

5.6 Finance

5.6.1 A number of studies relating to fiscal decentralization have been undertaken. These include the design and management of block grants, sources of revenue for local government, financial benchmarking, financial administration and control, affordable national minimum standards of services and attendant funding levels.

5.6.2 Local Government Reform aims at increasing the resources available to local government authorities and improving the management of those resources. The sources of public revenues
are being revisited for the purpose of fairer sharing of revenue and revenue sources between Central and Local Government. But of even greater significance is the need to improve on the collection of revenue from the existing sources of local government authorities. Quite a bit of effort has been directed at imparting improved procedures for collection of revenue from councils’ own sources to council staff.

5.6.3 A financial management manual has been developed and is being used by the Zonal Reform Teams in in-house training of staff of local government authorities. The training is directed at areas of weakness in financial management as revealed by an earlier financial benchmarking study.

5.6.4 In order to have better control of revenue collection and expenditure and also to enable fast preparation of accurate financial reports and statements, an integrated financial management system, also known as the Platinum System (now known as Epicor System) is being implemented in 28 councils and it will be rolled out to cover all the 114 councils in phases. Dar es Salaam councils and other urban councils will particularly benefit from a computerized billing system which will facilitate better control in the collection of revenue from revenue sources such as the property tax.

5.6.5 Financial regulations for the management of block grants and sector specific common basket funds such as the one being established for the purpose of improving on health service delivery have been prepared and issued by the Minister responsible for local government. These regulations will provide for smooth management of funds by local government authorities. The regulations will provide for the procedure of preparing and approving service delivery plans and budgets, accessing of funds and reporting on the use of funds and performance by the local government authorities. The financial regulations along with those relating to management of staff of local government complement the Codes of Conduct for Councillors and staff, and Standing Orders which have also been prepared. They all strive to entrench good governance in the conduct of council affairs.

5.7 Monitoring and Evaluation
5.7.1 The Government opted to direct significant national resources (manpower and funds) to Local Government Reform Programme with the overall objective to improve the living standard of the people. In order to track whether the investments are producing the intended results, the Government directed the establishment of a Monitoring and Evaluation (M&E) System for Local Government Authorities to support stakeholders to make follow-up of the reform process and to make informed decisions at the right time.

5.7.2 In the course of operationalizing the M&E System, various activities have been accomplished, including the following:

- Baseline survey on service delivery was conducted in Phase I reforming councils with the intention to creating reference parameters that could be used in the future to compare the extent to which service delivery has improved as a result of Local Government Reforms.

- A Prototype (simulation) of the intended system was developed and tested in various Local Government Authorities in order to determine the technical and operational feasibility of the system at council and sub-council levels.

- Preparations for the implementation of the system in Phase I reforming Councils have started: This includes preparation of a questionnaire for data collection; development of user training manual and translation of the manual into Kiswahili; and training of twenty Planning Officers from the Regional Secretariats who in turn will train council staff on the operation of the system at Council and Ward levels.

6.0 PROGRAMME REVIEW

6.1 The implementation phase of the Local Government Reform Programme (LGRP) as pointed out began on 1st January 2000 in the 38 Phase 1 Councils. The first review of LGRP implementation took place as scheduled during the first quarter of 2001, and the Joint Government – Donor Review Team submitted its report to the Permanent Secretary, President’s Office, Regional Administration and Local Government (PO-RALG), in late June 2001. The report was circulated widely to stakeholders for comments, and both the government and donors considered the report and its recommendations carefully. Both sides
subsequently agreed on the way forward and the LGRP Secretariat has accommodated most of the recommendations into its work plans and budgets.

6.2 The LGRP Review Report fully endorses the Government’s current Local Government Reform policy, and acknowledges reform progress to date. It also effectively endorses implementation strategies and the management of the reform, including the planning, budgeting and the funding mechanisms. While it does not question implementation plans or the identified key results areas, it points out that the policy is not being implemented consistently across key areas, and suggests reasons and solutions for this.

6.3 Also, the report correctly identifies systemic reforms in three key areas which are, in the words of the report, “prerequisites to effective local government reform”. These prerequisites are in the areas of fiscal decentralisation, human resource management and legal harmonisation. It also identifies operational issues which need to be addressed in order to expedite the process of the reform. These are in the areas of management of the reforms, institutional reforms and empowerment of the key reform actors.

6.4 The LGRP Work Plan and Budget for the year 2001 / 2002 was therefore revised to take account of the agreed recommendations, and of the experiences gained in the course of implementing the LGRP to date. In addition, a revised medium-term Action Plan and Budget to replace the APB 1999 – 2004 will be prepared and presented for government and donor approval during the 1st quarter of 2002.

7.0 CHALLENGES AND LESSONS LEARNED

7.1 The ongoing local government reform is one of the boldest and far-reaching reforms ever carried out in Tanzania since the country’s independence. The reform is both a product and an outcome of a national conference of delegates representing the entire spectrum of Tanzanians to shape a shared vision for a local government system, which would be instrumental in providing both services, and in speeding up development at local
levels. To this extent the reform can be categorized as a demand-driven reform mooted by the people, for the interest and development of the people.

7.2 The core value for the far reaching changes in the Tanzanian local government system is **improved delivery of service provided through and facilitated by local government authorities to all citizens**. Other values identified in the shared vision include increased autonomy, transparency, efficiency and cost effectiveness in service delivery and increased accountability to the people. These are clear and specific values which meet the cry of the masses who have for long been victims of maladministration and poor services provided by or through a centralised governance system.

7.3 The changes taking place in the local government system are intended to give the citizens a greater say in formulating and implementing their own service delivery and development plans and in how services are to be managed and delivered. To this end, the main strategy which has been opted for is devolution of powers, responsibilities and resources from central government to local government authorities and from council levels to communities.

7.4 In a situation where real power has always vested in and has been exercised by leaders on behalf of the people the **devolution** strategy is invariably wrought with a host of difficulties and challenges. We are now fully aware that the difficulty of getting the existing power holders to part with their much cherished powers and prestige and give it to the people as the Constitution already provides and the difficulty of getting the ordinary citizen to accept that he or she as a member of society is the source and fountain of all power and authority which has in most cases has been exercised by the government on his or her behalf, have to be reckoned with and will have to be addressed for a long period to come.

7.5 In the above context the local government reform is a major and massive revolutionary change which demands a **complete change of mindset** both on the part of leaders at all levels on one hand and the general public on the other hand.
7.6 We have also learned that acceptability and rationality of the core values enshrined in the national shared vision of a reformed local government system is not adequate guarantee for achieving the end result, which is **good governance at all local levels and improved service delivery to the citizens**. More efforts and resources have to be employed at the outset to educate leaders at all levels and the general public on the need and benefits of the changes in the local government system and on their new roles and responsibilities for bringing about the required changes.

7.7 The other lesson we have learned is that by their complexity, sensitivity and holistic nature the local government reforms need to be coordinated, guided and directed at and by the highest possible level of authority. In recognition of this fact, changes on the local government system are being coordinated and directed by the President’s Office (Regional Administration and Local Government). It must be admitted, however, that even in this situation administrative inertia can be a problem in moving forward with the reform process.

7.8 Another lesson learned in implementing the local government reform is that by its own nature it entails changes at local levels and that local government authorities at the various local levels need to be recognized and accepted as the lead change agents. In this context the issue of capacity building in terms of training, retraining and retooling have to be given higher priority than has hitherto been the case.

7.9 Another fundamental lesson which has been learned is that meaningful decentralisation by devolution through local government authorities will not come about unless existing sectoral policies and laws are harmonised to conform to the national shared vision on local governance and hence clear the required ground to implement the desired political, administrative and financial decentralisation. Unless this is done upfront, there will be no incentive for people to participate in the reform process.

7.10 Finally, we have also come to realize that the changes which are taking place in the local government system will take a long time
and will certainly outlive the current donor-supported programme. With this fact in view and to ensure sustainability of the reform process there is need to mainstream reform measures in the normal operations of the main actors at central and local levels. Our overall challenge is to keep ourselves (as leaders) and the general public firmly focused on the core value and end result of our local government reforms: good governance at all local government levels and improved service delivery.