



The Tanzania Local government Reform Program (LGRP I) and Good Governance in Tanzania: Policies, structures and Systems, frameworks

&Key Actors.

## INTRODUCTION:

~~Main question in this session is to assess the~~ decentralized governance in Tanzania; the extent of its contribution to the development of good governance and added value to the governing systems. The summary of your first session on social accountability context noted key outcomes of the process as worse for the poor in terms of access to basic services such as health, education, water, roads etc. In this session we will make Comparisons from districts presented here.



## Introduction cont...

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- If time allows we may attempt make international regional comparisons: Main focus of the course is Tanzania.
- Policy context for the establishment of LGRP is reform and decentralization in the context of Poverty Reduction Strategies and MDG's:
- After this introduction we undertake Group work by districts to discuss the context of poverty reduction in your district.
- The general approach to the reform agenda was set out in the Tanzania Development Vision 2025 characterising the economy and the society in a following framework:
  - political and economic pluralism



## Intro cont...

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- exposed limitation of public sector-led development and a centrally planned and controlled economy
- Recognition of individual initiative and the private sector as the central driving force for building the economy
- State welfare responsibilities to focus more on cost effective ways of enhancing access to and quality of services
- Impact of globalization and regionalism as factors that undermine in-ward looking of economic nationalism
- Fast changing market conditions and technological developments

The general assumption of the vision is that by 2025 Tz would have graduated from being a least developed nation to a middle-income country with a high level of human development.



## Introd cont...

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- The economy would have been transformed from a low productivity, agricultural economy to a semi-industrialized led by modernized and highly productive agricultural activities effectively integrated and buttressed by supportive industrial service activities in rural and urban areas.
- Solid foundation for a competitive and dynamic economy with high productivity will have been laid.



## Intro cont

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- Targets for the Vision:
- To achieve the following:
  - 1. Peace, stability and unity
  - 2. High quality livelihood
  - 3. good governance and the rule of law
  - 4. a strong and competitive economy
  - 5. A well educated and learning society

Groups to make a quick check of whether the above goals have been achieved and the extent of achievement.



## Plenary discussion on Implementation of the vision

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- Key to implementation of this vision are two main pre requisites:
- one is good governance and
- second is competitiveness of the economy.



## Attributes to implementation are:

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- Development mindset and competitiveness
- Democratization and popular participation
- Monitoring, evaluation and review
- Good governance and the rule of law

The LGRP is one among other reforms taking place as a way of addressing the vision with an overall objective to eradicate absolute poverty by 2025



# The National Poverty Eradication Strategy:

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- This program has 3 main strategic interventions:
- creating an enabling environment for poverty eradication through policies that promote good governance, participation and effective coordination and supervision
- Building capacity for poverty eradication with emphasis on economic growth as the basis to achieve rapid growth
- Promoting the social service sector by investing on sectors that promote human development such as education, health, water supply and sanitation, employment and preservation of the environment.
- Across the sectors is the ongoing Public Expenditure Review ( PER) as a budgetary mechanism to protect budget allocations for the key sectors identified. These are education, health, water, agriculture and roads jointly funded by HIPC, TAS, and the Debt Fund.





## Division of roles to realize LGR and poverty eradication:

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- All development actors at national and international levels are recognised: the PSO, CSO, and government institutions.
- Central ministries provide policy and planning guidelines. Also mobilize and allocate resources:  
To all actors
- Sector ministries mainstream poverty eradication initiatives in their policies and programs
- Regions assist local government authorities to translate policy guidelines into practical interventions
- Local government authorities ( LGA's) have the implementation role

Is this the best way to do it?? Discuss...



## LGRP and Public service Reform

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- Concerned with the reform of the entire public service involving performance improvement, private sector participation initiatives, pay issues and restructuring of the civil service
- The LGRP is fully coordinated by PSRP – the Public Service Reform Program through a developed restructuring manual
- The established Ministry of Regional Administration and Local Government (MRALG / LGRP) is the primary agency for all initiatives at local government level leading and coordinating the reform processes.



## What is the Local Government Reform and restructuring process? *Structures and Systems*

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- It means devolving authorities from central government to local democratically elected councils.
- In the past local councils hardly did their development planning of services according to local priorities. Planning and decision making powers were held centrally.
- Funding and budgeting was also centrally allocated
- Reform devolved financial and human resource management to local authorities through introduction of block grants, transfer of district staff to their employment and the right to hire and fire staff locally.
- It is assumed that this will provide the cornerstone to building autonomous local authorities.



# Who is responsible for the Restructuring process

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- Each council plans its own initiatives to sustain its own restructuring process within the national reform program
- Reform team ( known as CRT- council reform team) comprises of the chair / mayor of a council/ municipality assisted by councillors, and senior council staff
- The CRT designs and implement the restructuring following guidelines in the reform / restructuring manual
- The CRT is backstopped by the ZRT in its respective team



# The restructuring process involves the following stages:

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- Setting up the CRT
- Gain commitment from other stakeholders
- Collect and analyse data as the basis for defining strategies, performance indicators and targets
- Select and identify most relevant strategies
- Present the strategies for approval to the council
- Implement quick wins for quick results to be seen
- Examine council management issues
- The process takes a year since its inception to its full take off.



## Restructuring conti...

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- Implementation plan
- Approval of implementation plan
- Design human resources systems
- Integration of implementation plan into annual planning and budgeting
- Implement human resources process
- Implement service delivery strategies
- Monitoring implementation

Total of 17 stages...in a period of 44 weeks.



## Skills for restructuring process:

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- Change management skills
- Financial management
- General management skills
- Information management and computer skills
- Team building skills
- Human Resources management skills



## Skills for restructuring conti...

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- Gender planning and analytical skills
- Participatory approaches skills
- Project planning skills and tools

Fulfilment of these stages allow for creation of a local government reform process in a district.

Main question is if the reformed LG will ensure Local governance...





## Groups work: 30min or less

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- **The question:**
- Do the skills for restructuring of local governments apply also to our organizations??
- Is our organization linked to the reform process in the district / region / national level??
- Does the poverty reduction strategy recognises our organization as among stakeholders in the district / regional/ national level processes?



# Framework for Local Government Reform:

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- Make policy and operational decisions consistent with laws and government policies
- Facilitate participation of people in deciding matters affecting their lives, planning and executing their development programs
- Foster civic group participation and engagement
- Each local government will define its roles and functions according to demand of services from the community / its constituency



## Framework conti...

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- Local authorities will be transparent
- Local government leaders will adhere to strict code of ethics
- This has been the process in Tanzania as a whole. What are the experiences from each Local Authority where we work and engage on a daily basis?
- Can we have experiences from other countries?? How does this fit with what you do??



## Main policy areas for local government reform

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- Political decentralization
- Financial decentralization
- Administrative decentralization
- Changed central – local relations from being top down to horizontal / collegiums relations vis a vis vertical lines of authority.



# Main features of changed central-local government relations

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- Powers to make national legislation affecting local government
- Powers to issue regulations
- Issuing of policies, guidelines and national standards including service delivery minimum standards
- Negotiations and consultations
- Training and capacity building related to local government reform
- Financing
- Appellate powers
- Powers to audit, inspect and monitor
- Powers to intervene when local government operate illegally.



## Decentralization cont..

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- Allow time for all stakeholders to be abreast with the process for immediate concrete results
- Allocate resources for identified strategies
- The ZRT should be there to support the process
- Follow documents for the restructuring process...
- Photocopy the route map for the restructuring process for all participants  
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- Check if participants from other countries follow the same or different systems  
....group discussions per country...



## Checklist for restructuring stages:

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- Formation of CRT
- First stakeholder workshop
- Data collection
- Data analysis and preparation for the workshop
- Second stakeholder workshop
- Formulation of strategies and performance indicators
- Assess practicality of strategies, performance indicators and targets



# The Reform process

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- After all stages have been finalized the reform process takes place in our case study, implementation begins
- In this case ( TZ) implementation has taken place and 2 reviews have taken place to assess success and failures of the reform process composed of decentralization and poverty reduction as linked to MDG implementation
- Phase 2 of the LGR has been designed, implementation proposed to commence in September 2010
- The assessment looks at the impact on central and sector ministries;
- It also looks at the commitment of the government and its development partners to implement the policy of decentralization





## The reform process cont...

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- It is easier to look / examine the reform process from a sector perspective, ie pick a sector that went through the reform and show how it performed / how the assessment rated it..
- At LGA level we look at how the reform has improved service delivery in the district
- How stakeholder analysis has helped improve the services, coordination issues by the LGA and monitoring role of non governmental actors
- Main question is if the process has brought development actors in the district together and what has that brought to the district



## Reform cont...

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- Second main component looks at the scope of and impact of inter-governmental transfer system and how that has worked
- Autonomy of LGA's and their improvement in planning, and implementing
- Sustainability of the reform process..



# I: Political decentralization/ reform

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- Relations between central and local government governed by law, (rights based) not by administrative directives
- Relationship is contractual not administrative hence enactment of subsidiary legislation for the reform process in the phase 1 districts
- Amendment of or passing of new laws to put in pace the new LG system
- Harmonization of sector laws to comply with devolved powers
- A constitutional review to accommodate the broad concept of the new LG system



# Harmonisation of laws

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- Importance of legal sector in the reform process wasn't taken seriously initially
- Harmonization started in 2001 to over see the process and identify the building blocks to push the process forward
- Harmonization received resistance from the sector ministries, hence uneven success
- 2004 the approach was revisited and strategy changed to allow sector ministries to take own initiative to review their laws while the task force provided training and technical support...
- By 2006 conceptual understanding of D by D took place and helped build consensus and work out modalities of harmonization through high level technical meetings



## Harmonization conti...

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- In 2006 the president affirmed d by d and directed ministries to seriously adopt the policy ...close to the end of the program!
- Several meetings of PS's and deputy PS's decided to fast track d by d directing sector ministries to also fast track harmonization...
- Task forces at ministerial level have been established to review sector laws in cooperation with the Attorney General's office and PMO-RALG
- Review found that legal harmonization moved relatively fast in recent times...but took too long to accommodate itself with the process



## Harmonization cont..

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- Major impact of harmonization has been:
- To raise awareness and understanding of the legal advisors on the concept of D by D and its implication for the structure and role of central government
- To raise awareness and understanding of planning and policy directors on centrality of the law in ousting in place the local government reform and in structuring the necessary institutions
- Initiated interest in beginning to develop expertise on methodologies of reviewing laws and policies with a view to make D by D compliant.



## Harmonization conti...

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Challenge of harmonization is to consolidate and sustain the recent interest and development in legal harmonization. Political / administrative initiative need to be translated into law to make it authoritative and constitutional to make it irreversible.

Another challenge is to have an independent team of experts with both legal and socio political skills to guide and drive, coordinate and facilitate harmonization..

Ensure a unified LG Acts

A constitutional review on LG structure.



# Administrative Decentralization:

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- Policy paper states that administrative decentralization makes local government staff accountable to local councils...these are fully responsible for planning, recruiting, rewarding, promoting, disciplining, development and firing of personnel
- However, the practice is different and mixed: the current Public Service Management and Employment is silent on d by d and mentions decentralization as one of ten core management principles to be perused, not as the modus operandi of the current system. It makes no reference to local government reform policy and on decentralization it makes no distinction between local government authorities and ministries, departments and agencies.





## Administrative decentralization key developments:

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- Legal framework changes have in part led toward decentralization and partly centralizing especially on personnel management
- The 2002 Public Service Act created a unified public service act. It abolished previous local government legislation of HRM and left PO (President Office) PSM vis a vis PMO-RALG as in charge of regulations...a contradiction on mandates...
- The Public Service Regulation maintain powers of central government to transfer staff across ministries, regions and LGA's whenever and in public interest... thus central government on its discretion can overrule local HRM planning



## Adm decentralization key developments

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- Specific public service sectors such as education and health have been exempted from decentralization and their staffs are centrally deployed
- Council directors and all heads of Departments are also exempted from decentralization recruitment
- Currently PO-HRM is reviewing the relevant acts and regulations without involving PMO-RALG!



# Financial decentralization

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- Key financial decentralization was implemented in the last 2-3 years
- It is marked by additional resources to LGA's and especially those that qualify for LGCDG
- Also financial information has increased for policy analysis and monitoring purposes
- Central local transfers when supported by councils own revenue increase sustainability of fiscal decentralization
- An exception for the health sector reveals that fiscal decentralization for the health sector has not addressed the vertical allocation of resources between central and local government



# Financial decentralization

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- The Ministry of health continues to control central drugs and medical supplies budgets, hence councils make additional purchases through user fees – which in experience are very minimal.
- This system fails both the horizontal and vertical accountability by the public sector in the sense that major planning and decision making is still made from the central to the local level without adequate consultation.
- Decentralization has not adequately addressed major funding needed for health sector infrastructure, rehabilitation and new buildings, nor has it set priorities according to councils with greatest infrastructure needs.
- We can make comparisons with other sectors if we know them



# Governance:

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- Relatively better improvement as compared to previous systems
- Lower levels of government have assumed some responsibilities of the central government ie on planning level and a margin of priority setting... still a lot needs to be done in this area..
- Local control of resources has increased through block grants allocated to LGA's
- Balance of power over decision making processes has improved involving councillors more
- Budget allocation at sector level and employment of staff has remained in the domain of the central government
- Governance indicators such as accountability, transparency, responsiveness, effectiveness etc have improved revealed through qualification of more councils for LGCDG grants



# Governance

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- Planning tools have increased participation of citizens in planning and monitoring of government systems
- Recent studies reveal that the % of people accessing information has improved from 7% to 14%
- The study also shows that the people's issues were taken seriously increased by 10% more
- Corruption decreased significantly in local authorities
- Service delivery has increased as compared to before decentralization
- Public participation in local government enhanced the reform process



## Impact on LGA Procedures:

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- Actual practice for HRM on LGA's has been mixed: while on one hand they have started to apply the d by d process, on the other central government has increasingly continued to control the process across LGA's; PMO-RALG.
- Staffs at LGA level have dual allegiances to local and central government while senior staffs pay their allegiance to the central government as one that hires and fires their positions
- Transfers are also centrally controlled even in situations where local councils paid for their training thus frustrating local efforts and especially because of lack of consultation between the two organs and late replacement of transferred staffs



## Impact on service delivery

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- There is improvement on service delivery on various fronts: better planning, training of politicians, has improved a number of processes at LGA levels: these are such as adherence to planning, budgeting and implementation procedures which impact directly on service delivery
- Inequality on staff deployment by central government across LGA's has not substantially changed





## Key issues for progress of reforms

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- Divergence between policy and practice on D by D.
- The ongoing Public Service Management and Employment Policy has no evidence of being in line with D by D.
- Need for clarification on decentralisation of personnel management
- Need to review policies and procedures for LGA staff establishment approvals – a considerable mismatch between these and the reform grant system
- General need to strengthen policy coherence and policy refinement



# Thank you for your attention

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- ANNA MGHWIRA