# Chapter 2
# Overview and Analysis of Decentralisation in the Three Countries

# Chapter 2 Overview and Analysis of Decentralisation in the Three Countries

## 2-1 Introduction

In this chapter, we will analyse the current state and underlying background of the local administration as well as the decentralisation reforms in each of the three countries (Uganda, Tanzania and Kenya). We will then derive the respective characteristics and any lessons learned that become apparent based on a comparison of the three countries.

However, it is not easy at all to compare the politico-administrative systems of different countries since they have been developed based on their own inherent historical and social backgrounds that are different from one another. In addition to this, there is a danger that, when translating the terms of different local administrative units into the Japanese language, rather than providing clarity to Japanese readers, it may instead cause misunderstandings and confusion. Even in JICA, although the term "District" is translated as "*ken*" (県) for Tanzania, Kenya and Uganda, the same term is translated as "*gun*" (郡) for Zambia. On the other hand, the same term "*gun*" (郡) is used for "Division" and/or "Ward" of Tanzania and Kenya. Moreover, whereas the administrative unit "*shu*" (州) is the Japanese translation for the "Provinces" of Kenya and Zambia, it is also the translation for "Regions" in Tanzania.

Furthermore, by translating District as "*ken*" (県), and then translating "Municipality/City" as "*shi*" (市), "Town" as "*machi*" (町) and "Village" as "*mura*" (村), in the Japanese context one might easily get a erroneous image. In Japan, "*ken*" (県)-Districts [4] are ranked as the higher level LG in its two-tier LG system, while "*shi*" (市)-Municipality/City and "*machi*" (町)-Town together with "*mura*" (村)-Village are in the same category, being Lower level LGs. Compared to the above, in Uganda and Tanzania, Districts, Towns, Municipalities and Cities are ranked with the same higher level LGs, and Villages are categorised as a lower level administrative unit positioned below districts. In this way, the sentiment of the terminology may end up deviating from reality in some fundamental aspects. Thus, one should be aware that the conventional Japanese translations could result in the actual situation being misread, especially when making an international comparative analysis.

Bearing this in mind, we have avoided unnecessary translation of the political and administrative units of each country into Japanese in this study. In principle we have used the English terminology that is used in each country.

[4] In fact, the Japanese "*ken*" (県) is translated as "prefecture" in English.

It should also be noted that the size of administrative units varies significantly from country to country. A Village in Uganda has an average population of about 500, whereas in Tanzania, a Village has a population of about 3,000. The same can also be said of land areas. For example, a District in Uganda is vastly different in size to a District in Tanzania. Districts in the neighbouring country of Zambia are even bigger than Tanzania. In terms of population, the Districts of these countries are about the same size as a medium-sized city in Japan; in terms of organisational structure, they are no larger than a small town or village in Japan, which is one tenth of a Japanese medium-sized city; but in terms of land area, they are several times larger than a Japanese prefecture-"*ken*" (県).

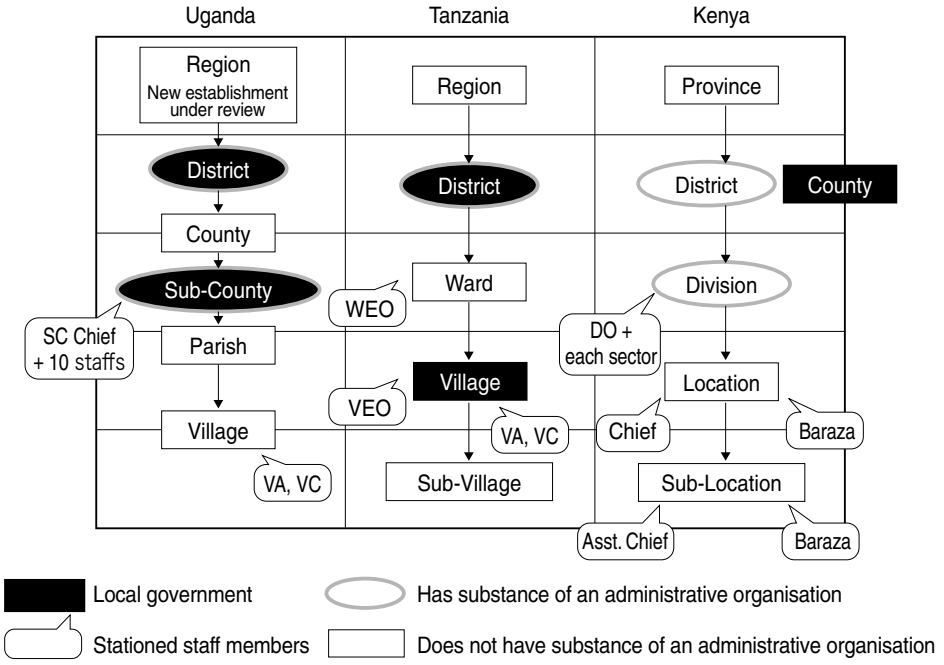
On top of this, local administrative units in African countries are further divided into several layers. Moreover, not all of them are "local governments" that have councils. For example, Districts in Uganda and Tanzania are "local governments" that have councils, whereas in Kenya, Districts are nothing more than local administrative units that are local branch offices of the CG. Similarly, talking about the units allocated under the higher level LGs (Districts), Tanzanian wards do not have councils so that they are not LGs, and even as administrative units, they have only one ward executive officer (WEO) per ward permanently stationed there (though in some instances, some sector officials are deployed from the districts); whereas in Uganda, Sub-Counties (LC3) are "local governments" that have councils, and are important administrative units that have about ten members of technical staff stationed under a university graduate bureaucrat called a Sub-County chief (See Dege Consult, 2007a and NCG, 2004).

In this chapter, when looking at the state of affairs in the three countries, readers will need to pay careful attention to and try to understand these points. To facilitate readers in their understanding, Figure 2-1 shows a comparative structure of the local administrative units of the three countries.

If we look at the local government systems of the three countries that are the subject of this study, the word "Council" appears often. This term is unfamiliar in the Japanese local government system. Prior to gaining independence, each of these three countries was under the colonial rule of Great Britain, and Councils are characteristic of the British system of local government. Put in terms of Japan's local government system, and the closest equivalent is the "*gikai*" (議会) — assembly of local governments. However, in parliamentary local government systems, such as in Britain, councils have both legislative and executive (administrative) authority, and do not have a directly elected head of the local public entity as is the case in Japan. (A "Mayor" is the Chairperson of the council in these countries[5].) In addition to plenary sessions, each council also has standing committees that are responsible for different administrative areas. Each committee is responsible for the execution of

[5] However, in Uganda, although the same term "council" is used, the head of each local government is elected through direct elections.

**Figure 2-1 Correlation between local administrative units of the three countries**




SC: Sub-County, VA: Village Assembly, VC: Village Council, WEO: Ward Executive Officer, VEO: Village Executive Officer, DO: Divisional Officer

Source: Compiled by the author.

administrative duties, and permanent staff are employed and posted underneath each of these committees to manage the everyday administrative services as technical departments of the council (LG). (Fujioka, edited, 1995)[6].

Thus, the term "Council" sometimes refers to an assembly of elected representatives (legislative branch) of LG, sometimes to the administrative departments (executive branch) of LG, and sometimes to an entire LG including both of the above. In view of this, in this report, when discussing Councils, we will use terms from the source language (English)[7].

[6] For further information on the British LG system to help understand the current systems in various English-speaking African countries, see Takeshita (2002a), etc. For further information on country-by-country comparisons of LG systems, see Fujioka (ed.) (1995), as well as Yamashita, Tani and Kawamura (1992), Takeshita (2002b) and John (2001). For an analysis of Japan's LG system from a comparative perspective, see Muramatsu et al. (2001).

[7] Incidentally, in Tanzania, the person in the top bureaucrat position of the administrative departments of a higher level LG (Districts, etc.) is generically called a "Council Director". Although they are Council Directors, this does not mean that they are in the top position of the legislative organ nor the Mayor. Strictly speaking, they serve the Chairperson of the Council (Mayors in urban areas) as well as the Council itself as the secretary and as the bureaucratic head of the administrative departments. Council Directors also perform the role of the head of the Council Secretariat. These Council Directors have different titles depending on the administrative organ: in districts they are called DEDs; in Municipalities, they are Municipal Directors (MDs); and in Towns, they are called Town Directors (TDs). In Uganda, the equivalent position is called the Chief Administrative Officer (CAO). In the higher level local governments (District level) in Tanzania and Uganda, there is another position called the District Commissioner (DC). Appointments to this position are made by CG, and under the flow of decentralisation reforms, it has become a politically honorary post. (Though in Tanzania, it seems that their influence over CDs still remains in practice.) In contrast, in Kenya, DCs exist as the administrative top position of each District, having power as a local branch office of the CG. CG bureaucrats are appointed to this position.

## 2-2 Revisiting Decentralisation in Uganda[8]

Fumihiko Saito

### 2-2-1 Introduction

Uganda is one of the most interesting countries in Sub-Saharan Africa in its post-independence history. In the 1970s, Uganda was a symbol of the "hopeless" Africa suffering from prolonged civil strife and a massive scale of human rights abuses. Then, with the inauguration of the NRM government in 1986, Uganda in the 1990s became one of the newly emerging African reform countries under the leadership of President Yoweri Museveni. Now, since the NRM has been in power for more than twenty years, Uganda is not as highly reputable as it used to be. Uganda has become one of the "ordinary" African states exhibiting an increasing tendency towards neo-patrimonial rule.

The NRM embarked on several political and economic reforms, especially in the 1990s. The Ugandan economy started to recover significantly with an average annual GDP growth of approximately 6 % in the 1990s by implementing a Structural Adjustment Programme (United Nations Development Programme (UNDP) 2005, p. 5). Politically, the NRM introduced a unique polity of a non-party democracy. This polity was intended to broaden the political participation of ordinary people in decision-making processes. Decentralisation measures have been an integral part of the broader political reform agenda of the NRM since it came to power. The implementation of the decentralisation policy officially started in late 1992, and Uganda now has more than a decade of experience. Uganda's decentralisation is at least one of the most ambitious attempts in Africa, and could possibly be the most ambitious in Sub-Saharan Africa except for South Africa (Ndegwa, 2002). It is, therefore, very worthwhile revisiting the experience of Uganda, from which several valuable lessons have emerged for both academics as well as policy makers interested in governance reform.

Reexamining Uganda as of now is important at least for the following four reasons. First, with more than a decade of experience, the implementation of decentralisation has been deepening. In 2006, two important policies were launched: the Decentralisation Policy Strategy Framework (DPSF) and the Local Government Sector Investment Plan (LGSIP). These policies are intended to create a more coherent and consistent institutional structure for decentralisation than before and also to enhance the role of the Ministry of Local Government (MoLG) as the coordinating ministry at the central level. There is also an increasing concern over the results of the decentralised services. Generally, it now appears that more attention is being paid to outputs rather than inputs, as well as to

[8] Research for this article was supported by several sources including JICA, the Ministry of Education, Culture, Sports, Science and Technology · Japan (MEXT) and the Local Human Resources and Public Policy Development System Open Research Centre: LORC project at Ryukoku University. The article draws heavily on two of my writings (Saito, 2003 and Saito, 2008).

quality rather than quantity of services. This kind of progressive implementation is rare in other African countries.

Second, economic growth in the 1990s was associated with poverty reduction (Deininger and Okidi, 2003). However, since around FY 1999/2000, poverty slightly increased despite continued growth (Kappel et al., 2005). Statistics show that absolute (income) poverty declined from 56 % in 1992 to 35 % in 2000, but rose slightly to 38 % in 2004 (UNDP, 2005, p. 5). Almost 20 % of the population suffered from chronic poverty in the last decade (Uganda, Ministry of Finance, Planning and Economic Development (MoFPED), 2005). Thus, poverty reduction reemerged as an important national agenda item, especially because the ultimate purpose of decentralisation is poverty reduction.

Third, the political landscape in which politico-administrative reforms have been pursued started to change at least partly because the NRM has been in power for a prolonged period. Some of the adverse effects of this long period of political domination are becoming apparent (Barkan, 2005).

Fourth, Uganda (re)introduced multiparty elections in February 2006. This change obviously affects political contestation at both the national and local levels. As has often been pointed out, multiparty elections tend to *destabilise* the kind of social relations on which African politics and economics are based (Hyden, 2006). It is, thus, interesting to see the multiple effects of multipartyism on the ground.

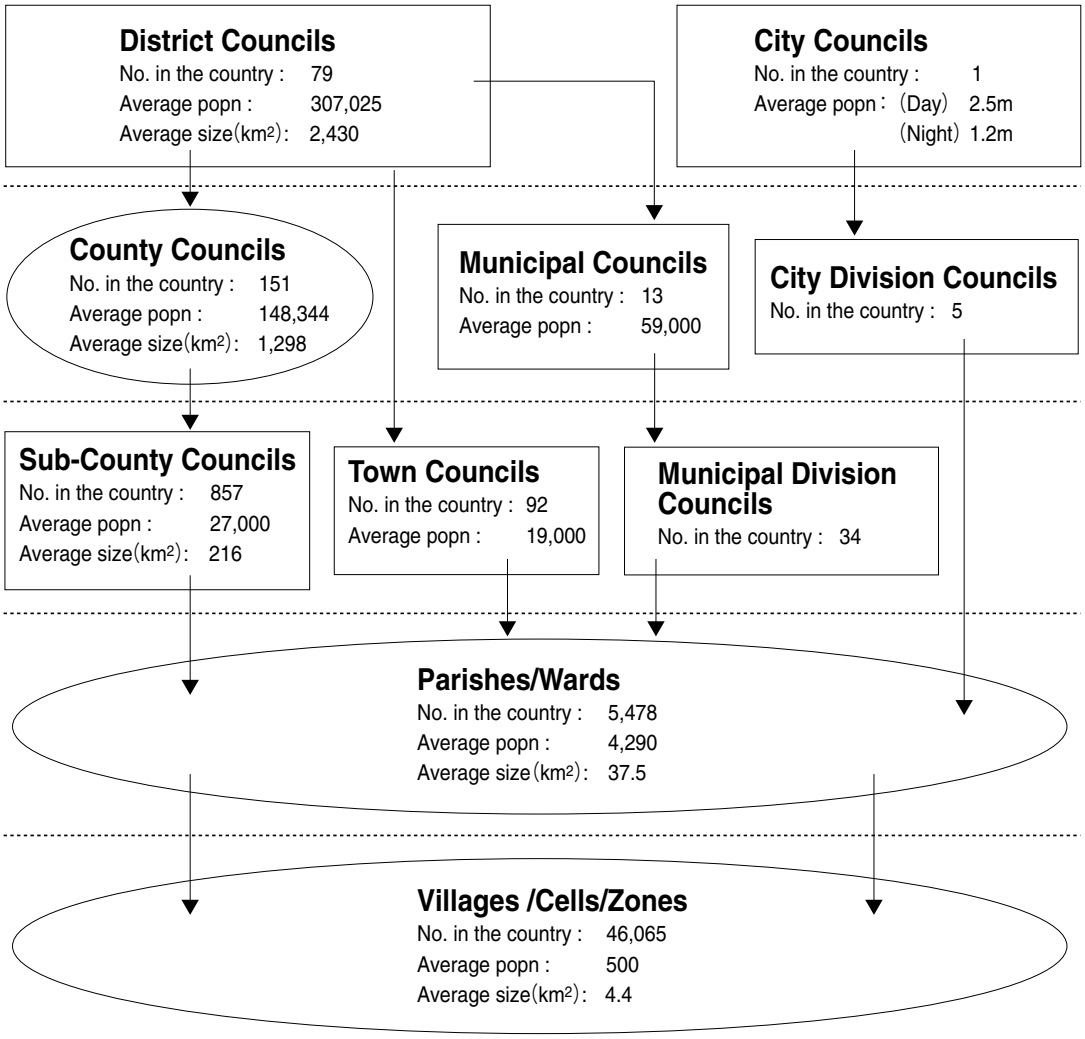
### 2-2-2 LC System and Policy Framework

The institutional pillar of the decentralisation reforms in Uganda is the LC system. This is a hierarchy of councils ranging from LC 1 (Village) to LC 5 (District). The Council encompasses both legislative and administrative organs. The elected councillors serve in the legislature of the LC system, while civil servants discharge their duties in the administration. The political wing is the decision-making body and administrative offices report to their respective political heads.

The origin of the LC system derives from the RC, which was used by the NRA when they were engaged in a guerrilla war to topple the then government. The RC helped the NRM/NRA to ease communication with local residents, and it is for this reason that the NRM decided to install the system on a nationwide scale once it took power (The LC system is described in Figure 2-2).

The nationwide introduction of the RC/LC system spearheaded the more detailed remaking of the legal framework of the politico-administrative structure. In 1986, when the NRM took power, the country was virtually void of any state institutions and the economy was in total ruins. The NRM regime did not want to repeat this painful past. The name of “resistance” reflected their political desire

**Figure 2-2 Local government and administrative units: layers, number and size (August 2006)**

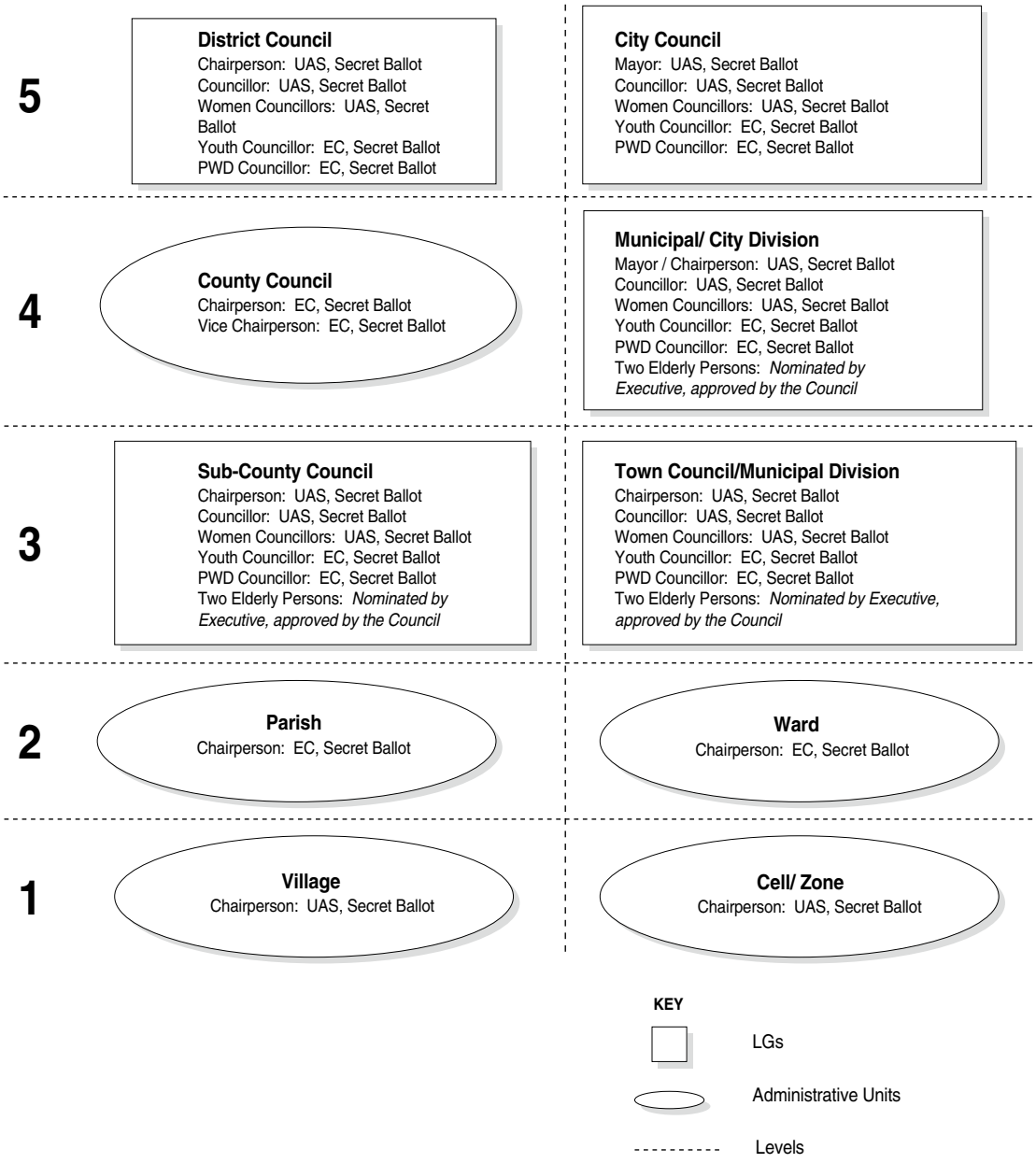



Source: Dege Consult et al., (2007b) p. 12

to reject the instability that prevailed in the post-independent history of Uganda. In the same year, the NRM established the Commission of the Inquiry into the Local Government System. The Commission, in 1987, recommended that the RC should not be a state nor an NRM organ but "democratic organs of the people" in order to establish "effective, viable and representative Local Authorities" (Uganda, 1987). In October, 1992 President Museveni officially launched the decentralisation policy. Since 1993, the pace of decentralisation measures has especially accelerated. The new constitution adopted in 1995 stipulates that decentralisation is a national policy[9], and the RC system was renamed the LC system. The Local Governments Act, 1997, following the constitution, provides a detailed legal framework within which decentralisation is pursued. The Act was subsequently amended several times to improve electoral mechanisms and administrative management

[9] For the politics of constitution making, see for instance Langseth et al., 1995.

**Figure 2-3 Synopsis of the procedures for local council elections**




EC: Electoral College, PWD: Person With Disability, UAS: Universal Adult Suffrage
Source: Dege Consultant et al., (2007b) p. 18

(The current electoral mechanisms are described in Figure 2-3), but the overall political direction remains unchanged.

The political effect of the RC/LC system has been quite significant. The system has opened up the political space considerably at the grassroots level where people now usually do not feel constrained in talking about public issues (Hickey, 2005). Especially for the socially weak, including women, the youth and the elderly, the assured opportunities for being represented in the decision-making processes

presented a truly significant change, even if this improved representation alone does not mean that these vulnerable groups no longer suffer from any political problems (Devas and Grant, 2003). Most Ugandans are not afraid to express their opinions about local issues ranging from education at nearby schools to disputes over cattle or land. While certain issues (such as security and education) tend to attract more attention of local people than others (organising collective action such as cleaning community roads), at the LC 1 level leaders and their constituents (followers) are engaged in a dialogue based on the spirit of trying to resolve local issues for the common good. Geographically, the extent to which effective local discussions are being instituted varies from one area to another. Generally, in the west and the central areas, the LC meetings are held more frequently and are more effective. But in the east and the north, this is not the case. Even if there are such variations, it is still noticeable that there is a certain degree of respect for others when people express their opinions in LC meetings.

What is unique is that in Uganda their practical experience of organising local consultations through the RC/LS system preceded the legal design of a new administrative structure. This sequence of events is noteworthy since in many donor-assisted cases of decentralisation reforms, the details of the legal design are often established *before* local people understand what they mean for their everyday life. However, in Uganda, this was not the case.

This is why the RC/LC system has evolved gradually since the late 1980s. The remarkable fact is that there have been incremental improvements in the system. As people became more familiar with the system, the more its problems became apparent. Thus, revisions were then made to improve the system. This kind of pragmatism has contributed to making the LC/RC system more adaptable to the aspirations of local people in Uganda. As a result, the LC system now enjoys a much higher degree of autonomy than before. Even the minister of local government cannot easily overrule decisions made by local governments in Uganda, which is not the case in many other African countries.

One prominent result of local autonomy is the formation of associations of local governments that have been able to made progressive improvements both domestically and internationally. At the national level, the Uganda Local Government Association (ULGA), with donor support, has become more prominent year after year. The ULGA annually negotiates with the central government on key issues by representing the views of local governments, which has resulted in more coherent and harmonised planning and budgeting systems between the central and local levels. In some areas, associations at the LC 3 level have also been formed. However, these new associations have not yet become as instrumental in making improvements as the ULGA. Internationally, the ULGA is one of the leading local governments associations on the African continent.[10]

[10] According to the Secretary General of ULGA, perhaps the only comparable association is the one in South Africa. In addition, Uganda, together with Kenya, Tanzania, and Rwanda, has recently formed a regional local governments association for East Africa.

### 2-2-3 Political background of decentralisation

The unique pragmatism shown by the process of decentralisation in Uganda derives from the political background that the NRM inherited in 1986. At that time, Uganda was in a virtual state of collapse, and this institutional vacuum left much room to maneuver for the NRM, which then created new institutions from those of the past (Brett, 1994, p. 64). Politically, the RC system was installed to solidify public support for the NRM, which was facing tough challenges from more experienced political parties. Thus, in the polity of the NRM, the non-party democracy and the RC/LC system were two sides of the same coin; they are hardly divisible.

The "movement" polity forbade the activities of political parties. Any candidates for elections needed to compete on their individual merits. The NRM's justification was that political parties in the past divided Uganda along ethnic and religious lines and thereby contributed to the prolonged civil war. Instead, the RC/LC system arguably would enable all Ugandans to participate in decision making equally without being discriminated against on the basis of their gender, age, religious or political affiliations. Without the RC system, the NRM polity presented few opportunities for popular participation. The RC committees functioned continuously with regular elections in 1986, 1989 and 1991. In these years, the NRM Secretariat did not politicise the RC significantly, mainly because the NRM could not penetrate into local societies. This was also because the NRM hardly articulated local political agendas. Thus, RC 1 was not regarded as an extension of the state apparatus or the political regime. This "apolitical" nature of the RCs enhanced popular acceptance of the RC/LC system at the grassroots level. Interestingly enough, the NRM has succeeded in installing the RC/LC system, which has subsequently changed the landscape of local politics significantly. Today the LC system has become an indispensable local politico-administrative organ in Uganda.

Another important political factor that affected the implementation of decentralisation reform is the political influence of the Buganda Kingdom, which has been and still is the most politically influential kingdom in Uganda. The post-independence history of Uganda clearly demonstrates that stabilising politics nationwide without obtaining sufficient support from Buganda is hardly possible (Apter, 1997). In the early 1990s in Buganda, "decentralisation" was interpreted as a federal arrangement in which the King of Buganda would be granted more political and economic autonomy. This Bugandan interpretation was obviously against the political intentions of the NRM. In order to preempt Buganda's assertion of federalism, rapid decentralisation was considered necessary in the early 1990s. The Buganda factor contributed to the "big bang" of decentralisation implementation in Uganda.

These two factors attest to the fact that the motivation for decentralisation reforms came from Uganda itself. This is a very unique feature. In the implementation processes, donors and external assistance played an important role. The fundamental difference from many donor-assisted cases in

developing countries is that in Uganda the desire for decentralisation was not externally imposed. Rather it was a political necessity for the NRM to stabilise Uganda after the prolonged civil strife. What was perhaps fortunate was that NRM's political desire matched what most of the population wanted: the restoration of security and the normalisation of everyday life. The RC/LC was an appropriate mechanism to meet these objectives.

### 2-2-4 Discussion of Public Opinion Surveys

One way to investigate the efficacy of the RC/LC system is to gauge the extent of public participation in and approval of the LC system. It is useful to compare whether public attendance at the meetings and satisfaction with the LC system have changed over time either positively or negatively. Comparisons are attempted using my earlier study conducted in 2000 (Saito, 2003) and more recent surveys with similar objectives.

First, a comparison can be made regarding public participation in LC meetings. In my earlier study, it was estimated that roughly one third to half of the households regularly sent participants to their nearby LC 1 meetings. In a recent National Service Delivery Survey (NSDS), 36 % of the household respondents confirmed that they regularly attended. These two findings are remarkably similar. Although care needs to be taken to interpret these questionnaire results (since the ways in which they were conducted are different), it could be stated that a similar level of participation is encouraging in the midst of the harsh realities of rural Uganda.

Second, a comparison can also be made concerning public approval of the performance of the LCs. In my earlier study, when grassroots people were asked, "Are you satisfied in the way the LC operates," people displayed most satisfaction with regard to LC 1 and their level of satisfaction declined in relation to the level of LC 3 and LC 5 in that order (Table 2-1).[11]

**Table 2-1 Public satisfaction with the LC system 2000**

(%)

| | | Very satisfactory | Somewhat satisfactory | Somewhat unsatisfactory | Very Unsatisfactory | Don't know |
|---|---|---|---|---|---|---|
| LC1 | Village | 43 | 30 | 12 | 13 | 2 |
| LC3 | Sub-County | 24 | 30 | 20 | 17 | 9 |
| LC5 | District | 21 | 28 | 15 | 20 | 16 |
| Overall | | 32 | 46 | 9 | 10 | 3 |

Source: Saito (2003) pp. 78-84

[11] The different responses are due to age and other factors (Saito, 2003).

In 2004, a similar question was asked as a part of the NSDS, although the question was formatted differently (Table 2-2). While it is difficult to interpret these two data sources, there seems to be little significant difference between the two results. It is thus important to note that at least people have not become increasingly dissatisfied with the LC system.

**Table 2-2 Rating of the performance of the local government system**

(%)

| LC Level | | Good | Fair | Poor | Don't know |
|---|---|---|---|---|---|
| LC1 | Village | 61.0 | 26.1 | 8.1 | 4.8 |
| LC2 | Ward | 38.7 | 27.9 | 6.4 | 27.1 |
| LC3 | Sub-County | 37.9 | 23.2 | 8.9 | 30.0 |
| All LC levels | | 45.9 | 25.7 | 7.8 | 20.6 |

Source: UBOS (2005) p. 99

On the contrary, the NSDS result illustrates very clearly that people are more satisfied with the LC system than before (Table 2-3).

**Table 2-3 Percentage distribution of respondents according to their perception of changes in the quality of LC services in the last 2 years (distribution ratio)**

(%)

| LC Level | Improved | Same | Worsened | Don't know |
|---|---|---|---|---|
| LC1 | 58.4 | 32.1 | 7.2 | 2.3 |
| LC2 | 49.1 | 41.2 | 6.2 | 3.5 |
| LC3 | 49.8 | 36.6 | 9.3 | 4.3 |
| All Levels | 53.0 | 38.2 | 7.6 | 3.3 |

Source: UBOS (2005) p. 99

Indeed, when people are presented with the following statement: "our leaders in the local councils are accountable to the community for the decisions that they make," 67 % agreed with it (Logan et al., 2003, p. 44). It was only 31 % of respondents who agreed with the statement: "our leaders in the local councils make decisions without any consideration for what the community wants" (*ibid*).

The fact local people now appreciate the LC system more is intriguing. Ugandans by now have approximately a decade of experience of organising LC meetings whereby common issues are discussed. For many, this decade is the first period since independence in which they have been allowed to engage in public discussions on issues that are relevant to their everyday life. This experience in participating in decision making is important. Although this kind of participation does not mean that the way the LC system is conducted is all pro-poor, the LC system has nonetheless become an indispensable institution that people trust.

The Afrobarometer survey clearly shows that the most trusted individuals in Uganda are LC 1 councillors and their rating is ahead of President Museveni and all other public bodies, such as the parliament, traditional leaders, newspapers and the police (Logan et al., 2003, pp. 43-44). When there is mutual trust between political leaders and their constituents, local consultative processes can be more readily adopted, some of which are effective in bringing development to poor rural societies in this landlocked African country.

Even if these kinds of processes may be the exception rather than the rule, their importance should not be overlooked. It can be argued that as long as consultations contribute to local problem solving, decentralisation can be considered a success. Although there are many objectives associated with decentralisation measures, one indicator of success is a kind of democratic process centered around the participation of ordinary people in decision making. Deliberative processes can be more easily facilitated at the local community level than, for instance, at the level of the national parliament, since reaching a political compromise in the latter is quite difficult. Emerging examples of local deliberations present some hope for bringing long-desired development to much troubled rural Africa.

### 2-2-5 Improved services delivery

The public approval rating of the LC system depends crucially on whether or not service provisions have noticeably improved. This improvement is of an essential concern for ordinary people. As long as local discussions result in a tangible improvement in public services, people are undoubtedly satisfied. If, however, these do not lead to improvements, the discussions remain void of any significance, and people can easily be dissatisfied with the effectiveness of the discussions. Indeed, in such situations "participation fatigue" may set in.

Around 2000 there was a clear tendency for the more educated to express more critical opinions about the LC system (Saito, 2003, Chapter 4). Although the reasons are not fully understood, it might be the case that more educated people expected that local discussions should be linked to administrative support for improvements in welfare. In a relatively early period when the LC system was in operation, such linkages were not fully functional, which resulted in disappointment, particularly for those who were well informed. Indeed, this tendency still persists. In many cases "participatory planning" solicits requests from the public yet local governments often cannot respond to them. Thus many consider such exercises to be useless since the authorities do not keep their promises.

In one area in Mukono, it is apparent that there is a well-organised LC leading to improvements in people's lives. There, both the LC 1 and LC 3 chairpersons have been in leadership positions for a long time. Given the high turnover of local leaders due to elections in Uganda, the continued service of this particular LC leadership is unusual (The LC 3 chairperson is the leader of all LC 3 chairpersons in the

District). The LC 1 leader often consults with the LC 3 chairperson on local issues, and he in turn discusses these mutual matters with LC 5 counterparts in the District offices. In this way, the different levels of the LC system are well connected for problem solving. With this extraordinary leadership, a new health clinic was recently established. In addition, a private secondary school has come to be assisted by the government, which now recognises it as a public school.

The Afrobarometer survey in 2002 is again useful for understanding public perceptions of services. It reports that the following percentages of people saw improvements in services provided by their LC 5 in the last five years: 77 % in education: 69 % in health care: 64 % in feeder roads: and 54 % in water and sanitation (Logan et al., 2003, p. 43). In other words, in these types of services, more than half of the local people believed there had been improvement rather than deterioration. Given that these services form the core activities emphasised by Uganda's often highly-praised Poverty Eradication Action Plan (PEAP), this result is encouraging.

The same survey also reveals that in the case of agriculture only 46 % of respondents thought that services had improved. In agriculture, more than half of the people think that services have deteriorated. This dissatisfaction is also confirmed by the NSDS. While, in 2000, 29 % of respondents replied that they had been visited by an extension worker in the last 12 months, in 2004 only 14 % said that they had been visited. In the western and eastern parts of Uganda, this proportion further drops to 11 % and 12 % respectively in 2004 (UBOS, 2005, p. xvii).

These differences in the public perception of social services and agriculture are partly attributable to different government policies. In education and health, the NRM government has recently adopted a policy of providing free services. Universal Primary Education (UPE), launched in 1997, now provides free education for all pupils. UPE has massively increased school enrollment. In the health services, user fees, which were charged for consultations at public health clinics, were abolished in 2001. Like UPE, this abolition increased public access to health care significantly (Deininger and Mpuga, 2005). In both education and health, the government appears to be committed to decentralising primary services to local governments for pro-poor results. Because these services form the core of the PEAP, the central government would like to ensure that local governments deliver these services successfully. Thus, the central government has been providing significant funds through conditional grants.

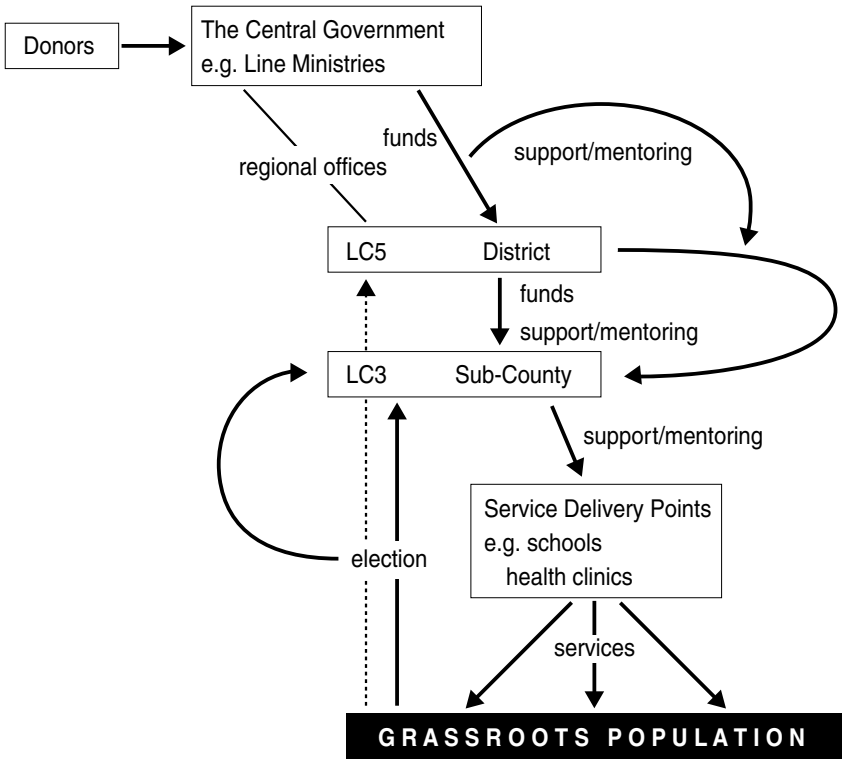
In contrast, in the case of agriculture, the philosophy behind the recent policy was different. The government launched the PMA in 2000, which was essentially the privatisation of what used to be public services (Uganda, Ministry of Agriculture, Animal Industries and Fisheries (MoAAIF) and MoFPED 2000). As a part of the PMA, extension services are reorganised as NAADS. This shift reflects current thinking that in the past agricultural services provided by the government were largely ineffective, and that more efficient and effective services should be demand driven by farmers and

supplied by private entities. More importantly, it is not entirely clear if this privatisation involves a pro-poor orientation, as in the case of education and health. It is too new to come to any conclusions whether the operation of NAADS is to create pro-poor outcomes.

### 2-2-6 Improved linkages among various government levels

Education and health, therefore, represent the progressive implementation of decentralised services provision in Uganda. In recent years it is noteworthy that there has been a significant improvement in collaboration and coordination between the central and local governments as well as among different levels of local governments (especially LC 1, 3, and 5). This kind of multi-dimensional partnership with collaboration among different layers of government aiming to achieve common objectives is the mechanism behind improved services.

**Figure 2-4 Improved linkages among government offices**




Source: Drawn by the author.

The outcome of this multi-dimensional partnership mechanism is reflected in the improved monitoring, supervision and mentoring provided by the line ministries at the centre. While the situation still needs further improvement, it has become much more systematised than ever before. For instance, in education, since 2004, 5 % of UPE grants can be used for such purposes. In health services, area support teams of the Ministry of Health (MoH) started to supervise and mentor District Health Management Teams (DHMTs) from around 2004, and these visits are usually made four times a year.

In addition, district support to service providers has also improved. One type of evidence is the reduced mishandling of grants supplied to schools. In the early days of decentralised primary education, the extent to which funds that were to be transferred to schools were "hijacked" by local officials and politicians was relatively high. Even if the funds reached the schools, it was quite common for them to be misused by the head teachers. Many newspaper articles reported such incidents in the 1990s. However, once information is shared with the PTA and local communities, school head teachers and other local elites cannot divert the funds for their personal use so easily. Reinikka and Svensson (2005) report that using a newspaper campaign to monitor local officials not only successfully reduced malpractices, but also created an environment conducive to effective learning by the students.

In contrast, the assessment of NAADS calls for caution. A preliminary review indicates that although the general policy orientation is considered appropriate, PMA/NAADS needs to be better coordinated with other local services, particularly at the LC 5 level (Oxford Policy Management, 2005). NAADS are welcomed by farmers primarily because they receive much desired extension services essentially free of charge.[12] This provision, however, certainly has a cost. NAADS is organised and facilitated by the LC system. It is at the LC 3 level that the diverse demands of farmers are prioritised. Thus, a limited amount of cost sharing by the LC 3s is required in order for them to receive NAADS services. However, due to financial constraints, in reality this cost sharing has not been honored by most LC 3 offices, which affects the sustainability of the PMA/NAADS.

### 2-2-7 Human and financial resources as enabling factors

The degree of improvement in education and health on the one hand and in agricultural extension services on the other can also be evidenced by the different orientation of the essential resources to manage services: people and finance.

#### (1) Human resources management

On human resource management, Uganda is one of few countries in which local governments (LC 5) have the authority to hire and fire[13], although the remuneration is still determined centrally. The improved education and health results have been backed by efforts to enhance local human resources.

In particular, since the turn of this century, capacity at the LC 3 level appears to have improved both in quantity and quality. For example, according to the recent restructuring, the qualification for an LC 3 chief (administrative head) now has to be as a university graduate. This high qualification is

[12] In the LC 3 areas where NAADS are implemented, the amount of funding is quite significant and it overshadows all other funding (Dege Consultant et al., 2007b, p. 102).

[13] With the new amendment of the constitution, the local governments no longer have the authority to hire and fire CAOs.

unusual in Africa. In addition, there has been a significant numerical improvement in the deployment of service providers. In 2006, at the LC 3 level, there are about ten officers working for local public services, and this number excludes those assigned to schools and health clinics. Although many officials still lack transport, at least the service providers are assigned to the LC 3 offices. This improvement is crucial for the delivery of decentralised services.

In addition, the number of teachers has been increased to cope with the massive increase in the number of enrolled primary school pupils. In health, there is also a recent increase in the number of staff working at public health facilities partly due to improvements in the salary.[14] In agricultural extension in contrast, it is not so certain whether the number of suppliers has increased significantly or not. NAADS service providers need to be locally registered, and it is doubtful whether in rural Africa privatisation suddenly increase the number of service providers considerably.[15]

Apparently, even if there has been impressive progress in the development of local human resources, there are several critical challenges for further improvement. First, now most of the administrators are the "sons and daughters of the soil." This kind of appointment may be welcomed if they are familiar with the local conditions of the people that they serve. However, the problem is that once a majority of the officers are appointed from the same area, the range of experience and knowledge that they can assemble as a technical team is significantly narrowed. This kind of narrow perspective is likely to reduce innovative and well-informed solutions in order to resolve difficult socio-political issues that the LC system faces. This is a serious drawback of the current appointment practices.

Second, the motivation for administrators continues to be a problem. Attracting qualified personnel in remote areas continues to be a problem. For instance, the distribution of health personnel is highly unequal (Dege Consultant et al., 2007). Most of the local administrators feel that their long-term career development has been damaged by decentralisation, since they can no longer expect an upward career path at the central government. Interestingly enough, the precise reason why many of them choose to join the government is that work is less demanding and more secure than in the private sector (Therkildsen and Tidemand, 2006). As local governments become more responsible for services, it is not so certain in what ways the enhanced local duties will affect the motivation of officials.[16]

Faced with these issues, the MoLG in 2005 adopted a National Local Government Capacity Building Policy (NLGCBP). This initiative is welcomed as an indication that the central government is

[14] However, only 68 % of the required health personnel positions were filled in 2004 (Dege Consultant et al., 2007b, p. 84).

[15] An agricultural officer in Rakai LC 5 frankly admitted that the same government officers are now employed by NAADS under the new scheme.

[16] On the one hand, decentralised services improve communication between service providers and recipients. Thus, this can contribute to a better working environment (Saito, 2003). On the other hand, the decentralised services are more demanding than before.

serious about enhancing capacity at the local level. However, this policy is still too new to deliver any tangible results yet.

### (2) Fiscal decentralisation

Uganda is also unique in implanting fiscal decentralisation. The share of local government expenditures within the total government budget is high at 32 %, as in FY 2005/2006, and is nearly 7 % of GDP (Williamson et al., 2005). This is considerably higher than in other developing countries (Shah, 2006). The total amount of fiscal transfers has increased nearly sevenfold over the decade. The proportional composition of the three different types of transfer (unconditional, conditional, and equalisation) has not changed significantly. The equalisation grant is intended for relatively disadvantaged areas, but still remains insignificant. Conditional recurrent grants consistently share about 65 % of all the transfers.

**Table 2-4 Developments in grants and composition**

| Type | Final Accounts 1995/1996 | | Final Accounts 1997/1998 | | Final Accounts 1998/1999 | | Final Accounts 2002/2003 | | Budget 2003/2004 | | Budget 2004/2005 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | UGX billion | Share (%) | UGX billion | Share (%) | UGX billion | Share (%) | UGX billion | Share (%) | UGX billion | Share (%) | UGX billion | Share (%) |
| Unconditional Grants | 40.6 | 34.5 | 54.3 | 24.0 | 64.4 | 23.0 | 76.9 | 11.7 | 82.8 | 11.2 | 87.5 | 10.9 |
| Conditional Recurrent Grants | 77.2 | 65.5 | 168.4 | 75.0 | 202.1 | 71.0 | 428.1 | 65.1 | 467.8 | 63.1 | 527.0 | 65.4 |
| Conditional Development Grants | 0 | 0 | 2.2 | 1.0 | 18.8 | 7.0 | 147.9 | 22.5 | 187.4 | 25.3 | 187.4 | 23.3 |
| Equalisation Grants | 0 | 0 | 0 | 0 | 0 | 0 | 4.2 | 0.6 | 3.5 | 0.5 | 3.5 | 0.4 |
| **Total** | **117.8** | **100** | **224.9** | **100** | **285.3** | **100.0** | **657.1** | **100.0** | **741.5** | **100.0** | **805.4** | **100.0** |

Note: Final accounts and releases are provisional. Columns may not sum to totals shown because of rounding.

Source: Composed of figures from the Decentralisation Secretariat, MoLG, MoFPED, Local Government Finance Commission (LGFC), and Steffensen, Tidemand, and Ssewankambo (2004). Excerpt from Steffensen (2006) p. 115

The sequence of the evolution from the pilot phase of the District Development Programme supported by the United Nations Capital Development Fund (UNCDF) to the subsequent Local Government Development Programme (LGDP) Phase I (1999-2003) and Phase II (2004-2007) funded by the World Bank is an important part of the evolution of decentralisation in Uganda. This process is important for several reasons:

1. Financially, the LGDP provides significant resources to local governments. On average, LGDF funds constitute about 10 % of the total transfers from the central to local governments.
2. LGDP I and II have been innovative in the methods of inter-governmental transfer. While donor-funded projects usually tend to create their own way of funding, the LGDP mechanism has mainstreamed inter-governmental transfers.
3. It is reported that more than 80 % of the funds are used for meaningful investments by local

governments in service delivery under the LGDP I. The investments are normally made in the national priority areas for poverty alleviation.

4. A mechanism of providing both carrots and sticks has been adopted. When districts perform satisfactorily, they receive 20 % more in the following year. But if they fail, their funds are cut by 20 % in the subsequent year.
5. For this purpose, criteria for the evaluation of local governments have been devised and applied. This methodological development now forms the basis for more systematic performance measurement of service delivery in general.[17]

There are, however, certain criticisms against LGDP. The investments are mostly in the form of physical facilities and equipment and have not sufficiently addressed participation and accountability. While some of these criticisms may have a certain validity, it is undeniable that the District Development Programme-LGDP has had a profound impact in several ways.

This experience of the LGDP helped the government to formulate the Fiscal Decentralisation Strategy Paper in 2002. One of the main achievements of this new strategy is to consolidate numerous inter-governmental transfers. While in the past there were nearly a hundred kinds of transfers, now there is one transfer of recurrent costs in each sector (for instance education), and another to cover development costs in the same sector. This consolidation has tremendously eased the accounting burden on local government offices.[18]

However, there is still a serious concern over fiscal decentralisation. In FY 2005/2006 the g-tax was abolished. This tax was known to be unpopular and controversial. The abolition was again announced as a part of the campaign for the election of the national leadership. Yet, this was the only major source of locally generated revenues for local governments. Two points were of concern. First, in some areas, the collection of g-tax was improving, which indicates that there was more willingness among the local population to pay the tax as long as there were some benefits from it. Its abolition undermined the form of accountability that was about to emerge between tax payers and service providers (Goetz and Jenkins, 2005 and Hyden, 2006). Second, although the central government promised to compensate for the loss of the g-tax, only less than half of it has been compensated for. This reduction has resulted in difficulties, inter alia, in paying allowances for local councilors and in convening, in some cases, the council meetings. In addition, local governments cannot fulfill their commitments of cost sharing in implementing some projects (including NAADS and LGDP). As a result, some people in the Rakai District made the following remarks.

[17] Since the LGDG was successful, a very similar project was introduced in Tanzania: LGRP.
[18] In addition, the LGFC, a constitutional body, played an important role, partly due to its institutional independence from the MoFPED.

> "We are all getting more dependent on subsidies from above.
> The funding problems are severe as the abolishment of taxes is not fully compensated,
> new structures are introduced without funding available and the problem is fuelled
> by the announced policy with recommendations to the citizens not to pay any fees
> for basic services. This has created a general feeling that 'everything is free.'"
>
> (Dege Consultant et al., 2007b, p. 27)

### 2-2-8 NRM and neo-patrimonialism[19]

It has become evident that the experience of Uganda in implementing the complex processes of decentralisation measures presents both encouraging achievements as well as serious concerns. Probably the most critical factor in any examination of the future direction of continued reform efforts is the changing political landscape in which decentralisation reform has been pursued. Since 1986 the NRM has been in power for more than two decades. When the NRM took power, it sought to make a clear departure from the post-independence history of Uganda, which had been tainted by political collapse and economic bankruptcy. It was said that in the 1970s and the early 1980s being a Ugandan was a source of "shame" in Africa. The Ten Point Program was intended to present a vision by the NRM to liberate Uganda from its own past misery. For this purpose, the NRM has been making the polity open to and generally accessible by the public through the RC/LC system.

Around the mid-1990s, several observers point out that the nature of the regime shifted (Barkan, 2005 and Robinson, 2006). There appeared increasing signs that decision making within the NRM became increasingly influenced by the leadership. The regime started to distribute economic and other benefits to its close allies. Some reports point out that corruption has become more rampant at various levels and there were increasing signs of nepotism (Barkan, 2005 and Tangi and Wwenda, 2006). A symbolic issue was the controversy over the amendment of the constitution, which initially banned the incumbent president from being reelected for a third term. There were some opponents of this amendment even within the NRM. Most notably, Bidandi Ssali, one of the closest colleagues of President Museveni ever since the NRM was still operating in the bush, reportedly opposed to the idea of a third term. He was the powerful minister in charge of local governments and orchestrated the institutional reform for the installation of the RC/LC system. Due to his opposition, arguably, he lost all his public positions (Barkan, 2005). The departure of Ssali from the NRM may indicate that the original concept of establishing the RC/LC as an institution for African democracy had by then been considerably diluted. Rather, maintaining power itself may have become the objective of the NRM.

[19] Hyden (2006) refers to neo-patrimonialism as the "ultimate form of clientelism in politics" (p. 79). With access to state power and wealth, leaders personally control public affairs. With such exploitation, a kind of perverted legitimacy is created between leaders (who distribute benefits according to their own logic) and followers (who seek to satisfy their particular demands) (p. 96).

Four particular changes related to decentralisation may be invoked to reinforce this interpretation. First, the number of the District (LC 5) increased significantly since 2000. There is an apparent tendency to create new districts, especially in the last three years. In 2000, the number of LC 5 (Districts) was 45. Now the total number is about 80. Almost every week, some new districts are created. With the creation of new districts, the proportion of funds spent on the salaries of local councillors and administrators steadily increases. This increase is of grave concern. Many of these new districts are not economically viable. There is little economic reason for continuing to create so many local governments in this relatively small land-locked country in Africa. The basic motive for creating more districts is therefore considered to be political. The more districts that are created, the more opportunities there are for the distribution of patronage by the NRM to its pro-regime supporters.

Second, the top officials of rural and urban local governments (CAO and deputy CAO and town clerks) are to be appointed by the MoPS from FY 2006/2007. How this change is to be interpreted is a subject of controversy. On the one hand, the change is intended to shield the CAOs from political interference and to enhance their job security. CAOs and others are thus reported to be happy with this decision. On the other hand, this shift may jeopardise the accountability of CAOs vis-à-vis the LC 5 entities. Whereas in the past, they were under the full control of the local political leadership, the change may result in a shift of their loyalty to the central authorities. It is too early to draw a firm conclusion at this point, but it may be more than a simple erosion of local autonomy in the area of personnel management.

Third, local governments are now financially heavily dependent on the central government. In the late 1990s, local governments could generate about 30 % of the funds from their own sources (Saito, 2003, p. 135). Since FY 2001/2002 onwards their own revenues were reduced to cover 10 to 15 %. In FY 2006/2007 this proportion is even expected to be around 7 % (Dege Consultant et al., 2007, p. 27). This shift can be considered to be a form of re-centralisation through fiscal decentralisation. In fact, several local government officers confirmed that this kind of change cannot be considered simply "coincidental." It can be said that the NRM has become fearful of its own "success" in pursuing decentralisation; local governments now enjoy too much autonomy to be controlled by the center. Using inter-governmental fiscal transfer arrangements is one way to effectively reverse this trend.

Fourth, as noted earlier, the primary services of both education and health services are now free of charge. Both policies were announced during the presidential election campaigns. While the abolition of user fees certainly has contributed to widening access by the poor to much needed services, such as education and health, the ways in which these changes are being implemented may display a sign of populist policies by the regime. It may not be an exaggeration to link the shift to making the services free with the NRM's desire to prolong their hold on power, even if it is difficult to come to a firm conclusion on this point.

### 2-2-9 Shift from non-party to multiparty democracy

Furthermore, there has been an even more critical change in Uganda's politics. The 2006 February elections for the LC system were held on a *multiparty* basis, which was the first time during the NRM period. These elections meant a significant departure from non-party democracy that has been advocated by the NRM. There is thus a serious concern. The NRM insists that the idea of non-party democracy has not been abandoned. The change was made, they argue, precisely because non-party democracy has succeeded in political reform and thus has now moved to the next stage of further democratisation under a new multiparty polity.

However, the idea of forming (multiparty) coalitions in Uganda is very new. Party politics in the past tended to be conducted in a "winner takes all" fashion. The results of the recent elections have thus created a situation whereby the majority of the local councillors and the political head of the local government may belong to different political parties. In such cases, this often creates an irresolvable deadlock. A senior administrator in the Mayuge District commented on the situation:

> "The people are not used to multi-party politics and need to be stimulated to start appreciating and effectively operating under a multi-party system. It is like a cock that has been tied for so long. Even if it is untied, it has to be chased for it to run."
>
> (Dege Consultant et al., 2007b, p. 19)

In addition, there are increasing signs that the parties are appearing to function more as channels for patronage rather than as institutions to articulate public interest. Politicians thus often tend to be more loyal to the parties than to their constituencies. This appears to be most evident in the case of NRM, where the leadership seems to feel a need for tight central control over party MPs. Other parties do not seem to exercise as much control over their MPs. As a result, debates in the national parliament are not seen as effective as before.

The shift from non-party to multiparty democracy creates several challenges. However, it appears to be much too early to conclude that the transition to multiparty democracy is a "failure." It takes a lot of time for any democratic culture to take roots. Thus, Uganda is in an important transition to multiparty democracy and much more time is needed for its eventual establishment.

One of the most crucial issues is whether the LC system can function effectively in separation from party politics. The RC/LC system was brought by the NRM. It has been pointed out that the NRM, now one of the several parties, often tends intentionally not to separate the LC system from the NRM. With due time needed for the maturity of multiparty democracy, in the future it may be possible to see this separation whereby the local council function ordinarily and parties have their own centre-

local relations. The hope lies more at the grassroots level (LC1). This is where even the long-lasting NRM regime does not have strong influences on everyday discussions. At the LC 1 people interact with villagers as ordinary citizens not because of political affiliations. If parties do not divide local communities on zero-sum basis, then nurturing the new political culture of coalition may be promising. LC 1, as a well-trusted public institution at the grassroots, may facilitate such nurturing processes.[20]

### 2-2-10 Conclusions

The evolving processes of decentralisation implementation in Uganda indeed present both remarkable achievements as well as fundamental obstacles. What is clear is that since decentralisation is profoundly related to the nature of the state, it is essentially a political question. The experience of Uganda demonstrates that the political background has affected decentralisation both positively and negatively. Initially, in the late 1980s political factors worked positively to promote decentralisation. But as the political situation changed in the middle of the 1990s (due to an extended period for the NRM to stay in power), politics has since then become a serious obstacle to the further deepening of decentralisation endeavors. Therefore, for a full understanding of decentralisation reform in particular and governance agenda in general, it is necessary to pay due attention to factors related to political dynamics. The first and foremost conclusion drawn from the case study of Uganda is that any attempt to achieve "good governance" is far from an easy technical fix. It is useful to learn from various experiences in other countries. Nonetheless, the crucial factor is the political context in which reform attempts are instituted. Local democracy cannot be transplanted just by importing institutional designs that work elsewhere.

Second, as seen in the case of Uganda, when the characteristics of the regime in power change, it affects the ways in which decentralisation and governance reforms are implemented. The NRM started to show increasing signs of neo-patrimonialism, and this shift has been revealed by several examples of re-centralisation. This kind of politically sensitive understanding of the situation puts donors in a very uneasy position. Usually the donors do not wish to be explicitly involved in the internal politics of the recipient country. As the demarcation between internal and external factors, as well as the separation between political and apolitical affairs, become blurred, the donors are increasingly involved in internal politics in developing countries regardless of their wishes. Put differently, in order for external assistance to be fully effective, the donors need to be shrewd enough to manoeuvre around this ever changing playing field. The donors thus need to quite deftly deal with the nature of politics and the state in Africa and the rest of the developing world, without which attempts at ensuring effective assistance will not work.

[20] As of March 2007, the LC 1 elections, originally scheduled for August 2006, have not yet been held. This postponement was due to a petition submitted by the opposition parties and won the approval of the high court.

The third conclusion is that in order for any decentralisation measures to be successful it is absolutely essential to harmonise and coordinate in a much more systematic way the different reform endeavors that are now often being implemented separately from each other. Decentralisation is a very complex policy. Improving public service provisions encompass many dimensions. This coordination is primarily the responsibility of the developing countries themselves. However, in a country such as Uganda, where dependence on external aid is quite significant, donors also need to improve their own coordinating mechanisms. Sometimes the same donor supports different contradictory initiatives. For instance, supporting both sector-wide approaches at the national level and decentralised services can create tensions between them. This sort of inattentiveness to the implementation of assistance should be avoided in the future.

The role is explained for the new local councillors of Uganda.

## 2-3 The Progress of Decentralisation in Tanzania

Masao Yoshida

In this section, we will examine decentralisation in Tanzania in the following order: 1. The socio-political context of Tanzania and the circumstances surrounding decentralisation, 2. Administrative developments for decentralisation, 3. Progress made in the devolution of financial power, and local processes for formulating development plans, 4. Devolution of service implementation (1) Primary education (2) Healthcare (3) Agricultural extension, 5. Various problems as seen from the perspective of service delivery

### 2-3-1 The socio-political context of Tanzania and the circumstances surrounding decentralisation

When considering decentralisation in Tanzania, we first need to give due consideration to its history and socio-political context. Even among the poor developing countries, Tanzania has one of the lowest levels of income, with a Gross National Product (GNP) per capita in 2003 of 300 US$. Nevertheless, it has had political stability since its independence in 1961, and it is one of the few countries that have carried out series of government structural reforms. This is demonstrated in the public's attitude toward government, as there have been no major anti-government movements in its 45 years of independence. (The term "Tanzania" here refers to the mainland area that makes up the majority of the state, and it excludes the island region of Zanzibar.)

Let us consider the factors that have brought about these characteristics. The economy of Tanzania is mostly supported by agriculture where small farmers conduct production activities in their own fields. This is family farming, producing both subsistence crops and cash crops for export and domestic markets, or in some regions, conducting livestock pasturing. The relative importance of industrial production and mineral production is still small. There is also not much disparity between the rich and the poor, and despite there being in excess of 100 ethnic groups (tribal groups) that are prone to giving rise to political conflict, there is no particular group that is conspicuously dominant. Furthermore, through their employment policies, successive governments have adopted recruitment measures by which the employment of public servants is dispersed so as to prevent ethnic hostility.

One aspect that had a remarkable contribution to the integration of the country as a whole was the use of the common language of Swahili as the medium of teaching for primary education, for official government documents, and for discussions of the parliament, etc. While in many other African countries, they have been compelled to use one of the languages of the colonial powers (English, French, etc.) as the common language, it would be fair to say that being able to communicate in

Swahili, even in the remote rural areas, is Tanzania's greatest strength. This served to implant self-awareness in people that they are Tanzanian.

Furthermore, it would not be an exaggeration to say that, in Tanzania after achieving independence (the country was called Tanganyika at the time), there developed a sense of unity throughout the entire country. This was a consequence of such factors as: the existence of one political party which had overwhelming strength, and in the 30 years from when the single-party system was adopted in 1962 up to 1992, a government system was upheld with the absence of opposition political parties; while at the same time, democratic options being maintained for the public, including multiple candidates being put forward during parliamentary elections; the lower-level administrative systems and the lower-level political party organisations were merged on an overlapping form; and the populist policies of President Nyerere received widespread support among the citizens.

When considering what type of decentralisation ought to be instituted in Tanzania, we must remember that there are unique circumstances in Tanzania like those mentioned above. Decentralisation needs to be implemented which is appropriate from the perspective of these circumstances.

The historical developments leading up to decentralisation in Tanzania can be summarised into the following three stages.

(a) Emphasis on democratisation — the colonial system of chiefs symbolising traditional authority was abolished, heads of local administrations (Regions and Districts) were staffed with public servants appointed by the president or the civil service commission, and a system of direct election by the people was adopted for District Councils (1962). Furthermore, as a result of the Ujamaa village policy which began in 1969, greater authority was given to Regions, and many nucleated Villages were formed by abolishing scattered homesteads. Also, a nationally standardised Village organisation was developed for all Villages, and Village chairpersons and Village councils elected by the people were established. Later, in 1982, District Councils were reinstituted.

(b) From 1967 to 1986 was a period when the Ujamaa socialist policy had a strong impact. During this period, economic conditions deteriorated, and a shortage of foreign currencies meant commodities could not be imported. Inflation caused the real wages of public servants to fall drastically, and there was a notable drop in service delivery. Structural adjustment policies from 1986 prioritised macroeconomic stability, and there were no policies for the socially vulnerable. The downsizing of the public service and the freeze on new recruitment continued, and so local administrations became weaker.

(c) During the 1990s, poverty reduction became the major objective of development assistance. The PRSP was adopted, and the subsequent National Strategy for Growth and Reduction of Poverty (known as MKUKUTA in Swahili) was written as a medium-term plan which has continued to this date. In order to direct funds to beneficiaries in rural areas in which large numbers of impoverished people reside, policies for accelerating decentralisation were adopted by the state, with the aim of placing service delivery points closer to the inhabitants. However, the state was forced to rely on foreign aid for its service resources, and so began the powerful intervention by donors in decentralisation policies.

Decentralisation in Tanzania is not a new concept. Since independence, there have been various forms of its implementation. The importance of decentralisation was declared in the 1977 Constitution, and in response to the enactment of the 1982 Local Government Act, the position of Local Government Authorities (LGAs) was clearly stated in the Constitution as part of the 1985 constitutional amendments. In this way, developments in decentralisation were at first voluntary, with a main focus on democratisation; but in the 1990s, government policies giving top priority to poverty reduction began, and the increase in the role of the World Bank and other donors at the time of the establishment of the PRSP, which brought the external debt cancellation, began to have a significant influence. Under donor collaboration, decentralisation is presently placed as a comprehensive framework for prioritising the reduction of poverty. In 1992, the Tanzanian political system shifted to a multi-party system, but the Chama Cha Mapinduzi (CCM) has persisted as the overwhelmingly dominant political party.

### 2-3-2 Administrative developments for decentralisation

#### (1) Policies and legal action

One of the big steps taken toward decentralisation was the "Local Government Reform Agenda 1996-2000," which was formulated in 1996. Officially, Tanzania's current decentralisation reforms stemmed from the formulation of this agenda. The agenda was formally adopted as a government policy document with the "Policy Paper on Local Government Reform, 1998." This document clarified that the government decentralisation policy is "Decentralisation by Devolution" (D by D), which devolves political power, financial power and administrative power to local authorities. Under D by D, the central-local government relationship was dramatically revolutionised. With local authorities, it resulted in local councils exercising independent authority under the overall guidance constitutionally established by the central government. With regard to the central-local government relationship, the Ministry of Regional Administration and Local Government (MRALG) was placed within the President's Office, and later within the Prime Minister's Office (currently known as the PMO-RALG), and the competent minister promoted decentralisation. The various laws and ordinances related to local authorities were revised, and in terms of how it was implemented, it was prescribed by a law which commenced in 2000, namely, the LGRP. The cutbacks in the role of Regions, which had been

previously promoted, were incorporated into this programme. The District level became the core of local authority, and they took responsibility for basic social services, that is, primary education, healthcare, agricultural extension, village water supply and sewerage, and the construction and maintenance of local roads, etc. Table 2-5 shows the division of tasks and the relevant legal basis for each of these services.

**Table 2-5 Division of task and responsibilities according to LG and sector legislation**

| Service | Main responsible as provider | Comments and legal issues |
|---|---|---|
| Primary Education | LGAs | Section 118 of LG Act and stated in the Draft Education Bill (2004). However parallel procedures for management of teachers (Teachers Service Commission).<br>The current Education Policy emphasises decentralisation to the lowest level: the School Committees. |
| Secondary Education | Central Government | As stated in the Draft Education Bill (2004), no specific reference in LG legislation. However, noted that LGAs play a role in construction of secondary schools, as it often is a local un-funded priority. |
| Primary and Preventive Health | LGAs | Need for clarification of role of standing LGA committees versus decentralised facilities. |
| Hospitals | LGAs (District Hospitals) | The National Health Service Bill (2004) states that responsibilities for all health facilities up to District Hospitals fall under LGAs. However, established Health Boards operate in parallel to LGA structures. |
| Water Supply | Urban areas: Autonomous Authorities<br>Rural Areas: mainly LGAs | Implementation of new water capital investments in both urban and rural areas is largely managed by central government.<br>The Water Policy aims primarily at empowering users and the private sector.<br>Water Boards in urban areas and to some extent Water Users Associations are established for management of water supplies as parallel structures to LGAs.<br>Regional Consultancy Units are established parallel to the Regional Administration in order adequately to support the LGAs. |
| Sewerage and sanitation | As above | |
| Solid waste | LGAs | No major legal issues, but problems of capacities in LGs with enforcement of laws, technical capacity for management of waste, problems of user payments for sustainable delivery of service. |
| Roads | All Districts and feeder roads, all streets in Municipalities and Cities | The main problems are with financing arrangements and technical capacities.<br>Some legal issues have been raised in relation to the drafting of a new Roads Act where the Ministry wanted to establish Regional Roads Boards for coordination of district roads. |
| Agricultural extension | LGAs | In principle no major legal issues regarding division between CG and LGs. However, the transfer of some 7000 extension staff to LGAs was made rather late compared to other sectors. The capacity of LGAs to deliver meaningful services is limited not least to unresolved division of work between the private and public sector. Privatisation and use of public funds managed through farmers groups raise some issues regarding legal basis for procurement and financial management. |

Source: Dege Consult et al. (2007d) p. 9

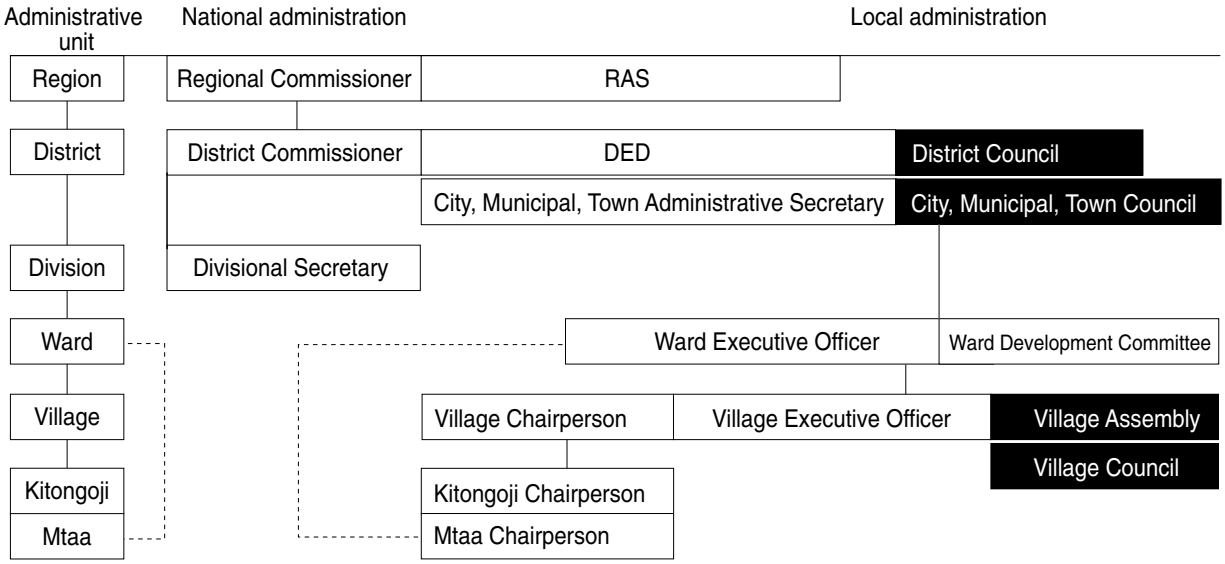
### (2) Different levels of local authority

The organisation of local authorities in Tanzania is described as a two-tiered system. This is because organisations that have both council and administrative functions exist at the two levels of District and Village. However, in rural areas, between the District and Village levels, there are Wards that exist as a level without councils but with standing committees, and there are also Kitongoji (plural, Vitongoji) that exist as a level without standing committees but with grass-root local resident organisations. Likewise, in urban areas, there are Wards, but below this level, instead of Villages, there are Mtaa (plural, Mitaa). Figures 2-5 and 2-6 show these hierarchical structures.

If we include local offices of the national government, then the administrative organisations that exist in the local (rural) areas of Tanzania are, in order of a level from upper to lower: Region, District, Division, Ward, Village and Kitongoji.

1) Of these organisations, Regions and Divisions are currently local offices of the central government, and they are not regarded as local authorities. Prior to the adoption of the LGRP, Regions performed an important role in administrative services for local residents. Now, that role has been reduced, and they have such functions as technical backstopping for District administrative services, as well as monitoring, providing comments and coordinating for development plans that are regarded as the duties of Regions. However, their personnel have not been appropriately assigned for these duties to be carried out efficiently. Currently, there is a shortage of specialists, and many posts are vacant. Region is administrated by the Regional

**Figure 2-5 Organisation of local administrations in Tanzania**




Note: Areas shaded black are local authorities that have councils. (Village Assemblies have upper council functions.)

Source: Compiled by the author based on United Republic of Tanzania (PO-RALG) (2002), (2006), and fieldwork conducted in Tanzania in November 2006.

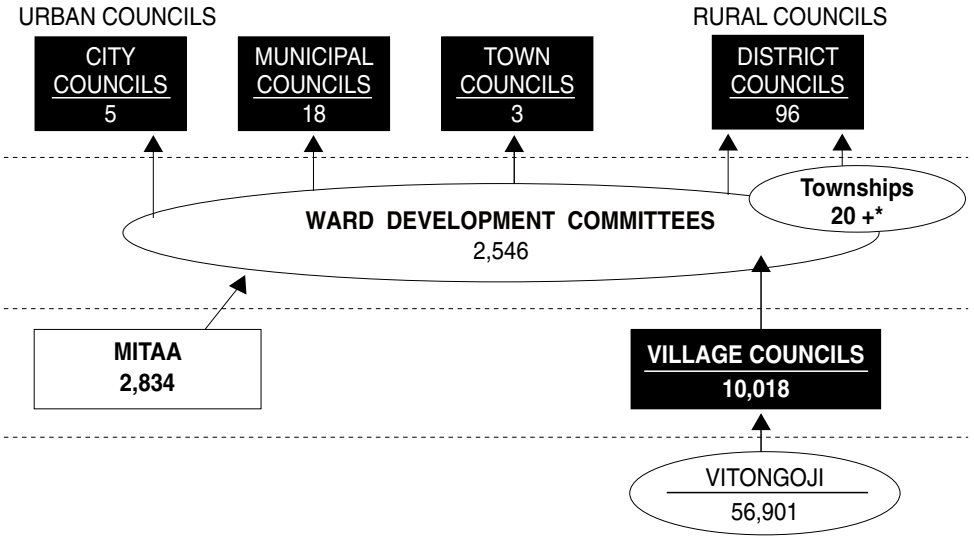
Commissioner assigned by the Prime Minister, who functions as a political representive of the Prime Minister. Each Region office is run with a small staff led by a RAS.

Divisions are zones that were created during the colonial period, more often than not on a basis of ethnic grouping. They had a strong affinity to the former Chiefs' Areas, and often post offices, lower courts and other such facilities were located close to the Divisional office. Now, a Divisional office is run by only one Divisional Secretary (in charge of maintaining public safety), who represents the District Commissioner, and two or three support staff. In terms of local offices of the national government, the office is placed at the end of the line of national administration, with the Regional Commissioner - District Commissioner - Divisional Secretary, in that descending order.

2) Next are the various levels of local government, called "local authorities". At the top is the District level. In rural areas, there are District Councils, representing local authority. In urban areas, there are local governments with different names according to their population, namely: City Councils, Municipal Councils and Town Councils (see Figure 2-5 and Figure 2-6).

3) According to the provisions of the Local Government Act, District Councils are comprised of elected councillors from each Ward within the District, councillors elected to Parliament from within the District, and female councillors numbering one-third the number of the first two types of councillors. A DED serves as the head of the council secretariat. In each District Council, there are three standing committees: the Finance, Administration and Planning Committee; the Education, Health

**Figure 2-6 Numbers and types of local administrative units in Tanzania (2004)**




* The number of township authorities is hard to establish, as data hasn't been publicised in a summary manner by PMO-RALG. Since 2004 those district headquarters that had no formal urban status have been declared township authorities and are in transition to become Town Councils

Note: Areas shaded black are local authorities that have councils.

Source: Tidemand (2004) p. l2.

and Water Committee; and the Economic Affairs, Works and Environment Committee. These standing committees deliberate on the draft proposals prepared by the District, and after the Finance, Administration and Planning Committee has approved them, they are presented to the full District Council. They also perform the role of supervising the implementation of decisions made by Council. Of the three standing committees, it is apparent that the Finance, Administration and Planning Committee has the greatest authority, and the chair of this committee concurrently serves as the chair of the District Council. (Tidemand, 2004)

The DED is, after the District Commissioner, at the top of the District administration, and is given the extremely important authority and responsibility of providing administrative services to the residents of the District. Various departments are arranged below the DED, including: personnel, management, planning, finance, accounting, public works, education, culture, healthcare, agriculture, and livestock.

4) Wards are the next level of administration below Districts, and although they do not have councils, they do have offices as subordinate organisations to the Districts. Each has a Ward Executive Officer (WEO) permanently stationed there. However, there are no other office personnel, and they do not have their own means of revenue. Wards typically occupy an area equivalent to about four or five Villages, which are the next level of administration. The significance of this level is that there is a Ward Development Committee (WDC). It performs the function of examining Village development plans when creating participatory development plans, and providing advice so that the plans are included in the higher-level District Development Plan (DDP). A WDC is comprised of all the Village Chairpersons who represent each of the Villages within the Ward, as well as the councillor to the District Council who is elected from the Ward, and who serves as the chair of the WDC. Although it is only these members who have the authority to make decisions, usually there are other people in attendance at WDC meetings, including the WEO and Village Executive Officers. Also, depending on the agenda, others with technical knowledge may also be required to attend, including: principals of the primary and secondary schools in the Ward, agricultural extension officers, health support staff, church leaders, Islamic teachers, and CCM leaders. The WDC has about three regular meetings each year, but will also assemble as needed if urgent matters arise. As this shows, Wards organise development plans at the Village level, and they perform an important function for ensuring consistency with the DDP. However, in terms of being an intermediate point linking Districts and Villages, Wards remain weak as administrative organisations. At present, Wards are limited in their effectiveness that is largely determined by the personal leadership of the chair of the WDC (concurrently, a District Council Councillor), but maybe they need to be further enhanced in terms of administration as a core of service delivery, such as by employing permanent office staff. WDCs have also been established in urban areas, and they are expected to play the same role as those in rural areas.

5) The next level is the Village (or Kijiji in Swahili). At the time of the Ujamaa village policy, Villages were developed as organisations central to the development of farming communities, and their functions were enhanced. The highest organ within a Village is the Village Assembly, which is comprised of all men and women aged 18 or over; but the body that is involved in the routine operations of the Village is the Village Council, which is comprised of between 15 and 25 people. The Village Chairperson is the chair of the council, and the Village Executive Officer, a position which has recently been clearly regarded as a local public servant, is the secretary. Ordinarily, there are 25 members in the Village Council, including the head of each Kitongoji, which is the level below the Village, and a number of councillors who are elected from the Village Assembly, with the other positions being filled in a way that females account for at least one quarter of all councillors. Village Councils are responsible for all activities that protect the livelihoods of residents, including the management of Village resources, the approval of the voluntary activities of Village residents, the mobilisation of personnel for cooperative activities (road improvements, etc.) and the formulation of participatory development plans. They are required to register their names with District Councils, and the "Village Land Act," which was enacted in 1999, stipulated that Village Councils would have the power to grant the right to allocate and the right to use land to individuals within the boundaries of the Village. The Local Government Act stipulates that they are able to establish their own by-laws for their respective Villages, and so the councils are conducting the administration of the Villages as representatives of the Villagers, such as by having the power to enforce this provision.

6) When the single-party political system was in place, ten-cell units existed that were the low-level organisations of the CCM. Each unit was made up of residents from ten households, and was led by a Balozi. When Tanzania shifted to a multi-party system, the ten-cell units and Balozi system were abolished. In their place, Kitongoji was established as the lowest administrative level. Vitongoji (pl. of Kitongoji) were gradually established from around 1993, with a Village being divided up into Vitongoji of between about 20 to 70 households each. In general, a Village has about 300-500 households, and so a single Village is divided up into about ten Vitongoji. By virtue of their office, the head of each Kitongoji becomes a councillor on the Village Council.

**(3) The public servant system in local authorities, and authority over personnel affairs**

When decentralisation is implemented in the form of devolution, two major factors are the division of rights pertaining to public finance and the division of rights pertaining to personnel. Public finance will be addressed in detail in the next section. In this section, we first explain the problem areas in the personnel systems.

Under the 1998 Policy Paper on Local Government Reform, all public servants engaged in the activities of local authorities were to be employed by the local authority, that is the District Council;

and District Councils were prescribed to have the authority to employ, assign, promote and dismiss those public servants. However, it was strongly felt that salaries, wages and allowances should be standardised, and so the issues relating to personnel were re-examined.

Previously, there were separate systems for public servants employed by the central government and public servants employed by local authorities, but they were both managed centrally. Then, as a result of the 2002 revisions to the Public Service Act, they were integrated into one public servant system. Although this gives the impression of running counter to the notion of local autonomy, it is because of the issue related to the unification of salaries and allowances mentioned above, and the primary management body was clearly separated between the central government and local authorities. Incidentally, primary school teachers account for the great majority of local public servants. As of 2006, there were a total of 326,829 public servants; with public servants at local authorities accounting for as much as 67 % of the total, and teachers accounting for 70 % of this.

**Table 2-6 Recurrent expenditure by sector of local authorities**

| | 1995 | 1996 | 1997 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Central | 108,363 | 101,074 | 97,146 | 92,393 | 92,951 | 91,407 | 90,928 | 92,436 | 90,706 | 91,950 | 97,775 |
| Regional | 24,119 | 22,667 | 19,192 | 16,637 | 10,172 | 9,776 | 10,188 | 10,302 | 10,064 | 9,835 | 9,481 |
| Local G | 163,255 | 163,297 | 156,842 | 155,397 | 169,825 | 168,490 | 177,812 | 189,979 | 187,149 | 204,606 | 219,573 |
| Total | 295,737 | 287,038 | 273,180 | 264,427 | 272,408 | 269,673 | 278,828 | 292,717 | 287,921 | 306,391 | 32,829 |
| LG share | 55 % | 57 % | 57 % | 59 % | 62 % | 62 % | 64 % | 65 % | 65 % | 66 % | 67 % |
| Local teachers | | | | | 110,116 | 109,879 | 116,713 | 116,801 | 126,744 | 144,286 | 154,186 |
| Teachers share of all LG Employees | | | | | 65 % | 65 % | 66 % | 61 % | 67 % | 70 % | 70 % |
| non-teacher LG | | | | | 59,169 | 58,611 | 61,099 | 73,178 | 60,405 | 60,320 | 65,367 |
| Non teacher growth rate | | | | | | -0.9 % | 4.2 % | 19.8 % | -17.5 % | -0.1 % | 8.4 % |

Source: PSM HR and Payroll Database and Steffensen and Tidemand 2004. (except from Dege Consult et al., 2007d, p. 23)

However, it would not be exactly true to say that all public servants at local authorities are appointed and managed by District Councils. With regard to the question of how far devolution should be carried out, as a result of trial and error, in the 2002 revisions, it was decided that DEDs would be appointed by the president, and the Department Directors in the District would be appointed and managed by the PMO-RALG in the central government. This indicates that there was a tug-of-war over authority between the central and local governments. However, other local government officials are not sent from line-ministries like before; they are selected and appointed by establishing an Employment Board under the District Council. Also the right to appoint primary teachers is retained by the head of the Teachers Service Department (Tidemand, 2004, pp. 24-25).

The fact that the authority over personnel issues at the Director level in Districts was given to the central government rather than to local authorities means that, in reality, the principle of true devolution was significantly altered. Also, the fact that the authority was given for the central government to be able

to intervene in the appointment of teachers and medical professionals in certain cases is also a change in this sense. However, under the conditions of an overwhelming staffing shortage, the argument (Tidemand, 2004, p. 27) that the difficulty in acquiring personnel with specialist qualifications requires this kind of approach is needed, is also convincing. Furthermore, it is likely true that the political intention of the central government wanting to accomplish its will has been reflected in these changes.

Regions exist in a position linking Districts and the central government, and the substantial reduction in the authority of this level of administration has meant that the alternative mechanism for maintaining mutually cooperative relations between Districts has become more and more important. The Association of Local Government Authorities of Tanzania (ALAT) is an organisation that was established in 1984, prior to the inception of the LGRP. Currently it has 114 local government members, including all District Councils and urban area City Councils. In addition to reflecting the ideas of local authorities in the formulation of central government policy, the role of the ALAT is to make recommendations for legislation, to educate about decentralisation reforms, and to share information. There is a great potential for the role of organisations like ALAT, which go beyond the realms of Districts, for enabling a kind of wide-area development, which would otherwise be at risk of activities becoming segmented to District by District. However, as it stands now, the activities of ALAT seem to be limited.

### 2-3-3 Progress made in the devolution of financial power, and local processes for formulating development plans

#### (1) Revenue structure of local authorities

The decentralisation of public finance is typically more obvious in the content of changes to expenditure structure, but in this section, we will begin by looking at the revenue structure. A feature of public revenue for local authorities in Tanzania is the overwhelming amount of grants and subsidies come from the central government. What is more, this trend has further intensified since decentralisation was promoted. A major factor behind this is the 2003 abolition of the development levy (a form of local tax imposed on each adult resident), which had accounted for a considerable proportion of independently sourced funds. Other local taxes were also abolished at the same time, including the market levy and the livestock levy. One of the reasons cited by the government for the abolition was that collecting the levies was costing too much compared to the amount of tax revenue, but it has resulted in a number of local activities being suspended. Viewed from the objective of strengthening local autonomy and expanding the sense of ownership for development, the reduction in independent sources of funds is likely to be counterproductive. In 2005/2006, the rate of dependence of local authorities on grants from the central government reached 89.9 %, and independently sourced funds, which in the 2001/2002 fiscal year was 20.3 %, had fallen to 9.8 % in the 2005/2006 fiscal year. In 2002, the year before its abolition, actual revenue from the development levy reached a level of about 20 % of local authorities' independently sourced funds.

**Table 2-7 Local government financial resources FY 2001/2002-2005/2005**

| | 2001/2002 | 2002/2003 | 2003/2004 | 2004/2005 | 2005/2006 |
|---|---|---|---|---|---|
| **TZS Million** | | | | | |
| Local Grants (incl. GPG) | 201,119.0 | 247,027.3 | 313,872.7 | 386,767.8 | 452,831.2 |
| Own Source Revenues | 51,200.2 | 57,740.2 | 48,343.6 | 42,871.4 | 49,291.0 |
| Local Borrowing | 50.0 | 225.0 | 442.5 | 250.5 | 1,495.9 |
| **Total** | **252,369.2** | **304,992.5** | **362,658.8** | **429,889.7** | **503,618.1** |
| **Percent of local government resources** | | | | | |
| Local Grants (incl. GPG) | 79.7 | 81.0 | 86.5 | 90.0 | 89.9 |
| Own Source Revenues | 20.3 | 18.9 | 13.3 | 10.0 | 9.8 |
| Local Borrowing | 0.0 | 0.1 | 0.1 | 0.1 | 0.3 |
| **Total** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** |

GPG: General Purpose Grant

Notes: Data reflects actual amounts as reported by LGAs. Until 2003/2004, own source revenues and borrowing data are based on calendar years. Until 2004/2005, borrowing is as reported by LGLB and Local Grants are based on budget amounts reported by Ministry of Finance. Totals may not add up due to rounding.

Source: Local Government Fiscal Review 2006 which has computed data from PMO-RALG; Ministry of Finance; and Local Government Loans Board.

**Table 2-8 Total local government revenue by source**

(Actual collections, in TShs. millions)

| | 2002 | 2003 | 2004/2005 | 2005/2006 |
|---|---|---|---|---|
| Development Levy | 11,368.7 | 3,205.4 | 0.0 | 0.0 |
| Property tax | 3,547.9 | 3,134.7 | 4,208.1 | 4,857.2 |
| Agricultural cesses | 9,251.3 | 9,017.5 | 11,375.5 | 10,862.3 |
| Service Levy | 9,260.7 | 7,786.6 | 10,681.8 | 11,733.7 |
| Land Rent | 567.1 | 654.6 | 571.9 | 770.7 |
| Licenses and fees | 11,648.2 | 12,134.1 | 5,462.7 | 1,008.9 |
| Charges | 5,525.9 | 5,179.2 | 6,338.0 | 12,611.6 |
| Other revenues | 6,570.3 | 7,231.6 | 4,233.6 | 7,446.6 |
| **Total Revenues** | **57,740.2** | **48,343.6** | **42,871.4** | **49,291.0** |

Source: LG Fiscal Review 2006, PMO-RALG data on actual collections.

Looking at the government financial transfer to local authorities, up until 2004, the central government provided annual grants to six areas based on six categories at the time: five priority areas of education, healthcare, water supply, roads and agriculture which were designated by the state, plus payments for the administrative affairs of local authorities. However, this method of distribution was not very transparent, and on review, it was thought that it assigned more personnel to regions that had historically received favourable treatment. In revising this system, the recommendations of the Georgia State University in the US were significant. The university recommended that government aid be based on a formula as the standard for calculating recurrent grants, and this was later adopted as the principle for local grants.

The Tanzanian budget system had always been divided into a recurrent budget and a development budget, and this division was maintained even under decentralisation. Thus far, development budgets

funded by aid from foreign countries and international agencies had always been predominant, but in recent years, we can see that there has been an increasing amount of aid for recurrent budgets.

Whether they be development funds or recurrent funds, recent donor-based aid coordination has been greatly reflected in the preparation of the national budget, and formal platforms for aid coordination have been created. With the introduction of the Poverty Reduction Budgetary Support (PRBS), donor assistance giving priority to poverty reduction began to also include local authority reform, and common baskets were established aimed at implementing the LGRP. The Joint Government-Donor Consultative Forum and the Common Basket Fund Steering Committee were established with the aim of coordination between donors and the Tanzanian government, and fairly intrusive discussions have been held on local authority reform programmes.

**(2) Devolution of the formulation of development plans**

In this section, we will shed as much light as possible on the questions of who formulates local authority development plans which serve to justify budget requests, and in what way are they formulated. Prior to decentralisation policies, plans were formulated using the so-called top-down approach, and more specifically, there was a strong sense of them being donor-formulated development plans led by donor aid policies. This gave voice to a number of views: this kind of approach does not necessarily match the needs of the beneficiaries; we end up with standardised development forced upon us that overlooks local characteristics; eg. in many cases the system is difficult for the local organisation to maintain; the costs are too high; it does not cover subsequent fiscal expenditure; the technological standard is too high for the local area. Changing the system of plan formulation to a bottom-up approach which more easily meets local needs was a major reason for decentralisation.

In order to implement this type of bottom-up plan formulation, a system of community participation needs to be built, but this is easier said than done. Even if residents have a thorough knowledge of matters close to them, they have no knowledge of either broader matters outside the world around them, or of more sophisticated technical matters. Impoverished residents are completely occupied with just leading their day-to-day lives, and they are either indifferent to broader distant matters, or they do not have the time to attend meetings. There are many other difficulties, including that the approach is prone to so-called “elite capture,” with the poor being unable to stand up to local persons of influence. Nevertheless, being able to talk with anticipation about community participation is due to the following points now being considered more important: previous foreign assistance has been pushed ahead with overly ineffective plans; there has been no consistency across different projects; there have been numerous projects that have collapsed immediately after the departure of external specialists; and thus people are acutely aware of the need to nurture ownership for development programmes.

The devolution of plan formulation continues to be adopted based on these considerations; but

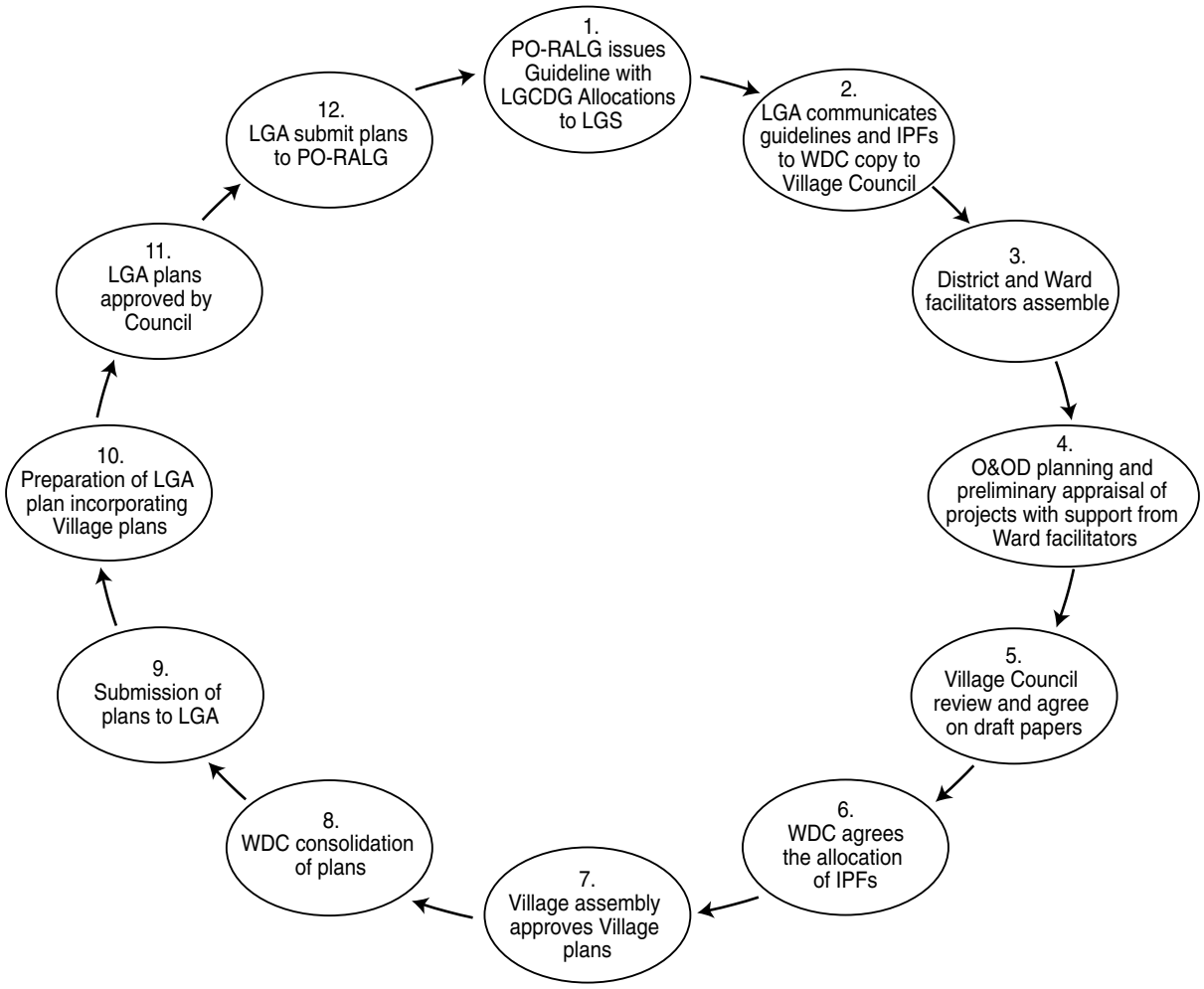
what kinds of changes specifically has this devolution brought about? The devolution of authority has resulted in bringing the pivot of development closer to residents, but has this alone led to services now being delivered which are in line with the needs of residents? From these kinds of perspectives, we will now take a look at the "devolution of planning" that was adopted by Tanzania.

Basically, it would be fair to say that the formulation of development plans at local authorities was revised to a bottom-up approach. A bottom-up process has also been adopted for the budgeting process. However, the central government, through local administrative agencies, advises local authorities in advance about guidelines and budget ceilings that are to be observed, and it reserves the right for plans not to be adopted as the document to be raised to a higher level if it believes that these guidelines have not been followed. The following Figure 2-3 shows a diagram prepared by PMO-RALG that represents this process as a planning cycle.

In rural areas, this cycle begins with development plans at the Village level (Village Plans) being made using the participatory approach, through facilitators who are selected from among residents using a cascade method at the District and then at the Ward level. RALG recommends that a method called Opportunity and Obstacles to Development (O&OD), the adoption of which has been increasing recently, be used for planning at the Village level; but in Villages that are unable to adopt this method, it has been expressed that they should be able to make the plans using the Participatory Rural Appraisal (PRA) or some other type of feasible participatory method. The results of the initial planning are examined by the Village Councils, and sent to the higher level WDC as a proposal. Once the approval of the WDC has been obtained, the Village Assembly decides on the plan, and submits it once more to the Ward. The WDC consolidates all the Village development plans under its jurisdiction, and forwards them as a plan proposal to the District Council. The District Council then prepares this as a draft budget, and requests comments from the Region before deliberating on it as proceedings. After this, if the plan is adopted, it is submitted to the national RALG. The above procedure is similarly carried out in urban areas, with Mitaa being the lowest-level authority. It is said that, in reality, the above process is not being carried out uniformly, and it seems that there are significant variations between local authorities. It has been pointed out that there is a tendency for budgets to be drawn up based on excessive estimates compared to the total available funds. In any case, there is no doubt that the District Administrative Departments and District Councils, which are positioned at the intersection of the top-down and bottom-up approaches, are under enormous strain with regard to coordinating the two approaches.

On the topic of development budgets, a new type of system called LGCDGs was established through which Districts are allowed to independently determine the areas to allocate funds as well as the allocation ratios. LGCDGs are a type of basket fund, and are grants that can be used in multiple sectors. Compared to the funds with little discretion for a District at the time budgets for individual sectors are handed down to them, LGCDGs are funds which the District can use freely, and they were

**Figure 2-7 LGA planning cycle**




IPF: Indicative Planning Figure

Notes: 1. The word Village here should be taken as synomous for Mtaa and LGA for the District or Urban Council.

2. The Process follows the existing planning cycle for LGAs and uses the existing participatory planning methodologies. This diagram assumes the use of O&OD, the chose Government participatory planning methodology, but those LGAs that have not implemented O&OD will adapt their existing methodologies to fit with this one.

Source: PMOLARG (2004) LGCDG Planning Guidelines for Villages and Mitaa (2004).

established in January 2005 as a grant to establish financial devolution. The following four points can be listed as characteristics of the grants: ① they apply to all local governments; ② the allocation from the central government is based on a calculation method (formula-based); ③ they have an allocation coordinating mechanism integrated into them, which is based on the performance of the local governments; and ④ they are linked to policies on the development of human resources capacity. The Local Government Support Programme (LGSP), which had previously been implemented by the World Bank, was integrated into the LGCDG. With regard to the calculation of grants from the central government, the allocation of funds based on their respective calculation indices began between fiscal years 2004 and 2005, not only for LGCDGs, but also for General Purpose Grants in the primary education, healthcare, agriculture, local water supply and local roads sectors.

### (3) Expenditure structure of local authorities

In this section, we will consider actual expenditure structures of local authorities following decentralisation.

From the perspective of autonomy in expenditure, as mentioned previously, the abolition of the development levy resulted in a decrease in independent sources of revenue from 2004. In fiscal year 2005, the percentage of independently sourced revenue to total tax revenue had reached a low level of 19.4 %. However, there is an argument that goes as follows: even if an organisation has no independent sources of revenue, it would be fair to say that it has maintained its autonomy if there are no expenditure conditions attached to grants and it can use them freely. In this sense, the establishment of the LGCDG, which gave discretion in expenditure to the Districts, has been of enormous significance as something which strengthens autonomy. Table 2-9 lists the recurrent expenditure by sector of local authorities.

What this table shows is that the two sectors of education and healthcare account for a major proportion of expenditure, approximately 75 % jointly. A conceivable reason for this is that there are a great number of primary school teachers and the personnel engaged in healthcare, and their salary component is pushing up the figures.

**Table 2-9 Aggregate local government recurrent spending by sector**

| Fiscal Year | 2002/2003 | 2003/2004 | 2004/2005 | 2005/2006 | 2005/2006 LGAFS |
|---|---|---|---|---|---|
| | | | TZS millions | | |
| Education | 170,242.4 | 202,239.5 | 245,945.4 | 307,321.6 | 298,913.0 |
| Healthcare | 43,684.8 | 48,856.3 | 63,574.1 | 75,324.7 | 70,457.9 |
| Agriculture | 7,691.2 | 12,059.2 | 13,939.1 | 18,305.1 | 10,632.3 |
| Roads | 3,613.6 | 4,307.8 | 4,991.9 | 5,981.0 | 9,852.4 |
| Water | 6,762.2 | 7,993.7 | 11,215.2 | 13,030.5 | 11,500.0 |
| Other Local Spend. | 72,998.5 | 87,202.3 | 90,223.9 | 115,029.4 | 89,548.6 |
| **Total** | **304,992.5** | **362,658.8** | **429,889.7** | **534,992.2** | **490,904.3** |
| | | | Percent of total (%) | | |
| Education | 55.8 | 55.8 | 57.2 | 57.4 | 60.9 |
| Healthcare | 14.3 | 13.5 | 14.8 | 14.1 | 14.4 |
| Agriculture | 2.5 | 3.3 | 3.2 | 3.4 | 2.2 |
| Roads | 1.2 | 1.2 | 1.2 | 1.1 | 2.0 |
| Water | 2.2 | 2.2 | 2.6 | 2.4 | 2.3 |
| Other Local Spend. | 23.9 | 24.0 | 21.0 | 21.5 | 18.2 |
| **Total** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** |

Note: LGA Finance Statistics reported here reflect actual local spending (as reported by LGAs). Prior to the availability of LGA Finance Statistics for 2005/2006, sectoral spending for grant-supported sectors was approximated to equal the budgeted grant amount while other spending was assumed to include spending from own revenue collections, borrowing, local administration grants and the GPG.

Source: Computed based on PMO-RALG and Ministry of Finance (excerpt from Dege Consult et al., 2007d, p. 15).

**Table 2-10 Formula-based sector block grants**

| Sector Block Grant | Allocation Formula |
|---|---|
| Primary Education | Number of school-aged children: 100 %<br>(+Earmarked amount for special schools) |
| Healthcare | Population: 70 %<br>Number of poor residents: 10 %<br>District medical vehicle route: 10 %<br>Under-five mortality: 10 % |
| Agricultural Extension | Number of Villages: 80 %<br>Rural population: 10 %<br>Rainfall index: 10 % |
| Water | Equal shares: 10 %<br>Number of un-served rural residents: 90 % |
| Local Roads | Road network length: 75 %<br>Land area (capped): 15 %<br>Number of poor residents: 10 % |
| GPG | Fixed lump sum: 10 %<br>Total number of villages: 10 %<br>Total population: 50 %<br>Total number of rural residents: 30 % |

Source: Dege Consult et al. (2007d) p. 17.

As mentioned previously, grants from the central government for sectoral recurrent expenditure are now allocated according to formula-based standards. Table 2-10 shows the allocation standards for each sector. The percentages used in the formula are currently undergoing a trial and error process, and recently the percentages for agricultural extension were revised to: Number of Villages: 80 %, Rural population: 10 %, and Rainfall index: 10 %.

Next, we will look at sectoral grants recorded in development budgets, and more precisely, what proportions were actually granted to which sectors.

In the 2005/2006 fiscal year, LGCDG, which are grants to multiple sectors, made up 34 % of the total development grants. They are consolidated into a separate item, and accounted for the component of the total. Education, which accounted for 19 %, was significant; but at 6 %, healthcare was not that large. In fact, we can see that it was outstripped by the local roads and water supply sectors, which recorded 8 % and 7 % respectively. Agriculture recorded 6 %, and other local spending was 20 %. Actual total transferred grants amounted to approximately 100.6 billion shillings, which equates to approximately 71 % of the total development budget of 141.1 billion shillings. This is a reduction of close to 30 % (based on LG Fiscal Review 2006).

Table 2-12 shows the actual expenditure of LGCDG. According to the decentralisation Semi-annual Report of July 2006, sectoral expenditure for the 2005/2006 fiscal year was as follows: education 43 %, healthcare 14 %, district roads 13 %, water supply 8 %, agriculture 6 %, and other 16 %. These results

**Table 2-11 Development Funds transferred to LGAs FY 2005/2006**

(TZS millions)

| Budget item | Annual budget plan | Actual Outcome | Share of actual (%) |
|---|---|---|---|
| LG CDG | 25,874.9 | 34,493.4 | 34 |
| Education | 25,614.6 | 18,585.0 | 19 |
| Health | 6,564.4 | 6,044.2 | 6 |
| Roads | 10,698.9 | 8,479.1 | 8 |
| Water | 11,704.2 | 6,511.5 | 7 |
| Agriculture | 9,051.6 | 6,422.4 | 6 |
| Local Admin. | 5,121.4 | 3,028.6 | 3 |
| TASAF | 12,411.0 | 2,390.1 | 2 |
| Other Capital Funds | 34,047.6 | 14,647.5 | 15 |
| **Total Capital Funds** | **141,088.7** | **100,601.7** | **100** |

Source: Dege Consult et al. (2007d).

**Table 2-12 LGA spending of LGCDG among sectors**

| Sector | Number of projects | Value Million TSHs | Relative share of expenditure (%) |
|---|---|---|---|
| Education | 941 | 14.9 | 43 |
| Healthcare | 290 | 4.7 | 14 |
| Water | 150 | 2.7 | 8 |
| Roads | 203 | 4.3 | 13 |
| Agriculture | 100 | 2.0 | 6 |
| Others | 272 | 5.4 | 16 |
| **Total** | **1,956** | **34.1** | **100** |

Source: Dege Consult et al. (2007d) p. 21

show us that the allocation of LGCDGs was mostly spent on education, healthcare and district roads. Furthermore, according to this review, the budget execution rate was reported to have reached only a lowly 64 %[21]. This in itself could be argued to be a fairly serious issue in terms of service delivery.

As mentioned in section 2 (3), at the same time as the establishment of the LGCDG, in 2005, the Local Government Capacity Building Grant (LGCBG) was established, and local authorities were given the power to plan and use this expenditure. The central government's thinking was that the establishment of this fund would address the anticipated shortfall in human capacity endangering local autonomy. This fund has a mechanism whereby each local authority (Districts, etc.) is provided grants in proportion to the value of the LGCDG.

The amount of all development funds actually provided for each sector has been below budget. As the exception, only the LGCDG has been substantially above budget. This is said to show that, when it

[21] Note: Correspondence received from the JICA Tanzania Office
"Progress of the Tanzanian Local Government Reform Programme (LGRP)," July 3, 2007

**Table 2-13 Menu for the Capacity Building Grant (LGCDG/LGSP)**

| CB Activities | Share of CB Grant |
|---|---|
| Skills development for Councillors and staff | Min. 50 % |
| Technical assistance and other CB activities | Approximately. 15 % |
| Professional Career Development | Max. 15 % |
| Retooling | Max. 20 % |

Source: Dege Consult et al. (2007d)

comes to local authorities using the funds, they could not keep preparations up to speed and so could not draw down the funds. It indicates that local authorities are not yet fully prepared to be recipients. However, it is not clear to what extent this is due to factors on the side of the central government or on the side of the local government.

### 2-3-4 Devolution of service implementation

The objective of this section is to narrow our focus down to the execution of services, and to review the problems which were set as the issues to be examined by this study group: What kind of effects has decentralisation had on service delivery in the three sectors of (1) primary education, (2) healthcare and (3) agricultural extension? What kinds of strengths and weaknesses are there in each? And, what kinds of points for improvement are remaining?

#### (1) Primary education

Of the three sectors mentioned above, we can conclude that primary education is the sector in which decentralisation has occurred the most swiftly and smoothly, and which has produced some noteworthy outcomes. Arguably, this is because, in a certain sense, primary education is the service sector with the highest priority for residents; it has low-level units with clear boundaries, namely schools; residents readily understand its public nature; and, it has the advantage of having benchmarks by which the degree of achievement can be easily verified, such as enrolment rates, the ratio of students going onto higher education, classroom-student ratios, and teacher-student ratios. However, if we look using a level of achievement (outcome-base) that includes educational content, then different views may be drawn from this review.

In Tanzania, the Musoma Resolution was announced as government policy in 1974. Its aim was to promptly provide primary education to all children by 1977. And so began the nationwide construction of primary schools as an urgent action of the state. This marked the beginning of the so-called UPE in Tanzania, and it did not begin with the poverty reduction policies of the 1990s.

During the period from 1966 to 1976, the number of enrolled students at primary schools increased threefold; and from 1967 to 1981, this number increased a further threefold. The gross enrolment rate in 1981 had reached 97 % (70 %, if we restrict this to school-aged children, aged between 7 and 13), and the ratio of girls was 47.7 % (Buchert, 1994, pp. 112-113). Even according to statistics seen in a World Bank report, the gross enrolment rate in 1980 was 93 %. The fact that a low-income country like Tanzania was able to produce this kind of outcome indicates just how much the state emphasised primary education and just how much effort it devoted to expanding it. Furthermore, as a result of also focusing on improving the adult literacy rate, by 1985, the illiteracy rate had decreased to 44 % (males 29 %, females 57 %). (World Bank (2001a), pp. 329-330)

The structural adjustment policy beginning in 1986 brought about the start of economic deregulation. The government budget was slashed, and in particular, the education budget was subject to large cuts. The government was forced to reduce the ratio of the recurrent budget spent in education against the whole-of-government recurrent budget from the 12 % of 1981/1982 to 6 % in the period from FY 1985/1986 to FY 1989/1990. The upshot was that immediate falls in the gross enrolment rate were observed. In 1990, the rate was 70 %, and in the 1994-1996 period, the rate had fallen to an average of 66 % (as above, Buchert, 1994, p. 148, and the World Bank, 2000/2001, p. 330). It is clear that a significant reason underlying this decrease was the introduction of primary school tuition fees (user-fees).

As we enter the 1990s, the adverse effects of the rapid cuts in government expenditure associated with the structural adjustment policy became evident, and in 2001, measures were taken to once again remove tuition fees for primary school (Tidemand, 2004, p. 32). Certain reports have been written as if to recognise this year as the start of UPE, but as mentioned previously, historically, it is more accurate

**Table 2-14 Primary Education — Number of Schools**

| | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|---|---|---|---|---|
| Total No. of schools | 12,286 | 12,815 | 13,689 | 14,257 | 14,700 |
| Government | 12,152 | 12,649 | 13,533 | 14,053 | 14,440 |
| Non-government | 134 | 166 | 156 | 204 | 260 |

Source: Dege Consult et al. (2007d)

**Table 2-15 Primary Education — Number of Teachers**

| | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|---|---|---|---|---|
| Total No. of Teachers | 112,860 | 115,340 | 121,548 | 135,013 | 151,882 |
| Government | 112,109 | 114,660 | 119,773 | 132,409 | 148,607 |
| Non-government | 751 | 680 | 1775 | 2,604 | 3,275 |
| Teacher/Pupil ratio | 1 : 53 | 1 : 57 | 1 : 58 | 1 : 56 | 1 : 52 |

Source: Dege Consult et al. (2007d)

to regard 1977 as the start. In 1996, the Tanzanian government created the Education Sector Development Programme (ESDP), announcing that it would promote a policy of strengthening the delivery of public services in education.

In Tanzania, although there is a clear division of responsibility for education, with local authorities being responsible for primary education and adult education, and the central government being responsible for secondary and higher education, in both cases, they basically fall under the jurisdiction of the Ministry of Education and Vocational Training. However, local authorities are responsible for the construction and operation of primary schools and for personnel. As a new policy, it was decided to create School Committees (SCs) in all primary schools. SCs could best be described as community organisations, but their role is significant. With the support of the lower levels of local government and of the school principals, they are obliged to create plans and budgets for each school and to prepare quarterly reports, which they submit to District Councils and the Region administration. A system was established whereby each school opens two accounts — an account for development grants, and an account for non-salary recurrent expenditure (the standard is the equivalent of ten dollars per student) — and the central government transfers grants directly into those accounts through District administrations. Since 2000, there has been a striking increase in the number of primary schools. The number of government primary schools (Shule ya Msingi) was 12,152 in 2002, and by 2006, this number had reached 14,440. Non-government primary schools numbered 134 in 2002, and by 2006, this had also increased to 260. The number of teachers at government primary schools was 112,109 in 2002, and this had increased to 148,607 by 2006. Similarly, the number of teachers at other primary schools increased from 751 in 2002, to 3,275 in 2006.

Next, we will consider the actual state of service delivery in primary education from three perspectives: (a) Effectiveness (services that match the local identity, reflection of needs), (b) Efficiency, and (c) Accountability (accountability and transparency for residents and for higher-level governments).

(a) Effectiveness

Residents have extremely high needs for primary education, and in order to satisfy these needs, development is expected which allows for increases in the total number of enrolled students. The PEDP estimated that the total number of enrolled students in 2001 was 4,842,875, and that this would increase to 7,710,240 in 2006. (Actual figures were 4,881,588 in 2001, 7,959,884 in 2006, and 8,316,925 in 2007.) (United Republic of Tanzania, 2001, p. 28) For this reason, the programme sought to make tuition free, and it established SCs in order to secure the participation of local residents. According to an interview (November 7, 2006) at the Kongwa Primary School in the Kongwa District, which was where our field study was conducted, the SC was comprised of the following members: parents selected by the Village Assembly from five Kitongoji, the District Council councillor elected from the area, two representatives from Village Councils, and two teachers, including the school principal. As this shows, resident participation has been well ensured, and in terms of effectiveness, we can give it a high rating.

Even though tuition fees were not charged, parents were still compelled to spend money on such items as uniforms and notebooks. Also, at this primary school, lunches are provided to all students, and parents were required to pay for this expense. There is also an argument that low teacher salaries affect the quality of education, but at this school, salaries were raised by 20 % this particular year.

PEDP funds had also been allocated to the Berege Village, which we visited on the same day, but instead of paying money to match these funds, most villagers participated in making bricks or providing labour. (Villagers who did not provide their labour paid cash instead.) As this shows, local authorities are enhancing communal action for educational assistance, and are developing environments that are good for community participation. From the start, community participation has been a premise of calculations for the unit cost of classroom construction.

(b) Efficiency

In the past, there used to be frequent delays in school construction and the procurement of education equipment, as well as delays in the payment of wages. The biggest issue with regard to efficiency is probably that we must verify how these earlier circumstances now stand following decentralisation reforms.

A new flow of funds has been the system whereby the many levels of administration that used to be positioned along the flow have been reduced and the central government transfers funds directly to the accounts of each primary school (via a District-based funds allocation instrument). It seems that the establishment of this system has resulted in fewer delays than in the past. It also seems that this has been further facilitated by the standards for calculating the amount of funds for recurrent expenditure now being determined automatically according to a formula (in the education sector, this is based on student numbers). Furthermore, with development funds as well, as a result of the expanded provision of the PEDP sector-wide fund and the establishment of the LGCDG multi-sector development fund, because there is a high priority on primary education in the participatory development process at the Village level, it appears that the flow of greater funds led to an increase in efficiency.

However, at this point, we need to draw attention to the fact that there is a key problem that will compromise this efficiency. That is, the complexity of the clerical processes once funds have been used. After the school principal has prepared a statement of accounts, it is the approved by the chair of the SC, before being examined by the head of Village and by the Ward Education Coordinator (WEC). The report by the school is then submitted to the District Council, whereupon a quarterly report and various kinds of statistics are prepared. The report is then further submitted to RALG via the Regional Executive Officer. These expenditure reports tend to be late, causing the delay of subsequent payments, and so the system gets caught up in a vicious circle. Maybe the process for preparing reports needs to be simplified.

(c) Accountability

The problem here is that, in many cases, the actual amount of funds that flow down to the schools is different from the formula-based flow mentioned above. It is not obvious if the cause of this lies with the central government or with local administrations. Even supposing the flow was accelerated, there is still the potential for early receipts or delays. The 2004 Public Expenditure Tracking Survey also reports that, on average, only about 60 % of the total amount of cash paid out from the central government actually arrives at the primary schools. Even supposing the extent of these cases was to become less serious, it is still likely there would be many. It is also possible that a reason behind the payment delays is that the sources of funds are split between RALG, the Ministry of Education and Vocational Training and the Ministry of Finance. This factor is not limited to just primary education, but is common to other sectors as well.

Another major problem with accountability relates to the quality of education. Although the quantitative expansion of primary education has produced outcomes that have been spectacular by anyone's reckoning, many people argue that qualitative improvements have not been made. SCs have also not contributed much to resolving the issue of education quality. In impoverished Tanzania, maybe it is just unavoidable that many primary schools have separate morning and afternoon school sessions, or that each textbook has to be shared between three students (previously, each book was being shared by even more students). The problem that we would like to address here is the regional disparity concerning the distribution of teachers. Under decentralisation, incentives to employ locally-born teachers are increasing on the side of local governments, but in geographically remote rural areas, they are in a situation where the lack of qualified teachers or the unwillingness of teachers to relocate there habitations that there is potential for vacancies or possibly a decline in the quality of teachers. This problem suggests that the central government needs to consider isolated area allowances, etc. Nevertheless, in terms of the outcomes of decentralisation, other results have shown that primary education is the sector with which residents are most satisfied (IC Net, 2006, p. 82).

**(2) Healthcare**

Even compared to other Least Developed Countries (LDC), the healthcare situation in Tanzania is probably one of the worst. Even in 1998, the infant mortality rate was 85 in 1,000; the under 5 mortality rate was 136 in 1,000; and the maternal mortality rate was 530 in 100,000. The average life expectancy was 46 for males and 48 for females. (World Bank, 2001b)

The Tanzanian government's basic policy document for healthcare is the Health Sector Strategic Plan (HSSP) 2003-2008. Under the decentralisation policy, Districts now prepare the Comprehensive Council Health Plan (CCHP) as a local action plan. Regions, which are under the jurisdiction of the central government, come under the Ministry of Health and Social Welfare, and they manage Regional hospitals. Regional Medical Officers (RMOs) continue to play a significant role in terms of

supervision and technical backstopping for lower levels of administration. This is probably because, even today, Regional hospitals are the cornerstone for medical technology in Tanzania. Another reason could be because Regional hospitals are important as one of the links in the pyramid-style referral system which has been developed in healthcare, whereby patients with disorders not treated at lower level hospitals are referred to higher level hospitals, and conversely referrals are also made from higher levels to lower levels.

Under decentralisation, Districts now supervise the medical services, hospitals, health centres, and dispensaries, etc. of lower level areas. They also now formulate plans and promote activities. Council Health Management Teams (CHMTs) have also been established, and they serve as recipients for health block grants from the central government as well as for health sector basket funds.

A key point in the healthcare sector is that there are numerous types of healthcare service providers. Table 2-16 shows the different types of healthcare service providers, and the numbers of each.

**Table 2-16 Facility type and ownership**

| Facility type | Type of ownership | | | | |
|---|---|---|---|---|---|
| | Government | Voluntary | Parastatal | Private | Total |
| Specialised Hospitals | 6 | 2 | | | 8 |
| Regional Hospitals | 17 | | | | 17 |
| District Hospitals | 61 | 19 | 1 | | 81 |
| Other Hospitals | | 74 | 8 | 34 | 116 |
| Health Centres | 300 | 82 | 5 | 47 | 434 |
| Dispensaries | 2,788 | 613 | 164 | 843 | 4,408 |
| **Total** | **3,172** | **790** | **178** | **924** | **5,064** |

Source: Health Management Information System (HMIS) database 2003, HIR Section, Policy and Planning Department, Ministry of Health (excerpt from Dege Consult et al., 2007d, p. 49).

At the top, Specialised Hospitals are hospitals with sophisticated medical technology not possible elsewhere, and include university hospitals, etc. Below this are the levels of Regional hospitals, District hospitals, Other hospitals (private hospitals, etc.), Health Centres, and dispensaries. Still further below this, there are some places that have community dispensaries called Village Health Posts. By far the majority of management bodies at these facilities are public bodies, but there are also some private bodies, charities and semi-public bodies, with each of them taking on their own distinctive form. Furthermore, there are also many doctors of traditional medicine in local areas, and they act as an informal latent power, separate from the other more formal healthcare services. Some of them are so-called medicine men, but most of them are like the doctors who practice Chinese medicine in Japan, who have knowledge of medicinal herbs. Recently, the Tanzanian government has recognised this type of medicine, and now issues certificates for doctors of traditional medicine, but modern doctors regard this with scepticism.

**Table 2-17 Total health expenditure in Tanzania, FY 2002-FY 2005**

(TZS billion)

| | 2001/2002 | | 2002/2003 | | 2003/2004 | | 2004/2005 |
|---|---|---|---|---|---|---|---|
| | Budget | Actual | Budget | Actual | Budget | Actual | Budget |
| **Recurrent** | | | | | | | |
| AGO | 8.97 | 5.29 | 6.92 | 5.53 | 6.62 | 10.56 | 10.12 |
| MoH | 61.60 | 58.99 | 82.16 | 72.32 | 87.47 | 87.08 | 138.99 |
| Region | 7.06 | 6.58 | 7.86 | 7.82 | 12.06 | 11.90 | 9.68 |
| Local Govt | 46.26 | 46.28 | 57.66 | 57.48 | 66.14 | 63.77 | 82.26 |
| **Total rec.** | **123.89** | **117.15** | **154.60** | **143.14** | **172.28** | **173.31** | **241.04** |
| **Development** | | | | | | | |
| MoH | 32.07 | 21.12 | 34.07 | 29.03 | 42.28 | 41.44 | 56.69 |
| PO-RALG | | | | | 0.34 | 0.34 | 0.68 |
| Regions | 2.35 | 1.28 | 4.99 | 2.48 | 3.19 | 2.70 | 9.38 |
| Local Govt | 1.70 | 1.45 | 1.75 | 1.70 | 2.31 | 2.32 | 5.02 |
| **Total devt** | **36.12** | **23.86** | **40.80** | **33.21** | **48.12** | **46.79** | **71.77** |
| **Total on budget** | **160.01** | **141.01** | **195.40** | **176.36** | **220.40** | **220.10** | **312.81** |
| **Off budget expenditure** | | | | | | | |
| Cost sharing | | 1.24 | | 1.67 | 1.67 | 7.48 | 7.48 |
| Other foreign funds | 66.14 | 79.37 | 49.25 | 59.11 | 68.99 | 82.79 | 132.86 |
| **Total off budget** | **66.14** | **80.61** | **49.25** | **60.77** | **70.66** | **90.27** | **140.33** |
| **Grand total** | **226.16** | **221.62** | **244.66** | **237.13** | **291.06** | **310.37** | **453.15** |

Notes: AGO spending on National Health Insurance Fund (NHIF). PMO-RALG spending on Primary Health Care (PHC) rehabilitation administration costs (actual rehabilitation included under Local Govt). Basket funding included as recurrent or development as appropriate.

Source: MoH PER data FY 2005 (excerpt from Dege Consult et al., 2007d, p. 52)

Looking at the Tanzanian government's healthcare budget as of FY 2004/2005, even though it was after decentralisation, 65.9 % of the recurrent budget, and 92.1 % of the development budget was still being allocated to either organisations affiliated with the central government or to the Regions (See Table 2-17).

This shows that the bulk of healthcare-related expenses for local authorities are personnel expenses. Also, because the LGCDG was not yet available during this time, it could be argued that it is evident that, following its establishment, the LGCDG took on a major part in healthcare development at local authorities. The recurrent budget of the MoH and Social Welfare rose sharply from the 6.16 million shillings in the 2001/2002 fiscal year to more than double at 13.90 million shillings in FY 2004/2005. This is because there was a surge in ARV drugs used for treating AIDS and in other HIV/AIDS-related programs (See Dege Consult et al, 2007d, p. 53).

Health sector basket funds were established in 1999 as a mechanism for distributing donor funds in coordinated manner. Within the sector basket there is a District basket, with 10 % of this being earmarked to be used in the Community Health Fund (CHF) overseen by the Districts.

(a) Effectiveness

At odds to primary education becoming free, in 1993 in the healthcare sector, services which had been free were charged on a user-pays basis. This was called cost sharing. However, based on the meaning of the poverty reduction policy, exceptions to the rules were made for specific treatments, and mechanisms were set up that reduced the amount of payments for the poor, etc.

The CHF, which was introduced in 1996, is a health insurance system overseen by the Districts, which covers local residents. It was established for the purpose of eliminating the suffering of having to pay for the cost of unforeseen treatment, by making each family contribute prepayment to obtain the insurance cover. The initial prepayment is 5,000 Tanzanian shillings per household, and it covers the costs of hospital treatment for all family members. A matching fund system has been set up for this insurance, whereby the central government matches the total membership payments with 100 %, and pays this amount into the District's CHF fund. Since the CHF funds alone do not cover the actual treatment costs entirely, it is more or less a type of grant. It is the policy of the MoH and Social Welfare to apply this system to 127 local authorities throughout Tanzania. As at the end of 2005, 68 local governments were participating. However, one of the problems with this project is that, for the governments that are fund members, only an average of 10 % of residents are making payments (that is to say, there are only this many member households). Between districts, there is variation in the membership ratio, and at the Mwanga District in the Kilimanjaro Region, where we conducted our interview, 14 % of residents had become members.[22] In addition to the CHF, there is the NHIF which was established in 2001, and to which all public servants must join. At present, members to the NHIF and their families amount to less than 3 % of the entire population. Nevertheless, since membership payments are substantially higher than the payments to healthcare facilities, this insurance fund is running in the black. However, the NHIF comes under the jurisdiction of the central government, not local authorities.

(b) Efficiency

Just as for primary education, in the healthcare sector, grants from the central government for recurrent expenditure became formula-based, and the flow of funds became faster than before. The formula for this sector uses the following standards: District population: 70 %, Number of poor residents: 10 %, District medical vehicle route: 10 %, and Under 5 mortality rate: 10 %.

Decentralisation is regarded as having led to a degree of improvements to the supply of medicines to health centres and dispensaries. With regard to the provision of equipment to hospitals and health centres, it seems there have been a fair number of cases where equipment was sent that was different to what was ordered.

[22] Note: Interview with Mwanga District Medical Officer, November 16, 2006

(c) Accountability

In healthcare, staffing shortages are particularly serious. Just as we were in the Kongwa District, we witnessed the funeral of the District Hospital's one and only anaesthetist. It was unlikely a replacement would be immediately found. With the establishment of the LGCDG, the degree of priority placed by residents on the healthcare sector became reflected in the amount of the grant allocation. Since the results were now visible to the residents, accountability increased. We should also mention that there was a District Director of Healthcare who spoke of decentralisation making it easier to monitor funds and leading to increased transparency.

The problem of regional disparity in the assignment of personnel in healthcare is even more serious than in the case of primary education. And the need for technical backstopping is also a greater problem due to the specialised nature of medical technology. There have been appeals in this sector that there be closer coordination between District-level healthcare services and Region-level healthcare services, and there are needs in the healthcare sector to correct the weakening of the Region level caused by the decentralisation policies. It is hoped that the Regional Executive Office will strengthen its technical personnel in this sector, and that appropriate upward and downward accountability will be established at the District level.

**(3) Agricultural extension**

Compared to the primary education and healthcare sectors, the agricultural sector is difficult to evaluate. Activities in this sector are wide ranging, and in many cases, the activities are of such nature that effects will not be seen without long-term observation. At the same time, this sector is plagued with the problem that opinion is also divided on the standards for evaluating the sector as one which, in addition to just dealing with issues, it effects macro changes of providing opportunities to earn greater income by increasing production and bringing about development.

Tanzania is a country of small farmers, and while the provision of effective services to the agricultural sector is an important issue for the national economy, it is possible that the services demanded by actual farmers is maybe different to the services desired by the state or central government. A possible example is that, while coffee cultivation is important for the state because it earns foreign currencies, tomato cultivation may be important for the farmers because tomatoes attract a comparatively higher producer price.

Since gaining independence, the Tanzanian government has emphasised agricultural extension activities. In terms of administrative officers, there was a large force of agricultural extension officers, numbering only fewer than such professions as teachers and nurses. In the 1970s, there was always one agricultural extension officer attached to each Village. However, with the start of the structural adjustment policy, from the very beginning, it was agricultural extension officers that were targeted in

the personnel cuts. At the end of the 1990s, once again, agricultural extension services were emphasised, this time from the perspective of poverty reduction, aimed at raising the income levels of those rural areas with large numbers of poor residents. However, this time, as government finances were tight, partnerships with the private sector and with NGO have been encouraged, and so a different problem from before is the question of how best to link up with partners who are joint project coordinators or who are bodies commissioned to undertake projects.

Prior to the start of decentralisation, agricultural extension officers were dispatched to rural areas as employees of the central government, but afterwards, their status changed to become employees of the local authorities. Previously, agricultural marketing cooperatives and other such bodies were quasi-governmental organisations, and it was easy for them to develop collaborative relationships; but under economic deregulation, many cooperatives have fallen into devastating organisational frailty, and a rising concern for the agricultural extension sector as well is the question of what kind of collaborative relationships should be formed with private sector organisations. This is the complicating issue facing the agricultural extension sector.

A positive side that decentralisation has had for agriculture is the fact that it is easier to provide individual production guidance that matches the diversity of natural conditions. Rather than thinking that all we have to do is follow the wishes of the residents, agricultural guidance and extension activities must also be considered from the perspectives of whether those wishes are feasible in terms of the natural conditions, and whether they match the regional farming systems that have been formed. Smaller units are more likely to support a common farming system, and they are more conducive to providing farming guidance. If decentralisation was to make this kind of regional-specific farming guidance easier to provide, then maybe we could expect better results.

Based on general considerations like those above, we will examine what kinds of agricultural development strategies there are in the case of Tanzania.

The basic government document on agricultural development is the ASDP. Even by 2003 when the ASDP had begun to take shape decentralisation was underway, and a need arose to integrate the District Agricultural Development Plan (DADP) into the Agricultural Service Support Programme (ASSP). The ASDP was announced in 2006 as a basic document that integrated central and local agricultural development as a whole. The content of the ensuing ASDP is as follows. First, it was written that activities in the agricultural sector were to assist Villages, Wards and Districts. It was written that the focus of the activities should be on the following points: (a) strengthen the influence of farmers with regard to resource allocation for services and investment; (b) implement agricultural services reform, and expand technology transfer and extension services run by the private sector; (d) improve the quality of public expenditure; (e) increase investment that matches the region-specific production obstacles and

possibilities; (f) improve the environment for coordinating planning, implementation and reporting; and (g) improve the planning and monitoring activities at the local level. (The United Republic of Tanzania, 2006, p. 16) The ASDP urges the use of such grants as the District Agricultural Development Grant (DADG) and the Agriculture Extension Block Grant (AEBG) as funding for these activities. With regard to using funds from the LGCDG, which was established as an instrument of decentralisation, it is clearly stated that 30 % of the fund should be allocated to the District level, and 70 % to the Ward and Village level. The programme also states that Village Extension Officers are to be assigned to Wards and Villages, and should conduct such activities as assisting farmers form groups. It states that the ratio of farmers receiving agricultural services should be increased from 35 % to 50 % over seven years, and that financial assistance should be provided to community-based infrastructure, such as small-scale irrigation.

Block grants in the agricultural sector are directed from the central government to local authorities as grants for recurrent expenditure. They are automatically determined in accordance with a formula, and are decided in line with calculation standards, namely Number of villages: 80 %, Rural population: 10 %, and Rainfall index: 10 %. With the development budget, the LGCDG from the District is a multiple-sector grant, and can be used according to an order of priority determined by community participation. There are also sector-wide grants provided by the central government. The main ones are: the DADG, AEBG, and the Agricultural Capacity Building Grant (ACBG). Each of them is comprised of a basic component and a top-up component. Basic components are for spending irrespective of performance, and top-up components are only spent if it is found that certain outcomes have been achieved. Another fund is the District Irrigation Development Fund (DIDF), and local authorities can only become a recipient if they satisfy the conditions for receiving the DADG. Requests for expenses for District agricultural extension are not being made in a methodical manner, and for this reason, it is said that the allocation of funds is low (Tidemand, 2004, p. 68).

(a) Effectiveness

The allocation of LGCDGs in Districts is determined according to the method of assigning priority to lower-level local authorities, used during the bottom-up formulation of plans. RALG recommends using the O&OD system for assigning priorities at the Village level, but if it cannot be utilised, then the PRA or some other participatory tool may be used. We interviewed several agricultural executive officers at the Mpwapwa District which we visited during our study. Their opinion was that villagers tend to regard farming more as a private-sector concept than a public-sector one, and so it seems they do not want to rate high priority for public spending in this area. By looking at the sectoral expenditure of LGCDG, we can see that the emphasis placed on agriculture is in fact relatively low. Also, villagers do not hold agricultural extension officers in high regard. More than a short-coming of the Training and Visit method that is often accused, this is probably due to a deficiency in the lack of proper information for agricultural extension officers, or to a deficiency in incentives for extension officers making them work on low wages and with frequent delayed payments. We

frequently hear from farmers that they do not see the agricultural extension officers around, but this is also due to the fact that the officers do not have the means of transport. Their scopes of activity cover wide areas, but often they do not have bicycles, let alone motorcycles. Based on this, the first problem that must be tackled is removing the constraints to their scopes of activity.

On the subject of effectiveness, a view that is often put forward is that the number of agricultural extension officers is too few compared to the overall population or to the number of Villages. In the case of Tanzania, in the 1990s, structural adjustment policy meant that the number of public servants was slashed, and the recruitment of new employees became virtually impossible. This has also meant that the public service is aging. In the case of the Mwanga District, which we surveyed in November 2006, the number of agricultural extension officers in the District was 48. The total population was 109,938 (2002 census) and there were 63 villages, which equates to one extension officer per 2,290 villagers or one extension officer per 1.3 villages. Given that the former rule was one officer per village, we get the impression that each extension officer is clearly dealing with more Villages and more farmers than before.

(b) Efficiency

The ASDP recommends that, in addition to agricultural extension officers from the public service, private sector organisations, businesses, NGOs, CBOs should also be used for agricultural extension services, or that these services should be approached cooperatively. However, in reality, this has hardly been achieved. In the ASDP itself, there is also the argument that the private sector is underdeveloped, and that there is distrust between the private sector and local authorities (ASDP, p. 47). There is probably no other way to tackle this other than persistent confidence building, but this is unlikely to be of immediate help. Another point is that it is rare for NGOs or business groups to exist in remote areas. In most cases, they choose places with relatively good living conditions for their activities. Even though it is areas with high degrees of poverty that have the greater needs, few organisations relocate to these places.

(c) Accountability

Nevertheless, there are some examples of Districts entering contracts with NGOs, forming collaborative relationships, and conducting agricultural extension. Take the case of the Mwanga District. It made a contract with the Dutch NGO called Traditional Irrigation and Environmental Development Organisation (TIP), and has used the funds for the District agricultural extension officers to join the personnel to the project and perform activities. The activities in question are to repair a traditional irrigation facility located in the area, to conduct education on land use management, to promote afforestation, and to disseminate market information using farmer organisations. The District has also made a contract with the Belgium NGO called MIFIPRO, to provide agricultural guidance to farmers in different areas within the District. This NGO also performs the activity of introducing the

use of oxcarts among the villagers. These are some of the examples of local authorities using foreign NGOs (at present, both NGOs are locally incorporated in Tanzania) to satisfy the needs of local residents, in keeping with the spirit of the ASDP.

### 2-3-5 Various problems as seen from the perspective of service delivery: conclusion

First, readers should be aware that decentralisation in Tanzania is not something that was started recently; historically, decentralisation has been upheld for about 40 years since independence, and it has proceeded with many twists and turns along the way. In spite of these twists and turns, it would be fair to say that Tanzania is a country of political stability quite rare in Africa, and with a relatively high degree of peoples' confidence in the administration. As might be expected of a country that has had no violent changes of government, the public rarely expresses dissent face-to-face with the government. This characteristic also has the potential disadvantage of, at times, shortcomings that the discovery of problem areas is delayed.

The new type of decentralisation that was to start in the 1990s appears to be making good use of previous historical assets. Tanzania's administrative reforms were always led by the central government. This time, there is a strong quality of the reforms being donor-driven, but a certain degree of groundwork has been laid within the mechanisms of local administration — enough to utilise this quality to the inhabitants' advantage. From the comments of Village Council members, we can also see that, among inhabitants, there is a leadership that is able to perceive this as their own problem as an outcome of past democratisation.

However, as expected, a major difference from the past is that there has been a remarkable change in the way in which grants from the central government work. There is no doubt that delivering grants with the formulation of bottom-up development plans, linking them to budgeting at local councils, and having an amount based on this being handed down to the bottom is a new experience. Seen from the perspective of residents at the grass roots, it gives them great hope that maybe their own demands might be accepted for the first time. This is fine while donors are providing these funds for poverty reduction, but if we suppose that this system will only continue for a number of years to come, then before it is too late, consideration must also be given to some alternative, sustainable funding scheme. It could be the introduction of independent sources of revenue, maybe in the form of a tax imposed upon specific groups of residents who have the capacity to bear the tax, rather than an across-the-board tax like the abolished development levy which was also imposed upon the poor. Seen from this perspective, the abolition of an independent source of revenue for local authorities appears to have been a mistake. To develop a sense of financial obligation among the inhabitants seems to be a necessary component of the achievement of decentralisation.

The method of using a formula to direct grants for recurrent expenditure from the central government to districts, and from there to lower-level local administrative bodies such as Wards and Villages was adopted as a method for implementing prompt service delivery, and at the same time as an aid for avoiding arbitrary spending and corruption. Although the adoption of this method guaranteed a minimum level of service provision, it also had an aspect of causing considerable strain. More specifically, one gets the feeling that there are problems that cannot be simply attributed to deficiencies in human capacity, such as gaps between the grant budgets and the amounts of grants actually directed to local authorities, and grants not flowing according to formula. Basically, there are more channels of funds for each sector and for each scheme than the executive officers can cope with in handling them, and in all probability, it is this complexity that has given rise to the difficulty. As already seen in Table 2-8, the complexity is also partly due to the fact that different formulae have been applied to block grants in different sectors. This may be exacerbated by the fact that the multi-sector LGCDG allocation formula for the local authorities is different. The allocation standards adopted for this is: Number of residents: 70 %, Land area: 10 %, and Number of residents below the poverty line: 20 %. (Tidemand, 2004, p. 92)

A combination of bottom-up and top-down planning processes requires more effort for coordination and is more likely to lead to delays. If plans are not ready by the time budgets are drafted, consistency can no longer be achieved, and discrepancies end up appearing between the budget and the actual grants. Multi-sector funds like the LGCDG are extremely congruous with bottom-up development, but if other sector-wide funds are also included, then processing the funds in tandem requires considerable effort. In order to regulate this mixture of funds, maybe it could be possible to vary the way in which the channels of funds flow, in accordance with the unique character of the sectors. For example, with primary education where funds are flowing properly to users, namely primary schools, send the grants directly to the users, and dedicate the higher level local authority to only monitoring. With healthcare, based on the degree of specialisation of the workers and the degree of staffing shortages, in order to keep the hierarchically ordered referral system of healthcare services, consider mechanisms such as those which maintain the central government management, including personnel, and which introduce a salary incentive structure so that doctors also take up posts in remote regions. With the agricultural extension sector, based on the fact that there is a degree of commonness for natural conditions, it seems that making the District the base area fits the purpose. Furthermore, with agriculture, the beneficiaries of extension activities are wide ranging, and services that deal with individuals have inherent characteristics of raising productivity and increasing income. Accordingly, in addition to administrations needing to create opportunities at the District level for contact with many stakeholders, including the private sector, consideration should also be given to the administration's jurisdiction at each level so that different scales of action can be taken, such as development that goes beyond District borders and development that is confined to within a District or Village.

A matter often talked about is that the advantage of local autonomy lies in the fact that the inherent voluntary and concentrated nature of communities can be utilised in development. (Helling L. et al., 2005) However, although it would be fair to say that the characteristics of communities come in many shapes and sizes, the voluntary and concentrated nature is mostly only exercised for specific objectives, and it is not clear whether it can be used for development in general. Tanzania's local communities are often groups that include diversity, and they may not necessarily have a leader who represents a goup. Instead, it seems more appropriate to think of them as bundles of many groups. In Tanzania, Villages are low-level administrative units, and although apparent faults can be frequently observed in document management, word-of-mouth communication is developed, and in this sense, many of them have the coherence as communities. We conducted field surveys on two Villages in the Misungwi District in the Mwanza Region. There within the Village organisation, there were neighbourhood watch groups called Sungu Sungu, much like the residents' associations in Japan, with almost all Village residents belonging to them. There was no running water in the Villages but instead there are communal artesian wells, with an average number of one in each Kitongoji. There are organisations called HESAWA that manage the wells, and they are communal organisations different from the Village organisation. If water was running short, restrictions would be placed on the times that the wells could be used, and the residents would strictly observe these restrictions. Besides these organisations, there are countless other informal savings and finance groups among residents in the Villages.

If an administration was to attempt to forcibly introduce these kinds of community activities, residents would tend to resist them. This was revealed in the repeated failures at the time of the Ujamaa villagisation which was conducted in Tanzania in the 1970s. However, it is precisely because of these types of communities that peace is maintained in the Villages even without police officers, that wells are maintained with the principle of equality to all members, that residents actively participate in SCs, that residents provide labour for road building in the Village, and that they provide labour for the PEDP-based construction of primary school buildings. The advantages of decentralisation lie in the fact that, by the administration locating itself close to residents, it can discover methods where the activities of the administration and residents complement each other, and it can offer opportunities for such discovery, while preserving the spirit of community autonomy and the mutual collaborative relationships between residents.

## 2-4 Decentralisation and the centralised structure of Kenya

Yuichi Sasaoka

### 2-4-1 Introduction

Within East Africa, and in particular, within the East African Community[23], Kenya is the country most lagging in the advance of regional development and decentralisation as institutional reforms. In 2002, the political faction of the National Alliance for Rainbow Coalition (NARC) came into power. In 2004, the Economic Recovery Strategy (ERS) was formed, centring on growth and poverty reduction strategies, and limited reforms such as anti-corruption measures were also to be introduced in the public sector. However, the service delivery system in regional farming villages is said to be underdeveloped.

Two of the key factors underlying this underdevelopment were the delay in the advance of plan formulation in each of the sector policies, and the problem of raising funds. It is also evident that the delay in decentralisation policies brought about by the conventional centralised form of politics and the underdevelopment of the systems of local administration also had a significant influence. Oyugi (1995, p. 128) points out that the regional development programme, which had been implemented under a centralised regime, focused the authority for development approval to the central government as a means of frustrating the demands of regions that were not in favor of the ruling party ("the system").

In the past, there were several agencies in charge of development administration in rural areas. They were uncoordinated, and the actual authority shifted from the central government was extremely limited. Furthermore, within the government administration, there was a centralised culture that affected the supply of services (Oyugi, 1995, p. 129). This culture instilled a psychological sense of fear that opposed lower level departments demonstrating initiative or becoming creative or innovative. The nature of this culture is very different to countries like Tanzania and Uganda that attempted to radically improve their systems of service delivery, including participation of residents, from the second half of the 1990s.

We cannot disregard the problem of ethnicity as a cause for allowing powerful centralisation to survive in Kenya. If we exclude urban areas, population distribution at the District level is currently dominated by specific ethnic groups. The first president of Kenya, Jomo Kenyatta, implemented policies that gave preference to his own Kikuyu ethnic group (Khadiagala and Mitullah, 2004, p. 199). Moi, who was vice president at the time, was from the Kalenjin minority, and after he became president, he gradually adopted the policies that gave preferential treatment to the Kalenjin. The different treatment

[23] At present (2007. 1), the East African Community is comprised of the three countries, Kenya, Uganda, and Tanzania. Rwanda and Burundi are also being considered for future membership.

for different ethnic groups naturally led to regional disparity, due to the geographical concentration of ethnic groups in specific areas (Oyugi, 1995, p. 124). The regional support bases for the first two major political parties, namely the KANU and the KADU, were clearly divided. KADU tended to have a strong support in the Rift Valley, the Western and Coast provinces; whereas KANU tended to be strong in the Nyanza and Central provinces.

At first, Kenya also became independent with an highly decentralised Constitution comprised of Regions. There were also a number of attempts to shift authority to the Districts. However, ultimately, governance has been centralised and local councils and local organisations have become extremely vulnerable. In the case of Kenya, sometimes there were political circumstances in regimes that evaded decentralisation and the strengthening of local development administrations. However, since the latter half of the 1990s, given the pressures for political democratisation and poverty reduction, service delivery for local residents became unavoidable, and a series of reforms centring on financial decentralisation were implemented. On the one hand, this was an action to make up for the delays in decentralisation; on the other hand, it failed to become sweeping structural reforms, and became a disorder because it was linked to pork barrelling by politicians.

This paper is comprised as follows: the next section deals with the characteristics of the "centralised structure" of governance in Kenya; in section 3, the relationship between political groups and the local grants, which are a product of this type of governance, is analysed; in section 4, present situation of primary education is analysed as an example of the sub-sector; and in conclusion, in section 5, examination is given to what kinds of improvements are necessary.

### 2-4-2 Characteristics of a "centralised structure"

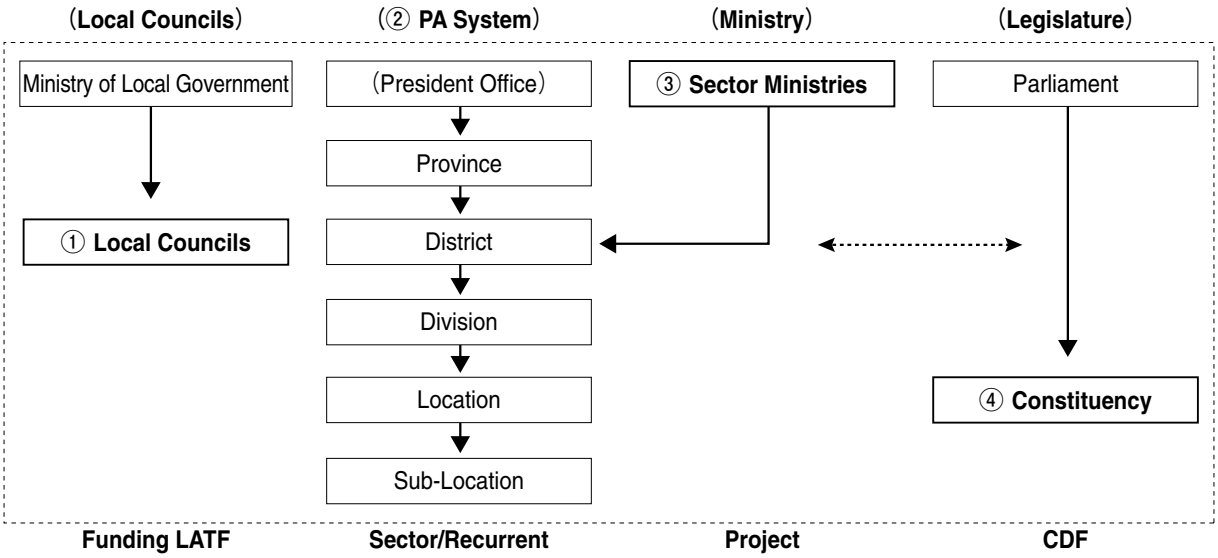
#### (1) Four-tier local administrative structure (Local Councils, PA System, Ministry, Constituency)

As of 2007, local administration in Kenya is regarded as a four-tier vertically-structured system consisting concurrently of: ① Local Councils; ② the Provincial Administration (PA) System, and in particular, at the District level; ③ Sector Ministries (supporting ②); and ④ Constituencies.

Figure 2-8 shows a simplified image of the vertically-structured relationship between the four tiers. ① are Cities, Municipalities, Towns and Counties. Although they have councils of the legislative branch of government, appointments to key positions in the administration are made by the central government, and they are only given superficial authority.[24] However, in recent years, the councils were given a local grant, called the LATF, to cover their recurrent expenditure for local administration. This fund is also administered using the Wards of the local councillors as project units. ② is a five-level

[24] Councils are comprised of four types: Cities and Municipalities usually have larger population than District under the PA system, and they are given relatively more autonomy; Towns and Counties are located in rural areas.

**Figure 2-8 Four-tier structure of local administration**




Source: Compiled by the author based on the World Bank (2002).

vertical system, which links from the central government to Villages, and has served as the foundation of the centralised structure. The system is responsible for such functions as resident registration, public safety, civilian police, and the dissemination of government policies, and each level shoulder a certain degree of sector administration. Provinces have Provincial Commissioners, and Districts have District Commissioners, both of which are assigned from the central government. ③, sector ministries, formulate and implement policies, control budgets, implement projects and provide technical assistance, and they also dispatch officials to each level such as the District in ②. The power to control these sector officials in a cross-sectoral manner is not actually given to the Districts. Finally, while the above are administrative bodies, ④ are the constituencies of the legislative body. Development funds assigned by the Parliament, called CDF, are provided via Districts and are allocated to the constituencies of the Members of Parliament (MP).

Let us describe the organisations at each level of ② and ③, and come back to ① and ④ later. The PA system, ②, was a mechanism for suppressing Africans by way of chiefs of low-level administrations, which had its origin in the system controlled by Governors General during the British colonial period. It was a system that enclosed the politics and administration of people within spaces of ethnicity and kinship groups.[25] As Hyden (1970, p. 6) points out, "The involvement of PA in law and order is regarded as authoritarian by Africans." The PA system was in accord with the centralised nature of the second Constitution that was created one year after independence, and with subsequent political developments; but it was not prescribed in the provisions of the Constitution. Instead, it is substantiated by a number of laws, including the Chiefs' Act.

[25] This was called "decentralised despotism" by Mamdani (1996, p. 37).

"Province" in the PA system, ②, is a different name given to the "Regions" contained in the Constitution at the time of independence. There are eight Provinces, and each contains senior staff, such as a Provincial Commissioner, as well as staff in the personnel and other departments. Below Provinces are Districts and Divisions. Furthermore, chiefs work for Locations and assistant chiefs for Sub-locations. Chiefs and assistant chiefs are public positions. In the lower level, villages, there are Village elders, but they are not public positions. Some of them are appointed directly by assistant chiefs, but most of them are elected. The entire PA system belongs to the President's Office, and the permanent secretary of this office has extremely powerful authority. The status of the Provincial Commissioner is said to be equivalent to the permanent secretaries in each ministry. Below this, there are District Commissioners, and it is the Districts which have major connections with the central sector ministries. Staff from the majority of central ministries are seconded to the Districts. For example, there are: agriculture officers, veterinary officers, forestry officers, cooperatives officers, healthcare officers, education officers, trade officers, and land registrars, and land adjudication officers.[26]

Next, let us examine the relationship between ② and ③. Technical officers working at a District are responsible to senior officials from each of the ministries at the Provincial level, and are also responsible to the District Commissioner who represents the District technical committees. For example, a District Agriculture Officer (DAO) reports to the Provincial Director of Agriculture (PDA) and to the District Commissioner. The District Commissioner serves as the chairperson of the District Agriculture Committee, and the DAO serves as the secretary. The District Commissioner also chairs two other important committees. One of them is the DDC, and the other is the District Intelligence and Security Committee (DISC). Lower level organisations also have bodies similar to the DDC, and the chiefs and assistant chiefs serve as chairpersons. Committee members of the DDC include: the District Commissioner (chairperson), DDO (secretary), department heads, MPs, and NGO representatives. The functions of the DDC are to monitor the developments of projects in progress, to ensure their rapid implementation, to examine planned projects of lower level committees, and to secure appropriate funds for maintaining and managing current facilities and infrastructure. Committee members at the chief level include: school principals, primary and secondary school teachers, agricultural extension officers, health centre staff, and community development assistants.[27]

After NARC came into government, the Constitution of Kenya Review Committee (CKRC) was established. The 2003 CKRC report proclaimed that the PA system be abolished. Under the first CKRC Bomas Draft Constitution, which was prepared based on this report, decentralisation of four tiers (Region, District, Location, Village) was proposed. This did not include Provinces, and nominally resurrected the "Regions" of the independence Constitution.[28] This reflected the view against the

[26] There are also officers for the agriculture and water sectors in Division, which are underneath District.
[27] As of October 2004, the number of personnel engaged in the PA system were: 776 administrative officers; 2,300 chiefs; and 6,250 assistant chiefs.
[28] The number of Regions became 13, and a council formed of representatives from each District was envisaged.

vulnerability of the local administration system and the monopolistic role of the central government in the PA system (Chitere, 2005, p. 10).

The processes formed by the parallel but unaligned systems ① - ④ can be traced back to the fact that the government had no fundamental plans of action, and reforms with limited substance and the enforcement of laws to support such reforms were conducted sporadically. For a short time after the start of the 1980s, there was a period when administrative deconcentration was attempted that was focused on ② Districts, but there was no permanent vesting of major coordination authority or budgets, or a system absorbing public opinion. After donors terminated funding for the program to implement decentralisation, the system weakened.

From the perspective of development budgets for local administrative services, the important administrative units are: ② Districts, ① Local Councils, and ④ Constituencies. Although each of these bodies handles different development budgets, in recent years, ④ and ① have increasingly borne the core of those budgets. In contrast, ③ central ministries have been in charge of recurrent budgets for key services — comprised of budgets for personnel emolument and other charges for maintaining service providers — and the control for such budgets is held by sector officials working in Districts (and in some areas, ① Local Councils control the budget). In short, there is overall discord: while recurrent budgets are planned and implemented along sector lines; development budgets are basically planned and developed along multiple channels outside of sector lines.

In this section, these kinds of inconsistencies in the public finance system are described. The following subsection covers the historical developments; the third subsection is on District administration; the fourth subsection, on issues in service delivery; and the fifth subsection on problems in constitutional amendments.

### (2) Historical developments

During the colonial period, a dual system was adopted for local councils in Africa, one on the side of the white colonists and one on the side of Africans, and this continued for more than 40 years.[29] The provision of services by District Councils on the African side relied on non-government organisations (Oyugi, 1995). However, the physical facilities were usually constructed by the local community. These self-help activities existed prior to independence; and as a result of an increase in their demand following independence, they were elevated as a movement and were called Harambee.

Under the PA system that was formed for white people to collect taxes from Africans, acertain level of autonomy was given for governance on the side of Africans. The aim of the PA system was to

[29] Walter Oyugi, based on interview (Faculty of Law, University of Nairobi, August 2006).

give administrative authority to chiefs thereby drawing individuals and communities into the colonial government organisation. As a result, a vertical relationship was created in which "chiefs do not answer to the people, but do answer to District Commissioners" (Khadiagala and Mitullah, p. 192). The fact that chiefs have not historically had "downward accountability" is in contrast to the clan elders of the lower Village level.

In the history of modern democracies, tax is the price paid for democracy. But looking at Kenya's history, taxes, and in particular "poll taxes", instead meant funds usurped from Kenyans for the maintenance of infrastructure facilities that were formed by the colonial government for the own benefit. People did not have the money to pay taxes simply from engaging in the ordinary agriculture and stock raising. Missionaries recommended wage labour, and the Village men left their villages en masse to work. Tax was positioned as a system whereby chiefs collected the funds, kept part of it as their own revenue and sent on the rest to higher organisations (Matsuda, 2003, pp. 80-86). Based on an objective of dismantling the centralised system of the colonial period, following its independence in 1963, Kenya became a federal state that acknowledged significant autonomy for the Regions. Below the Regions there were several layers of local authorities, and local councillors were elected. All local authorities had financial authority over their own revenue and expenditure, and the central government only compensated for the salaries and wages of public servants. This federal system was supported by the British government and by KADU (the political group formed by ethnic minorities like Kalenjin), but it was opposed by the KANU party at the time, controlled by the Kikuyu and Luo groups. The KANU party saw the federal system as devious plots to divide the capacity of the central government controlling the entire state.

When the KANU Kenyatta government was victorious in elections, it absorbed the power of the KADU party and a virtual single-party system was formed. With this new force, they abolished the federal system, and in 1968, they established a constitution for a centralised government. Regions became subordinate to the central government, and underneath that, the local authorities at the District level and below were positioned within the PA system. The role of local governments became weaker, and centralisation was carried out on three fronts: the progressive abolition of regional councils, the Transfer of Functions Act, and the abolition of the GPT. As for development units, Development Committees were established at all levels in 1966. At first, local councils were left intact, but in effect, the Provincial Commissioners and District Commissioners took control of authority. The 1969 Transfer of Functions Act transferred the control of the primary education, healthcare and local roads sector administration from County Councils to the central government. Furthermore, the GPT, which had been a source of revenue for local governments, was abolished, and the authority of the minister that held jurisdiction of local government increased substantially.

At the end of the 1960s, the dysfunction of DDCs became problematic, and so in 1974, DDOs were appointed to strengthen the function of the DC, and they took charge of the day-to-day running of the committee. These one-person secretariats have since been expanded, and are now called District Planning Units, with each unit being comprised of several people, including planners, statisticians and secretaries.[30] However, with the inside of Districts imitating the vertical structure of each ministry, and with sector officials taking charge of entire budgets, the function and budget of these units have remained extremely limited.

After the 1980s, the government was faced with a "crisis of legitimacy" because there were no alternative sources of revenue in rural areas (Khadiagala and Mitullah, 2004, p. 197). The staffs at local governments did not have the appropriate skills or capacity to start with. In order to extricate themselves from this predicament, in 1983, the Moi government commenced the DFRD policy, a development model of "decentralisation." The model gave considerable authority to District Commissioners and to DDCs, and made the multiple lower bodies carry out the planning processes. The central ministries had misgivings about this new direction. The Districts also criticised the requirement of the DFRD, that is, having to receive confirmation from the District Commissioner and having to obtain agreement for the application of revenue within the District for all local projects before submitting funding plans to the Ministry of Local Government. This model operated for some time while the donors provided budgets, but it failed to gain support domestically, and before long, went into a phase of decline.

On the topic of the limitations of the DFRD, Tostensen and Scott (1987, p. 140) raise three points: there was a reliance on the former PA system, there was a lack of appropriate resources to run the model, and there was a problem with the control of the Province administration staff over the District development field departments, and in particular over the DC. In a study by the German technical cooperation enterprise, Deutsche Gesellschaft Für Technische Zusammenarbeit (GTZ), Schall (1998) raises six areas that are problematic with the DFRD: there was inadequate community participation; from a control role, the development role failed to achieve autonomy; there were excessive "layers" of the institutions; there was no community support for projects; the government was more insistent on ideas for providing development than supplying service for communities; there was inadequate transparency and accountability for funds and resources.

On the other hand, the Harambee movement was extremely influential at the community level while interacting with the administration. The movement took charge of mobilising the resources of local communities, and had risen from the voluntary initiative of local areas. However, it gradually transformed into a Kenyatta politician-led movement. If Harambee was conducted by a local patron,

[30] DDOs are staff seconded from the Ministry of Planning and National Development.

corresponding support was provided to that region from the central government. Furthermore, Harambee was actively conducted in affluent regions capable of maintaining facilities. "This movement can affect regional inequalities, and this is what has happened. Similarly, it has also affected ethnic inequality" (Oyugi, 1995, p. 133). From the 1960s until the 1970s, the area that most benefited from Harambee was the Central Province where the Kikuyu live. After the Moi government took power, the earlier benefits to local patrons diminished, and the movement waned.

### (3) Current District administration

After the 1990s, in rural areas, there were District and other branch offices of the central government as well as several local authorities, but there were no organisations that fulfilled a terribly significant role in terms of development. On the other hand, whether they work for the central or local governments, an enormous number of public servants were being employed in Kenya, and personnel expenses had become a government budget constraint. According to International Monetary Fund (IMF) statistical abstracts, while there are different ways of recording budget items, the 1997/1998-2001/2002 five-year average ratio of recurrent budgets against development budgets was: Tanzania: 3.1, Uganda: 1.4, and Kenya: 6.3.

DDPs implemented in Districts are prepared as five-year plans. However, because each DDP just combines the plans of the sector ministries, they are not working. As seen previously, in general, DDCs are not working, and are nothing more than a platform for sharing information. Furthermore, they have a fundamentally top-down character, and do not reflect actual situations of local societies. However, commitments were made in the 1994 Health Sector Policy Framework paper and Sector Strategy Plan (1999-2004) to implement decentralisation strategies; and in the agricultural sector, there have been programs that incorporate bottom-up participatory planning methodologies, such as the National Agricultural and Livelistock Extension Programme (NALEP) which was started by Sweden.

Kenya's recurrent budget is made up of salaries, wages and other personnel expenses, other cahrges, and general grants to public-sector enterprises. On the other hand, the development budget is made up of facilities construction and fund transfers to various grants. (All the funds from donors are regarded as part of the development budget.) Budgets prepared by the sector ministries are approved by the National Assembly, and each ministry issues an Authority to Incur Expenditure (AIE). These are sent to the Budget Officer at the Ministry of Finance, making arrangements complete for expenditure procedures to be carried out in each of the Districts.[31] Local projects run by donors also require revenue procedures to be carried out simultaneously with the central and District governments. The approved budget is increased, and a similar procedure is followed once the AIE has been issued at the

[31] Under the DFRD, Districts would be provided with an AIE, and District health officers would then be able to purchase medicines locally; but due to the underdevelopment of the market and systems at the time, purchases ended up being difficult or expensive (Oyugi, 1995, p. 129).

central government (Nafula, N. et al., 2004, p. 13). This is a fairly complicated system with procedures for approval and disburse requiring an inordinate amount of time.

Development budgets in Districts that have been recorded in advance as sector ministry budgets can be spent via the issuance of AIEs, but under the Moi government up until 2002, these projects tended to be implemented in very limited regions nationwide. Most of the remainder of the development budget, whether it be in the PA system or others, was substantially diverted to recurrent budget. Overcoming this type of constraint became an issue for local administration from the end of the 1990s.

**(4) Service delivery issues**

After the post-Cold War era, many different political and institutional reforms also began in Kenya. In 1991, the single-party legal system was abolished, and preparations were begun for procedures to amend the democratic constitution. Subsequent reforms would be produced from the political process aimed at a multi-party system. The first reform arguments focused on reforms to the central government structure and system and to political processes, and there was not much discussion on local administration and decentralisation. However, in the late nineties, the following three actors began to show interest: opposition parties; foreign donors; and the ruling KANU party.

(a) Opposition parties, which were gradually becoming more public and open about activities, began to show interest in a number of different types of decentralisation policies (Khadiagala and Mitullah, pp. 198-203). The Ford-Kenya political party asserted that reforms should be implemented so that the District government DDC be comprised of resident representatives and NGOs rather than nominees of the government or of the ruling KANU party. They also expressed concerns about the overwhelming power of the Ministry of Local Government over Local Councils, as well as about the constraints on the financial authority of Districts and Local Councils, and about the inefficiencies of service delivery.

(b) Donors continued to put pressure on the Moi government for democratisation and governance reforms. Although the advance of democratisation in neighbouring countries had also been sluggish, because Kenya had achieved relative economic development, and because they had not experienced civil war, significant pressure was placed on Kenya to become a model for the post-Cold War era. Donors had given notice that if the performance of the Kenyan government for democratisation was poor, they would reduce their aid; but more than any significant reductions, what actually happened was there was a cut in government support and alternative support to NGOs increased.[32]

[32] Patrick Alila, based on interview (August 2005, Institute of Development Studies, University of Nairobi)

(c) KANU — the ruling party of the Moi government — came under fire from opposition parties and the media because it was the NGOs, rather than the government, that was providing service delivery in rural areas. Consequently, after the 1997 elections, these areas began to give serious consideration for the mechanism by which development funds in rural areas were supplied from the government.

Basically, pressured by the offensives of the opposition parties and donors, the Moi government began to consider democratisation, the devolution of authority to local governments, and the achievement of local service delivery. Over ten years, along with the realisation of a multi-party system, these systems became necessary for election politics. The KLGRP, which was assisted by the World Bank from 1995, is comprised of three elements: the rationalisation of central-local budget relationships; the promotion of local budget management and revenue mobilisation; and the improvement of local service delivery through the expansion of citizen participation. Based on this policy, two local grants systems were formed: the LATF [33] and the RMLF. Also, the Single Business Permit (SBP) has been introduced which integrates various kinds of fees and licenses as a measure to rationalise local revenue.

LATF is a grant for Local Councils which came into operation in 1999/2000. It was able to be applied to development budget project expenses while supplementing budget deficits. The services currently provided by Local Councils are: the maintenance of local roads, the establishment and maintenance of public markets, bus terminals, abattoirs, housing and social welfare programs. LATF is used for these programs and for the general administrative expenses of local government. The programs can be called as Local Authority Service Delivery Action Plan (LASDAP). Development budgets used in LASDAP can be used for a range of local projects, but they have been subject to substantial intervention by local councillors in order that they be implemented in the constituencies of these local councillors. Furthermore, in 2003, the CDF came into being — a system in which funds are provided to the constituencies of MPs. The CDF uses an allocation equivalent to 2.5 % of the government revenue, and so because the size of the fund is large, there have been certain expectations for it. Simultaneously, because the funds do not go through the central government, its transparency, equity and accountability have been questioned.[34]

At first, there were many favourable evaluations and media reports on both the LATF and the CDF. After reviewing the LATF/LASDAP activities at each local government, the Department for International Development (DfID) (2002, p. 11) placed expectations on the leadership of prominent individuals and small groups, stating “Although in most cases citizen participation and local

[33] Local governments are using LATF to support revenue shortfalls (one quarter of total revenue); LATF can only be used as pure development budget for 20 percent of the total.

[34] Although District treasurers are ultimately involved in the fund management, CDFs are not the budget of District, and further still, they have no relation with Counties and other local governments. According to Dege’s Kenya Report (2006, p. 12), there is a move to expand the CDF to the equivalent of 7.5 % of government revenue.

government accountability remain quite weak, there are signs of change." The Daily Nation, dated March 9, 2005, explained the CDF along with the LATF, AIDS Fund and others. It ran an explanation that the enormous funds of the CDF Committee are reaching communities, the constituency committee is working to improve accountability by having the committee elected democratically, and sending auditors to each constituency for two weeks to investigate how the funds are being used.

However, gradually, harsh arguments have been applied to the LATF and CDF. From fairly early on, Devas and Grant (2003, p. 314) raised various points regarding the LATF: "Because the LATF is a scheme to rescue the difficulty of local government finances, even if projects are created with a participatory formula, they are not implemented on a priority basis, and so the confidence of the people is undermined"; "The community groups and NGOs that Local Councils invite to the LASDAP council meetings are unlikely to stir up trouble"; and "the scope of citizen participation has been limited." The CDF entrusts decision-making to the Constituency Development Committee (CDC), on which MPs serve as the chairpersons or patrons. On the topic of the CDF, Dege Consult (2006C, p. 86) regards as a problem the fact that it is a fund that makes "the members of parliament legislator, implementer and watch-dog at the same time." Based on the results of a national survey, Kenya Institute for Public Policy Research and Analysis (KIPPRA) (2006) raises the point that it is the CDF that is the typical example of a funding scheme regarded as being prone to corruption.

Even though public health centres, primary schools and other facilities have been constructed under CDF and LATF, no budgets for health workers and teachers engaged in the actual service delivery have been provided for, because this falls under the recurrent budget which is the jurisdiction of sector ministries. This has meant that there have been some situations where only the facilities have been built but they have been short staffed. Naturally, circumstances differ depending on the region and depending on the sector. In regions that have a sense of political and social maturity, such as where there are people who have local leadership capable of coordinating the divided organisations, and where there is a sense of solidarity and collective action among the local communities, to some extent, they are able to coordinate the development budget and recurrent budget. In the southern part of Narok district, it is observed that local resident activities are relatively unified among the Masai people (Field interview, August 2006).

**(5) Constitutional amendment issues**

From the end of the 1990s, arguments re-emerged for constitutional amendments as well as for the financial decentralisation of funds such as the LATF and CDF. Prior to the 2002 national election, NARC, which was an opposition party at the time, made a pledge for increased employment and free primary education, as well as for the easing of the unipolar concentration of power by introducing a Prime Minister system and decentralisation in addition to the existing presidential system. The election brought about a change of President and resulted in victory for the NARC coalition. However, given that NARC had been a makeshift pre-election political alliance, after it took power, the opinions of internal factions

became divided on the content of the draft constitutional amendments and on how to move forward. As part of the devolution of power, the 2005 Bomas Draft was changed to the more cautious Wako Draft, spearheaded by President Kibaki's administration and others, with the latter being voted down in a national referendum that November.[35] Districts had been regarded as the central unit of devolution, but under the Wako Draft, it was supposed the government would "adopt a two-tier administration comprised of the central and local administrations, with imprecise details of the power sharing arrangement" (Tsuda, 2006). Furthermore, a feature of the draft constitution is that it makes mention of elected leadership, but makes no explicit comments on the civil service or on the bureaucracy.[36]

Since the rejection of the Wako Draft, as of January 2007, absolutely no projections for reform of the LC system have been formed amongst political figures and intellectuals in Kenya. After the referendum on the constitutional amendments, an opposition party, called the Orange Democratic Movement (ODM), proposed a "minimum reform" package to achieve constitutional amendments as part of a joint policy supported by both the ruling and opposition parties prior to the presidential election at the end of 2007. However, as at the beginning of 2007, the government had not even attempted to agree to negotiate, considering the package to be an election strategy of the opposition party. Consequently, there are no signs of definite political debates or shaping of stories to change Kenya's "centralised structure."

### 2-4-3 Political groups promoting CDF and LATF

#### (1) Multiple support groups

Ideally, governance reforms should be implemented that target both the PA system and Local Councils, but since political consensus has not been obtained, financial decentralisation fulfils an alternative function. Budgets for CDF, LATF and similar funds have been steadily increasing. CDF is set at an allocation of a part of the national budget, and LATF was a mechanism of returning 5 % of income tax. The national budget has been growing steadily, reflecting Kenya's recent economic growth. Under the national development plan, increases in the LATF budget up to 20 % of income tax are planned, but the majority of the budget growth is being appropriated for the CDF. This originates in the fact that the MPs opposed any expansion of LATF and emphasised CDFs.

There are overlaps in the sectors covered by the CDF and LATF, and there are similar circumstances for both of these funds as well as for the RMLF fund and education subsidy Secondary Bursary.[37]

[35] The result of this has been that the current government has lost any vision for institutional reforms through constitutional amendment.

[36] Walter Oyugi, interview, August 2006.

[37] According to KIPPRA(2006), There are also other large grants: Secondary Education Bursary Fund: 1.4 Billion (FY 2005/2006), HlV/AlDS Fund: 13.5 Billion (FY 2003/2004), RMLF: 8.7 Billion (FY 2004/2005), Free Primary Education: 7.8 Billion (FY 2005/2006), Rural Electrification Programme Levy Fund: 1.8 Million (FY 2004).

Competition between various grants leads to inequity in the allocation of resources due to the concentration of several funds on the same facility or on the same person. While both LATF and CDF are used for the same primary school facilities, there are other schools that receive no funding at all. Similarly, while there are households that have access to the education Bursary Fund from multiple sources, including the CDF, there are other households that receive nothing and do not even know these funds exist. MPs and each of the ministries are engaged in a scramble between over these budgets.

The Ministry of Planning and National Development is preparing measures to improve the future structure for implementing the CDF, and the future shape of the framework should have a significant impact upon overall rural development. The CDF has three advantages and three risks.[38] The advantages are: ① the inflow of resources into areas that have not had any resource allocations (up until the end of the Moi government); ② the selection of key sectors for PRS (education, health, water); and ③ existence of ownership funded by domestic resources (little aid dependency). The risks are: ① the weakness of the relationship and coordination with the administration; ② the overlapping nature of individual budgets; and ③ the weakness of the coordination with the recurrent budget (lack of coordination between Districts and sector ministries, which are responsible for sector plan implementation and recurrent budgets, and constituencies, which are responsible for development budgets).

The ministries are discontent with the CDF because they are not in charge of the development budget. Usually there is scathing political conflict between the ruling and opposition parties; but on the CDF issue, incumbent MPs are all in support because it is to their own advantage. With respect to the risks, the opportunity for reform lies with the Ministry of Finance and the Ministry of Planning and National Development. Currently, their considerations include: reorganising the relationships with the various funds, including the Kenya Social Action Fund (KSAF) which is to be formed with the support of the World Bank; linking the CDF with the administration by assigning Assistant Development Officers (ADOs) to the Constituency level from October 2006, in addition to CDF Coordinators; enhancing the framework for participation for levels lower than Constituencies; and establishing a Monitoring and Evaluation Directorate within the Ministry of Planning (Ministry of Planning interview, August 2006).

The LATF is in direct competition with the CDF.[39] In addition to such rivalry as overlapping target sectors and magnitude of the respective funds, the competitive relationship also includes conflict between politicians, namely MPs and local councillors. The LATF also serves to supplement the recurrent budgets of Local Councils and to reduce their past debts, and the LASDAP's share for participatory development aimed at the infrastructure component is limited. On the other hand, the administration cost of CDF is set at 3 % or less, and in terms of budget composition, it has a high

[38] The authors visited the CDF Secretariat, and gave an appraisal to this effect as the views of the researchers (August 2006).

[39] The allocation criteria for each of the funds are as follows. CDF: population size 75 %, poverty levels 25 %; LATF: nationwide shared component 7 %, population size 60 %, remainder is allocated based on relative urban population densities.

investment efficiency.[40] LASDAP envisages a development process under Local Councils based on participatory planning by local residents, and the principle of local representativeness is prescribed more than the CDC. However, the actual level of participation is low, and apparently it is not well known among the general public.

Under the 1970 Transfer of Functions Act, Local Councils lost much of their discretionary power, and from 1984, high-ranking officials were appointed from the central government. Prior to this, Local Councils had originally had limited operational authority, but had had authority devolved to them from the central government in the sense of an established legislative function. The appointment of high-ranking officials meant that now they had become weaker in terms of decision-making rights as well. The capacity of Local Councils is extremely limited. They tend to employ large numbers of personnel at the low end of the salary scale and not to employ middle- and high-ranking personnel. The employment structure is not particularly appealing because there are no hierarchical positions, whereby workers' careers will advance if employed.[41]

**(2) The problem of multiple funding schemes**

The demand for decentralisation in Kenya is by no means small. There are also very strong social needs and political demands for service delivery. However, because there are significant dissimilarities between regions in terms of ethnicity and the distribution of natural and other resources, granting equal autonomy to each region was difficult, and the various political parties based on ethnic lines clashed over power at the centre. Amid these circumstances, there were expectations for the political function of CDF, LATF and other funds in the context of local governance in Kenya to supplement the underdevelopment of local administrations, but it has lapsed into dysfunction by reason of that underdevelopment. Moreover, new changes are emerging as resource allocation, which bypasses administrations like CDF, expands.

First, funds have subtly affected the central-local political relationship and local intra-regional disparity. LATFs have strengthened the relationship between local councillors and their electoral base and Local Councils; whereas CDFs have become important for the establishment of support bases for MPs. While these funds have been equitable in the sense that they are granted uniformly across the country, CDFs have a bias in that they are prone to being distributed to the electoral districts of local councillors that have supported incumbent MPs within a Constituency.[42]

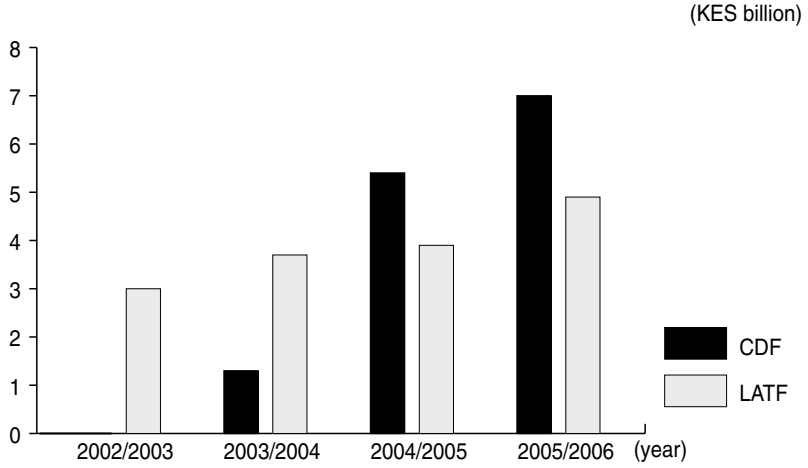
Second, it had been thought that the central bureaucracy was indifferent toward decentralisation, but as financial decentralisation through MPs and local councillors progresses this far, incentives will

[40] The CDF has no administrative base, and while it is expected that costs will be covered by the 3 %, in reality, it is instead a major problem.
[41] Walter Oyugi, interview, August 2006.
[42] Adams Oloo, based on interview (August 2006, Department of Political Science and Public Administration, University of Nairobi)

appear to try to impose a certain degree of control within the administration. This is both preparation of policy issues for the next government from 2008, and an intent to secure the administration's executive power. In particular, at the Ministry of Finance and the Ministry of Planning, conditions will be observed in which the gap between the development budget (projects, infrastructure) and the recurrent budget (sector budgets, operational structure of services) cannot be ignored.[43]

Third, an important point will be how the CBOs and NGOs, which have thus far supplemented the underdeveloped components of local administrations, will react to the new funding systems.[44] This is because, if a certain portion of CDFs and LATFs are granted to these groups, and if they can be directed toward strengthening the link with local administrations, then new developments will be brought about.

**Figure 2-9 Changes in the CDF and LATF budgets**




Source: Republic of Kenya (2006) and CDF (2007).

**Table 2-18 Changes in the CDF and LATF budgets**

(KES billion)

| | 2002/2003 | 2003/2004 | 2004/2005 | 2005/2006 |
|---|---|---|---|---|
| CDF | 0.0 | 1.3 | 5.4 | 7.0 |
| LATF | 3.0 | 3.7 | 3.9 | 4.9 |

Source: Republic of Kenya (2006) and CDF (2007).

Figure 2-9 shows a comparison of the magnitude of the CDF and LATF funds. CDF grew suddenly, and in 2004/2005, it surpassed the size of the LATF funds. Since LASDAP only accounts for a 20 % share of LATF, the difference in size between the two is evident, and this has also been reflected in the degree of recognition of the funds by the public.

[43] Sector officials in Districts and Divisions are providing technical assistance for CDF/LATF as necessary.

[44] During the Moi regime, donor support for NGOs increased. This supported CBO activities, and became a motive for residents to increase CBO registrations. In Kisumu, with a population of 500,000, there are more than 6,000 registered CBOs. (Yuichi Sekiya, 2007).

### 2-4-4 Undevolved service delivery (primary education)

In this section, actual situation of service delivery in primary education is examined. In Kenya, sector administration has not been decentralised. Districts do not have any coordination authority, and their principle operations are on a vertically-structured approval base. However, in recent years, District hospitals have gained strength, and changes to the tone and awareness of decentralisation have emerged so that they can argue on a policy level with the central MoH (Project for Healthcare Development in Western Kenya, Nyanza Province, interview, August 2006). FPE, which was relaunched in recent years, is also another programme designed to improve local services. In the course of democratic elections being implemented, politicians single-mindedly emphasised the regional dissemination of FPE and primary health services (Sasaoka, 2005, p. 5). FPE is under the direct control of the Ministry of Education, but it is a programme in which SCG and other funds are remitted directly to individual local schools from the central government.

In Africa, there was a large disparity between regions in the rate of dissemination for the social sector and local infrastructure. The conditions are the same for primary education in urban areas and rural areas. In urban areas, the parents of children are earning cash, and many of them can afford to pay fees for facilities and running costs. In contrast, in rural areas, only a fraction of people can afford to pay, and so the ordinary management of classes becomes difficult. This trend became conspicuous after the cost sharing system was introduced in 1985. Schools collected funds, and they were permitted to use them; but at the same time, there were increases in the disparity of education indices such as enrolment rates, between urban areas and farming villages and between different regions.

In the education sector, the central government had a monopolistic authority in all areas. Following independence, a colonial period parish mission school abolished racial segregation.[45] There was a decrease in incentives for constructing private schools for Africans in rural areas (Oyugi, 1995, p. 126). Consequently, public schools became the core of schooling in rural areas, and the construction of facilities was assumed by Harambee. Harambee resulted in many small schools being constructed, and so the number of employed teachers (including unqualified teachers) increased.[46] If communities could construct a school (development budget) with the assistance of a local patron, then the central government would pay ex post for teachers' personnel emoluments (recurrent budget) as maintenance.

Kremer, Moulin and Namunyu (2002, p. 1) supposed that these phenomena up until the beginning of the 1990s, the high proportion of budgets accounted for by salaries, and the exorbitant tuition fees

[45] Toward the end of the colonial period, a small number of highly talented African students were permitted to enrol in classes, but there was still a general tendency for vocational training and technical education courses to be emphasised for Africans more than general education.

[46] Harambee were incorporated into administration in the 1970s, and the Technical Training Institute and other facilities became public schools.

had reduced children's enrolment rates. They also supposed that this had resulted in damage to the trend of shifting children to the school with the best principal, and that it had made the incentive effects of school choice unproductive. In the year that this article was published, the FPE policy that exempted tuition fees had already been introduced. At present, the NARC regime has also strengthened progress in public sector reform, and the government has not caused a rapid increase in teacher number despite implementing the FPE policy.

In Kenya, even though local governments are not involved, FPE policies have been able to be implemented in accordance with sector programs. FPE removes tuition fees for primary education, and it provides funds for the school management to schools, but the FPE grant can also be perceived as a devolved fund like LATF or CDF. Similar to Uganda and Tanzania, the FPE has resulted in a rapid increase in school attendance in primary education. (Table 2-16: the number increased from 5.87 million in 2002, prior to FPE being implemented, to 6.90 million in 2003, after it was implemented). Given this increase, we can regard FPE as having been successful in service delivery in terms of quantitative expansion and access. In the questionnaire survey conducted by KIPPRA (2006), the FPE was the most well known grant and regarded as being effective.[47]

**Table 2-19 Outcomes and outcome indicators**

| Input/Output | 2000 | 2001 | 2002 | 2003 | 2004 |
|---|---|---|---|---|---|
| Number of teachers at public schools | 184,660 | 181,847 | 172,424 | 176,572 | 176,887 |
| Number of children attending schools | 5,730,669 | 5,745,991 | 5,874,776 | 6,906,355 | 7,122,407 |
| Gross enrolment ratio (%) | 88.7 | 87.6 | 88.2 | 102.8 | 104.8 |
| Net enrolment ratio (%) | 67.8 | 75.0 | 76.4 | 80.4 | 82.1 |
| Student/teacher ratio (%) | 31.0 | 31.6 | 34.1 | 39.1 | 40.3 |
| Primary education completion ratio (%) | 57.7 | 59.5 | 62.8 | 68.2 | 76.2 |

Source: Education Statistical Booklet, Republic of Kenya (1999-2004)

As Table 2-19 shows, the education indicators in Kenya have begun to show signs of improving since before the implementation of the FPE. The FPE has had a large impact on the number of children attending schools and the gross enrolment rate (%), but the net enrolment rate and the primary education completion rate were on the recovery track from before. While the results seem to have been influenced by a range of factors both external and internal to the education sector, including a general improvement in economic conditions, an enthusiasm for education shown by the public, an upward trend in the (primary) education budget, and the distribution of textbooks by donors, a closer evaluation is not attempted here.

[47] Interview with Alfred Ouma Shem, an analyst with KIPPRA (August 2006).

The ratio of the education budget to Kenya's total recurrent budget has gone from 35 % to 40 %, and this is prominent among countries in the region (Republic of Kenya, 2003, p. 97). Furthermore, 98 % of the primary education budget is for teachers' salaries and wages. Therefore, even if the improvements in the education indicators have been found in recent years, it is not possible to say that the investment efficiency of the budget has been high. Substantiating this has been the incidence of ghost teachers, who are still said to number high, and the emergence of "a situation where parents, who fear a decline in the quality of public schools, are changing to private schools or to public boarding schools in rural areas" in the wake of the FPE being implemented (Sawamura, 2007).

In Kenya, school inspectors are called Quality Assurance and Standards Officers (QUASOs). About three QUASO observe the primary and secondary schools in a District, and another is assigned to the area office. Furthermore, Teacher Advisory Coordination (TAC) tutors are posted to areas, and while the authority over personnel issues rests with the central government, they consult with each other before deciding on proposals to relocate and assign teachers. Teachers are usually reassigned within the same District. This system is different from the school inspectors, who are employed by Local Councils, but it fulfils a similar function. The TAC tutor system is a British support system, positioned within the PA system. Former veteran teachers are posted, and they consult on such topics as the management of schools and teaching methodologies. The success or failure of these functions largely rests on the apportionment of the relevant budget being adequate.

In education in Kenya, area offices, namely District Education Officer (DEO) and Provincial Director of Education (PDE) offices, both lack sufficient staff and capacity to provide management support and to conduct monitoring and evaluation of schools and SMCs. There are also donor-based support projects for teacher training in a number of fields. At the school level, by law and regulation, secondary schools have relative autonomy; but at primary education, except for urban areas, there are restrictions, and the role of the DEO is extremely important, including for the fund management of the FPE (Kibe, 2006).[48]

When a school uses CDF or LATF funds, the SMC or PTA tends to notify and consult with various bodies (central ministries and the District), and so coordination with the central administration is relatively easy to form. In contrast, in the health sector, the organisation of the corresponding bottom-level committee is weak, and because users are not limited to just residents close to the facilities, despite their being dispensary, health centre and District hospital lines, the central-local liaising and coordination is not done well, and facilities that are completed using the various funds, are susceptible to being subsequently neglected due to the lack of workers or medicine.[49]

[48] Samuel Kibe, interview (August 2006, JICA office)

[49] As a result of there being many short-staffed facilities, there are cases of some being run as Health Centres managed by local communities. The differences between the health and primary education sectors are based on interviews with specialists from the Project for Healthcare Development in Western Kenya, etc. (August 2006)

The effects of the FPE on SMCs and PTAs have been both positive and negative. On the one hand, institutionally, teachers have spent less time on collecting school fees, and they have been able to devote themselves to education. But on the other hand, according to the results of interviews, the introduction of the FPE also resulted in a significant weakening in the involvement of residents in the management of schools. "Support is being received from the World Bank and the DfID for the majority of funds required to implement the FPE" (Sawamura, 2007), but because local administrations are only concerned about "upward accountability" to the government that sends the money, their care for residents ends up being made all the more inadequate. (Sasaoka and Nishimura, See Box 3-5)

From the perspective of the education sector, there are currently several development budgets covering facilities, and there is a problem of them not being linked to the recurrent budget for the sector. While straightforward quantitative expansion could be achieved with the current FPE, in terms of measures for qualitative improvements, the current centralised monitoring structure has not been adequately coordinated under the DEOs, and the authority of the DEOs is constrained. Furthermore, since sacrifices in quality are being caused by quantitative expansion, the concept of a decentralised structure will need to respond to this. The trend of inhibiting the participation of PTAs and parents is not preferred from either a perspective of quality or from a perspective of decentralisation (in the sense of facilitating democratisation).

### 2-4-5 Conclusion: What kinds of improvements are necessary?

#### (1) An extremely weak "participation" framework

Some intellectuals call both CDFs and LATFs "dangling carrots" in the sense that they are election strategies that benefit incumbent politicians. They are systems in which only financial decentralisation has been promoted at the initiative of politicians without any prospects for governance reform. Both systems have various aspects in common: politicians use public funds for maintaining their own political lives; because procurement systems are undeveloped, there are constantly rumours of corruption and kickbacks from contractors; residents are not fully aware of the systems or of the content of the programs; there is little accountability. With the LATFs, when a politician is replaced, there is a tendency for the projects that had been on the waiting list during the term of the previous politician to be removed from the list, and for a new list to be created (Nairobi City, Machakos Municipality interview, August 2005). This is an indication of weakness for participation on the part of residents and the community.

CDCs are often made up of MPs' vote-gathering machines, and so improving the method for selecting members is viewed as a matter of urgency.[50] The aim of the LASDAP, which is annexed to the

[50] Maximum of 15 members: 1 elected MP, 2 Local Councillors, 1 District Officer, 2 representatives from religious organisations, 2 male representatives, 2 female representatives, 1 youth representative, 1 NGO representative, and 3 members nominated by the MP. MP usually serves as the chairperson of the CDC, but may instead select another person to become chairperson (Refer to CDF Act 2003, Section 23. 1, CDC (2007).).

LATF, is to adopt projects based on community participation. But Local Councils regard the projects proposed by residents as a "Wish List," and usually there is an emphasis on projects proposed by local councillors. This resulted in residents taking a skeptical view of the whole participatory process (Interview in Nairobi, August 2005). Action Aid (2006) welcomed LASDAP at first; but as a result of an evaluation study that it undertook itself, it has branded the participatory essence as weak. From a framework of community participation, the CDF is clearly weak; but from a perspective of acquiring recurrent budgets for constructed facilities ex post, the CDF is strong.

MPs attempted to generate a unifying force by including local councillors as CDC members, but that has not always been successful. A reason for this is because there are some local councillors who supported rival candidates to the MP. Conceivable reasons for this include the existence of other independent regional representatives, and low wages and little incentive to serve the council. Another reason could be the fragmented nature of political contacts between central and local governments. This fragmented nature can also be regarded as a reason for why decentralisation based on a motive of collusion between the central and local elite was not promoted.[51]

There are differences in the power bases of MPs and local councillors, and these formed the background to the MP-led expansion of CDFs following the introduction of LATFs. In Homa Bay in western Kenya, it purported that there are gaps between the new settlers and the people around the chiefs (Consultant for regional development programmes in the Nyando and Homa Bay Districts, August 2006). Views of the traditional Villages are being formed by clan elders close to the Village chiefs; but these have tended not to be incorporated into the CDF development process conducted by MPs and new settlers. In any case, it seems the fact that rural development has a vertical structure, and that it addresses groups with specific interests, is weakening the formation of opinions in the community. There are serious concerns for the efficiency and effectiveness of rural development, for the coordination between different sectors, and for resident participation.

### (2) Perspectives for reforms

What kinds of administrative reforms are expected? First, much waste is created by having local councils side by side with administrative organs at the District level and below in the PA system. Based on this fact, excluding such special cases as Nairobi, then in terms of efficiency, it would be preferable to make towns and counties into a single unit by absorbing them into the District-level legislation and administration. This implies a fundamental change in the administrative system, and so it becomes an issue of constitutional and legal amendments.[52] Next, key development funds should also be

[51] In Uganda and Tanzania, there is a background of political party networks having been formed between central and local governments based on a history of the ruling party's socialist single-party system. For collusion between the central and local elite, see Crook (2003).

[52] There are no legal provisions for administrative organisations below Districts. At the same time, there is a need to restore the authority of municipalities and others to implement service delivery, which they have forfeited ever since the 1969 Transfer of Functions Act.

consolidated to here, and District governments with enhanced authority would be able to coordinate with recurrent budgets. However, there is every likelihood that incumbent MPs would oppose this proposal. Financial decentralisation would end up only going halfway, and as a consequence, there has been substantial interference by politicians from central and local governments with the system at the implementation stage, and a system has been formed whereby, if changes to this structure are attempted, the average politician will oppose them.

For the time being, as recommended by think tanks and NGOs, it may be possible to proceed with those internal reforms that are necessary within financial decentralisation. With regard to the LASDAP process, Action Aid (2006) suggests stepping up community involvement, clarifying related legal systems and forming a community to monitor projects, and it proposes: capacity development for residents, local councillors and local public servants; consideration for gender, youth and persons with physical disabilities; the formation of civil societies; and the publication of best practices. As a more general framework, the opinion journal on reform, The POINT (2005), raises the following as issues: the function and power of local authorities; the fiscal base of local authorities, challenges for performance; and measures to counter sluggish performance.

The centralised structure, which at first had legitimacy as a protest against the colonial regime, did not waver for more than 40 troubled years. The provision of services to the public came to be done via political channels in the development budget, rather than from the administration. However, these politics are for certain people divided by ethnicity, region or by the constituency of a support base, and are not targeted at public need in general. In order to address this, it is important to secure the participation of residents and citizens in administration and the accountability of administration for this participation. However, there is some doubt as to whether the practice of participation could proceed without a solid administrative framework.

While subtle and only at a trial-and-error stage, possible channels for this include the improvement of the LASDAP processes and the participation of residents and parents in sector committees and PTAs, etc. At the sector level, the devolution of power to service providers and user organisations has become a reality. Next, within communities, mutual aid activities focused on development promoted with the involvement of Civil Society Organisations (CSO), NGOs and CBOs should also provide important opportunities for participation for neighbourhood groups and rural groups. Building relationships between these organisations and local administrations is also an important issue. Whatever the reforms at higher levels, it is crucial that the various plans within administrative units be integrated and coordinated, and that relationships between local administrations and NGOs/CBOs be strengthened. A practical issue is the need for a type of preparatory process for Local Councils and the PA system at the District level and below to share more communication with each other. The role for NGOs and CSOs to get involved in this process as well is potentially large.

## 2-5 Cross-country Overview — Characteristics of local administration and decentralisation reforms in the three countries derived from a comparative analysis

Based on the respective country analyses conducted in sections 2-2 to 2-4, we will make a cross-country comparison in this section to identify the essential features, achievements and difficulties encountered in each country's experience, for eventual confirmation of the lessons learned and the important points to be checked. The fact-finding in this section will form the basis for a deeper analysis in Chapter 3.

### 2-5-1 Similarities and differences in the background to the three cases

The local administration systems as well as the recent decentralisation reforms in the three countries have their own respective historical, political and social backgrounds. While we can find numerous aspects in common, different contexts are also acknowledged, and we can see that these backgrounds have a considerable influence on the nature of each system.

Following its independence, Tanzania maintained a unique single-party political system in a peaceful and stable manner, with special attention paid to avoiding ethnic conflict to ensure national unity. Even after shifting to a multi-party system, the overwhelming strength of the ruling CCM party remains unchanged. Furthermore, Tanzania has been pursuing development of its own style of democratic structure that is most suited to its own context since the very initial stage of its nation building, through endogenous reforms and "trial and error." Thus, throughout this process, the reforms of this country have always been carried out with a moderate "top-down" nature. The credibility of the Government among the population has always been high and Government policies have been accepted positively without a lot of questioning. It could also be argued that the current decentralisation reforms have also been promoted in this way. However, a significant difference between the current decentralisation reforms and the other earlier reforms is that this time they seem to have less of an endogenous nature with more influence from the donors (2-3-1).

In contrast, the circumstances surrounding LG reforms in Kenya have been more strongly influenced by ethnic groups, and are politically more dynamic (2-4-1). After shifting to a multi-party system in 1991, controversies among different political parties backed up by ethnic groups and religions became more active. And in these circumstances, the subject of decentralisation reforms and improving local service delivery was placed on the political table for consideration of the population as well. This led to arguments about constitutional amendments that include the issue of decentralisation reforms. The issue of the constitutional amendments was put to a national referendum, and the proposals submitted by the Government of the President Kibaki were voted down. As a result, the eventual outcome of the reforms largely depends on the future political environment and discussions (2-4-2).

In some ways, the ethnic and religious conflicts in Uganda after its independence were even more severe than in Kenya. The discrepancy became greatest with the civil war and human rights violations that occurred in the 1970s. It can be said that the reforms were carried out as an attempt to abandon all the terrible experiences that the country went through. And these reforms were promoted based on a non-party democracy led by the NRM government. The series of reforms in Uganda over the past two decades, including the current decentralisation reforms, have the nature of endogenous development and were backed up through the determination of the ruling party as well as the people themselves to "never repeat the tragic past." In this sense, we can appreciate a remarkably powerful momentum in the Ugandan reforms, compared to its neighbouring countries. However, as the term of the Museveni regime has extended beyond 20 years, it is also apparent that even this kind of momentum has begun to show changes in various ways, though some of the related factors are also attributable to the effects of the introduction of the multi-party system (2-2-1 - 2-2-3). In any case, Uganda's experience eloquently indicates the importance of endogenous aspects in politics, for good or ill, for these kinds of reforms.

All the specific backgrounds of each country mentioned above directly and indirectly affect the issues described in this section as well as the phenomena to be analysed in Chapter 3.

### 2-5-2 Noteworthy reforms experienced in Uganda

Amid these circumstances, we can confirm that some significant outcomes have been achieved in the Ugandan reforms, which have gone through a fairly endogenous development process as mentioned above. A few of them are listed below:

- Compared to other countries, there is greater independence of LGs from the CG. Approval from the CG for LG budgets is not required [53] (NCG, 2004, p. 36), and it is only in Uganda where authority over personnel has been substantially devolved [54]. Moreover, these setups have been clearly stipulated in law. Even the Minister of LG is unable to easily overturn LG decisions (2-2-2).
- The authority and responsibilities of LGs, including the above, have been clearly stipulated in detail in the Constitution, the LG Act and in other laws. In Tanzania and Kenya, delays with regard to these aspects has given rise to various difficulties.
- Resistance from the sector ministries has been controlled relatively well, and there is relatively smooth coordination and cooperation between the decentralisation reforms and the sector reforms.

[53] In Kenya, the approval of the CG is formally required, and in Tanzania, although it is not legally required, in reality, the CG has a strong influence on it through the Regional Secretariats.

[54] However, it needs to be mentioned here that the CAO position has reverted to being a CG appointment recently. For further information, see 2-2-8.

- The Ministry of LG is relatively strong within the CG, unlike in other countries.
- As shown in the elaboration of a series of policy frameworks such as the Fiscal Decentralisation Strategy (FDS), Decentralisation Policy Framework (DPF), and LGSIP, adequate measures have been taken in a timely manner to deal with the issues arising from the reform process.
- One of the factors underlying all these points is the strong political initiative and the endogenous development of the reforms shown by the President as well as the ruling party. In Tanzania, similar reforms have been advanced, but as far as the current decentralisation reforms are concerned, this basic factor seems to be weak.
- The LC1-LC3-LC5 local autonomy/administration line works well compared to other countries. The fact that the LC5 (District) level has great significance as a higher level LG, is similar to other countries. However besides this, there are a number of features that are unique to Uganda, including the fact that: the LC3 level functions as an important point of service provision, accompanied by the required personnel and budget; the grassroots units LC1 are widely trusted by the people and have been properly incorporated into the overall local governance structure; and a multi-tiered structure (LC1-LC5) has been established and is functioning with appropriate collaboration between each of the levels (For further details, see 3-2-3 (3)).
- The ULGA is exceptionally strong as an LG association among the African countries. It has considerable influence, such as by getting involved in policy discussions as well as being invited to participate in the preparation process for local autonomy related bills.

However, it has also been observed that recent political changes are affecting the above-mentioned remarkable reform outcomes towards some apparent backlash (2-2-8).

### 2-5-3 Mainstreaming of the participatory local development planning process

The combination of the "participatory local development planning process" and the "development grant system" is one major characteristic that is common to the recent decentralisation reforms process of various African countries. In Uganda and Tanzania they are the key components of the reform programme. Even in Kenya, where decentralisation reforms have not advanced yet, the LATF local grant system and the CDF constituent development fund system have been established, into which the participatory planning process has been incorporated. Thus, a sort of fund allocation mechanisms to local areas throughout the nation has been established. This has been praised as one concrete outcome of the decentralisation reforms, since all localities are now seeing some benefits from development projects.

In addition, Uganda and Tanzania have adopted the "Performance-based Grant System," which incorporates performance evaluations of the LGs into the grant distribution criteria. The intention is to

promote self-reliance and competition among LGs through incentives, and link these to capacity development. On the other hand, there are some serious concerns about the possibility that this kind of competition will lead to a widening of the disparities between the wealthy urban LGs and the poor smaller LGs (See 3-2-3). The future development of this new system should be carefully watched.

On the other hand, there are quite a few difficulties involved in the mainstreaming of this system in the local development planning process. In Uganda and Tanzania, the planning processes of the decentralised sectors are, at least in theory, to be incorporated into the overall system of the comprehensive (cross-sectoral) local development planning process. However, the reality is that each LG technical department determines their own sector plans independently from the aforementioned process based on the guidelines given by the central ministries. Each sector justifies the need to ensure technical quality and viability as well as consistency with the national sector strategies on the one hand, and on the other there is distrust in the local councilors' capabilities as well as in this type of planning system itself. The result is that in each LG, the participatory local development approach and the sector approach are proceeding in parallel, and planning officers are bundling them together as background material [55] (for further details see 3-2-2 (2)). In order to rectify the problem of consistency with the sector plan, an attempt is being made in Tanzania to incorporate the local sector planning process into the O&OD participatory local development planning process. The agricultural sector is already undergoing preparations to this effect [56]. However, it remains to be seen whether the related sector ministries will accept this trend easily when attempts are made to expand these reforms to other sectors.[57]

It is also important to consider how appropriately the needs of local residents are being reflected in the planning process. Taking Tanzania's O&OD as an example, it spends as many as nine days on a village workshop in order to identify the needs of residents as accurately as possible, as well as to ensure their active participation, which is considered to be an exceptionally serious effort on the part of a Government. The government of Tanzania deserves praise for these efforts, compared to many of the past cases throughout the world that claim to be participatory but do not have much substance. However, even with this kind of serious and ambitious endeavor, it is not yet certain to what extent the real needs of the local residents can be reflected in the service delivery of the government in a fair manner.

---

[55] Behind this complicated situation, there is also another reality that too many different kinds of grants exist in each sector, and that they are also divided into development grants and recurrent grants. Furthermore, many of them are conditional grants with earmarked budgets that do not allow LG planning officers the discretionary operating authority to allocate funds.

[56] Regarding attempts to incorporate the agricultural sector development planning process into the O&OD process, refer to the JICA development study report on the "Support Program on Rural and Agricultural Sector Development Phase II" (scheduled completion: December 2008), and the "Study on Improvements in Opportunities for and Obstacles to the Development (O&OD) Planning Process in the Republic of Tanzania" (scheduled completion: March 2008).

[57] In Uganda a National Planning Authority has been established and is attempting to coordinate CG level and LG level planning; however this institution was only recently established and is too early to evaluate its functions.

First of all, it is not certain as to: how the capacity development of the facilitators can be ensured and to what extent this can be expected; how firmly the facilitators can develop a relationship of mutual trust with the community members; and how far it is really possible to identify the real needs of the residents even being with them this number of days (9 days) and through such an official occasion as a workshop.

Secondly, not all residents participate in this workshop. Each village has a population of around 3,000, from which ten to twenty Village Resource Persons (VRS) are nominated. These representatives are approved by the Village Assembly, in which all the eligible village members participate. A focus group discussion composed of some 60 participants is held, led by the VRS. A draft bill is decided upon and, after receiving approval of the Village Council, is adopted as the consensus of the Village residents in the Village Assembly. Through this kind of process, much of the residents' concerns can be addressed in order to reflect the public will. However, even with such a process, cautious consideration must still be given to the process to see if the elections of the VRS are realised in a way that the needs of the whole society, including the socially vulnerable and marginalized, can be reflected in them, and how well this VRS functions to these ends [58].

Thirdly, one of the most significant aspects of participatory development is that residents participate in problem solving and improvement of their own community by playing a leading role based on ownership. However the problem is that O&OD only covers the planning phase and not the important stage of implementation to make the elaborated plan really effective. If it is really intended to realise "participatory community development" and the development of local autonomy from this, it is critical to complete the process of: *planning → implementation → feedback → learning and improving through experience → trying again*, instead of staying with the planning phase only. Taking all the above into account, it is considered that there remains room for further improvements.

Finally, there are criticisms that the cost of this planning process is too high. It is indispensable to ensure that the process is affordable for LGs using their own budget in order to guarantee the sustainability of the system [59] (For further details, see 3-3-1 (4) and the Attachment "Systemic Analysis Framework" (4)).

[58] Regarding this point, public participation in Uganda is centered on the LC1 level, which is more organised. However, from a different angle, there are risks that this will become routine and participation fatigue might grow over time. This is also a challenge to be overcome in Uganda (2-2-5).

[59] Regarding Tanzania's O&OD, the development study project of JICA, the "Study on Improvements in Opportunities for and Obstacles to the Development (O&OD) Planning Process in the Republic of Tanzania" is currently being implemented and scheduled to be finalised in March 2008.

### 2-5-4 Issue of local finance and grants

As touched upon in the previous section, LGs are now enjoying many more grants from the CG in Uganda and Tanzania thanks to the reforms, though these are never sufficient. Furthermore, the use of these grants is defined through the aforementioned participatory local development planning process, and funds are actually starting to reach communities in the form of the construction/repair of schools, health facilities, roads, sewers, etc. In addition, attempts are being made in Uganda and Tanzania to develop some objective calculation standards for the allocation of grants (Formula-based grant system).

In Kenya there has been criticism that the government funds were not reaching communities in the provinces due to administrative corruption. In response, CDF development grants were established in order to make sure that the development funds reach the communities by means of bypassing administrative channels and delivering funds to the constituencies via politicians (2-4-2, 2-4-3). While there are criticisms of CDF, such as the influence of neo-patrimonialism, transparency problems, and lack of coordination with administrative follow-up, there is also recognition that the development funds are actually reaching the communities in one way or another, which is something that had never happened before.

On the other hand, with regard to the grant systems, the existence of too many different kinds of grants became a problem. The excessively complicated procedures of so many respective grants hindered the efficiency of the LG administration. And too many conditional grants make it difficult for the LG planning officers to compile LG development plans and allocate budgets according to the priorities of each local society identified through above-mentioned participatory planning process (3-2-2 (2), 3-2-3 (4)). Kenya's CDF bypasses administrative channels for the distribution of funds to the constituencies, thus the case is more serious from the viewpoint of coherence with other administrative activities, as well as disciplined / coordinated budget planning and service implementation. This situation is making coordination of local service delivery more and more difficult, since it not only increases the channels of the budget flow from the CG to LGs, but also the channels of administrative operations themselves.

In order to deal with this situation, Tanzania and Uganda are proceeding with the integration and streamlining of grants to rationalise them, and are attempting to make the grants unconditional as well. Especially in Uganda, there is an attempt to integrate each sector's grants into only two pillars, i.e. development grants and recurrent grants, and significant progress has already been made. Another considerable advance in Uganda is that it allows up to 10 % of trans-sector budget appropriations within the PAF service grants, which is a significant accomplishment not yet achieved in many other countries. Furthermore, in order to fairly allocate grants to each region, work is progressing on the creation of a Formula-Based Grant System both in Tanzania and Uganda.

On the other hand, another significant issue presented both in Uganda and Tanzania that is considered to be a setback to the reforms is the abolition of major local taxes. Poll taxes such as Tanzania's Development Levy and Uganda's g-tax have been extremely unpopular taxes that have been called "nuisance taxes," so they were abolished a few years ago. Though we cannot simply criticise this, it practically meant that the LGs of both countries faced a significant loss of their major source of revenue. As the loss of these funds has not been sufficiently compensated for by the CG through unconditional grants, the LGs are suffering from a practical loss of not only "revenue autonomy" but "expenditure autonomy" as well [60]. Furthermore, if budget measures related to the development plan outlined above are forced to rely on conditional grants, this will have the effect of limiting true discretionary powers in local plan formulation, and will hinder the improved effectiveness of administrative services due to the lack of "expenditure autonomy."

### 2-5-5 Decentralisation of human resources management

A comparison of the situation with regard to each country's decentralisation of human resources management is illustrated in Table 2-17.

As it can be seen from the table, Uganda's prominence in the decentralisation of human resources management is remarkable. Since the adoption of decentralisation reforms until recent setback modification (December 2005), nearly full decentralisation of human resources management has been attempted. The hiring and firing of senior and junior personnel, their appointment, promotion, etc. came to be handled by the District Service Commission (DSC) established in each LG. However one recent major change is that CAO recruitments and appointments are now being centralised (2-2-7 (1)).

As seen in 2-3-2 (3), the discrepancy between the principle of D by D and its reality in Tanzania is even wider than in Uganda. The decision to decentralise personnel management was made in 1998 with the amendments to the LG Act, however according to the 2002 new Public Services Act, the Council Director as well as the Heads of the Departments (HoDs) of LGs are to be appointed and overseen by the CG. The same Act also guarantees the CG the power to transfer local officials at all levels if this is deemed necessary for the benefit of the public. Furthermore it was decided by the CG to lift the obligation stipulated in the above-mentioned Act for recruitment with a merit-base competitive examination for teachers and health sector personnel. While it is absolutely true that these run contrary to the principle of decentralisation reforms and have been criticised as moves toward re-centralisation, it can be seen as well that these steps were unavoidable countermeasures in the face of

[60] Regarding "revenue autonomy" and "expenditure autonomy," see Attachment "Systemic Analysis Framework" 1. (2) 2. Regarding the problem of the nearly complete loss of the LG's own revenue sources, see Attachment "Systemic Analysis Framework" 1. (2) 2. "From the perspective of effectiveness: However, a minimum level of its own revenue sources is indispensable for an LG".

## Table 2-20 Outline of Human Resources Management Functions

**Human resources management authority**

| Function | Kenya | Tanzania | Uganda |
|---|---|---|---|
| Recruitment (senior staff) | PSC | PSC, after input from the LG | Under the responsibility of the DSC since the reforms, but regarding CAOs recentralised to the PSC since December 2005 |
| Recruitment (junior staff) | LG | LG established recruitment committee | LG |
| Appointments (senior staff) | PSC | City Council Director appointed by the President. District, Town, Municipal Directors appointed by the Minister of PMO-RALG. | Under the responsibility of the DSC since the reforms, but regarding CAOs recentralised to the PSC since December 2005 |
| Appointment (junior staff) | LG | LG | LG |
| Transfers (senior staff) | PSC (MLG) | Minister of PMO-RALG | No transfers except for requests from the LG |
| Transfers (junior staff) | No transfers | No transfers | |
| Promotions (senior staff) | PSC | LG recommends to the appointing authority | PSC LG |
| Promotions (junior staff) | LG | Council Director recommends to the Council | |

**Human Resources Development**

| Function | Kenya | Tanzania | Uganda |
|---|---|---|---|
| Performance evaluation (senior staff) | Council Clerk evaluated by the provincial PSC, other staff evaluated directly by superiors and the MoLG /PSC | Both the LG and the PMO-RALG | So far HoDs of the LG and the CAO (May shift to MoLG) |
| Performance evaluation (junior staff) | Council Clerk and immediate superiors | LG (Council Director) | LG (Council Director and HoDs) |
| Training | LG | Mainly by external funds and operations, but in some cases with LG direct administration through LGCBG | In sectors managed mainly by the CG ministries. In some cases by the LG through the LGDP |

**Remuneration and Welfare Services**

| Function | Kenya | Tanzania | Uganda |
|---|---|---|---|
| Wages and salary scales | ALGE and labor unions | LG | The PSC and MoPS |
| Incentive package | ALGE and labor unions | LG | LG |

ALGE: Association of Local Governments Employers, PSC: Public Service Commission

: Functions centralised to the CG, : Functions decentralised to LGs

Source: Compiled by the authors based on Dege Consult et al. (2007a) and NCG (2004).

the extreme difficulty in ensuring recruitment of the required personnel for remote areas in these sectors (Dege Consult et al., 2007a, p. 22).

Incidentally, there are two points that need to be kept in mind when making a comparison like that of Table 2-20. The first is that, as far as human resources management systems are concerned, the countries are still in the process of "trial and error" and the situation can change at any time. Therefore when drawing comparisons between different countries, it is important to look at the situation carefully and analyse it not only at a particular point in time, but together with the situation before and after that time.

Secondly, there is a danger of misreading conditions if one draws a simple comparison between a country proceeding with decentralisation like Uganda and Tanzania, and one like Kenya where major operations remain under the jurisdiction of the CG. As a matter of fact, if one looks at Table 2-17, there is almost no visible difference in the degree of decentralisation of human resources management. This is simply because we had to compare only the LGs of the target countries for the sake of comparison. However, in Kenya, the County Councils (LGs) have been delegated very little authority over service delivery; instead such affairs are executed by the local branch offices of the respective sector ministries, mainly at the level of the District Administration. Of course the personnel management of these branch offices is controlled by the respective mother ministries of the CG. In Tanzania, although the Council Directors (DED, MD TD) and HoDs are appointed by the CG, there is no comparison between Tanzania and Kenya in the extent to which LGs are entitled to have an influence over personnel management related to service delivery. As is clear in this example, we should be very careful when we look at this type of comparative table.

Next, we compare the three countries as to the number of LG personnel and its proportion in the total number of government employees (Table 2-21). For Uganda and Tanzania where the decentralisation reforms are being carried out, this figure is 60-70 %; while Kenya's proportion is conspicuously low. On the other hand, measured in absolute numbers, Kenya has overwhelmingly more officials (per ten

**Table 2-21 LGs share of public employment**

| Total number of public servants | 1998 | 1999 | 2000 | 2001 | 2002 | 2006 |
|---|---|---|---|---|---|---|
| Uganda (percentage of LG officials) | 168,956 | 177,520 | 178,741 | 196,311 | 211,420 | 226,000 |
| | 65 % | 67 % | 68 % | 71 % | 73 % | 75 % |
| Tanzania (percentage of LG officials) | 266,426 | 266,426 | 274,408 | 271,674 | 280,830 | 323,829 |
| | 58 % | 58 % | 62 % | 62 % | 63 % | 67 % |
| Kenya (percentage of LG officials) | 650,300 | 650,300 | 644,500 | 610,900 | 612,100 | 571,000 |
| | 12 % | 12 % | 13 % | 13 % | 14 % | 7 % |

Source: Central Bureau of Statistics (Kenya), MoPS (Uganda), President's Office Public Service Management (PO-PSM) Tanzania.

thousand people, Uganda has 76 public officials, and Tanzania 90, while Kenya has 167 — nearly double the others). There are many criticisms that this is the result of LGs being accorded the right to hire junior employees and then their doing so haphazardly. Nonetheless, the number of government staff that Kenya has is very attractive and enviable compared to other countries like Tanzania that are struggling with absolute shortages of personnel after a decade of serious freeze in recruitment of government employees under the structural adjustment programme. In a sense, this situation can become a source of great potential for Kenya if the reforms are skillfully implemented and these fairly numerous posts allocated to the respective local areas are appropriately exploited to take full advantage of them for better service delivery [61].

### 2-5-6 Role of the Regions/Provinces in the decentralisation reforms

At the onset of Tanzania's reforms, the importance of LGs was overemphasised as the main actors of decentralisation, and the role of the "Regions" in between the CG and LGs was almost neglected. In Tanzania, the Regions used to be very powerful relative to LGs before the reforms. However, with their implementation, they were deliberately weakened and marginalised.

During the Midterm Review of the Reforms, the importance of the roles of the Regions were reconsidered. A lot of authority and responsibility was suddenly devolved to the LGs in a drastic manner, but the absorptive capacity of the LGs was not sufficient to keep up. It was recognised that a system of technical backstopping was essential. Therefore the Regional Secretariats were required to be strengthened and this was added to the LGRP as an important component. However the capacity of the Regional Secretariats still remains too weak to fulfill the required functions.

In Uganda there have never been any administrative "regions" placed between the CG and the LG systems. Presently Uganda is in the midst of a discussion as to the necessity of establishing such a tier [62].

### 2-5-7 Issues related to the local councils

The roles and presence of local councils are fundamentally significant in decentralisation reforms. They have been established and consolidated through the decentralisation reforms, and their involvement in the local planning and budgeting process has been dramatically strengthened over the past 10 years in Uganda and Tanzania.

---

[61] Of course it is necessary to add here one precondition by saying, "if all reforms are skillfully carried out". In general, talking about the large number of junior officials employed in Kenya's LGs, the majority opinion considers it a negative consequence of the delays in public sector reforms, which have led to vestiges of nepotism, disorderliness in recruitment, lack of qualified personnel owing to haphazard employment, wasteful postings, etc.

[62] However it must be kept in mind that the largest element in the establishment of Uganda's "Regions" is the relations with the Buganda Kingdom.

As seen above, it is apparent that the local council systems and their functions have taken root in recent years. However, the reality is not all that optimistic. There are growing worries that the local councils are not able to accomplish their role as the backbone of local autonomy as expected. They are not able to discharge their most fundamental functions of checking the performance of the local administration, due to lack of some basic conditions like the capacity and know-how of the councilors, support systems for them to work including their remuneration, etc. As mentioned in 2-5-3 "Mainstreaming of the participatory local development planning process" above, the sector officials are skeptical about the councilors' involvement in planning processes as well as the implementation of service delivery, and as a matter of fact, they are not being allowed to contribute enough in this regard.[63]

### 2-5-8 Characteristics of each sector's service delivery systems

#### (1) Education

All three countries have a common policy of increasing the quality and quantity of primary education. In this sector, a powerful SWAp has been established promoting UPE policy, and accordingly all three countries have seen impressive outcomes in the quantitative expansion of their primary education services. Though the most important driving factor in achieving them was the increase in available funds, it is also recognised that decentralisation had some positive effects in the following manner (Dege Consult et al., 2007a, p. 87).

- It is indicated that in Uganda and Tanzania the presence of LG institutions at the District levels supported and facilitated the process of the rapid expansion of services. However it was the Technical Departments of the Higher Level LGs (Districts) that performed this function, and almost no involvement was observed by the Lower Level LG level institutions.
- The transfer of discretionary powers in budget implementation to the SMCs as user groups is a major characteristic of decentralised service delivery in this sector. This kind of delegation of powers to the school level made possible the rapid expansion of services and was also useful in improving transparency. However there are also some indications of additional needs for this mechanism to function better, such as: capacity development of each SMCs; technical backstopping for them; consolidated coordination between the SMCs and the LGs, etc.
- So far, this has been appreciated as a successful exercise to delegate discretionary powers to the SMCs in the selection of textbooks and school materials as well as the management of the planning and implementation process of school construction.

[63] On the other hand, the involvement of local councilors in such decisions as where to build new infrastructure, is strong. When discretionary grants are used in local areas, it is necessary to be watchful regarding the possibility of councilors attempting to inappropriately intervene in the process. All these examples regarding the performance of the local councilors present a fundamental problem of the failure of the assumption that the local leaders will act properly to represent the real interests of the local society if decentralisation is realised.

On the other hand, some observations indicate factors that impair the decentralised service delivery of primary education. Some of these are described below (Dege Consult et al., 2007a, p. 88):

- Delays in the transfer of the necessary funds from the CG to the LGs/SMCs and the consequent unpredictability of these budgets, making it difficult to manage the schools efficiently.
- Within each District, there is inadequate distribution of teachers and facilities especially to remote areas with poor conditions. This situation is creating disparities among areas within a District.
- The LGs and SMCs are not able to sufficiently control the teachers' performance. Especially after the free primary education programme was introduced, it is ironical that participation by the parents and their involvement in school management affairs has been reduced.
- Free primary education, together with the elimination of major local taxes (in the case of Uganda and Tanzania), brought about severe shortages in the LGs' own sources of revenue, which in turn made it difficult for the LGs to provide these services.
- While school attendance has increased and the service volume has been expanded, the quality has not yet been sufficiently improved. Observing the fact that Kenya's performance in this regard is better than that of Uganda and Tanzania who have been more actively promoting decentralisation reforms, perhaps what counts more with regard to this particular subject may be to ensure sufficient budget to secure enough teachers and textbooks, rather than the question of centralisation or decentralisation.

**(2) Health and medical care**

In the health sector, user group functions are not as significant as in the education sector. One of the reasons for this may be its more specialised nature. Rather, the administrative line of the "LG Technical Departments – District Hospitals – Health Centres – Dispensaries" is strong. Sector Technical Department staff in Tanzania are sometimes skeptical of the participatory local development planning process, and there is a stronger tendency in this field for planning to be carried out independently by the sector[64]. Similarly, the capabilities of local councilors are questioned, and there is a tendency to place more importance upon the sector technical line than the LG councilors[65].

A fairly transparent fiscal transfer system has been introduced at the District level in the health sector in all three countries. Thanks to this new system, it is appreciated that District level technical staff members became able to carry out the planning of services to better meet the needs of their local

[64] The nature of the respective sectors is also attributed to the fact that the health sector has a limited number of channels to receive the residents' opinions to develop the participatory local development planning process compared to the education sector.

[65] However in recent years, Uganda has been successfully overcoming this problem. At least at the LG health personnel level, the importance and meaning of participatory planning are understood, and there are some districts where results from this process are beginning to be seen.

area. On the other hand, the problem of too many kinds of sector grants (conditional) has given rise to complications in their operations (Dege Consult et al., 2007a, p. 88).

As for human resources management, Tanzania has been suffering from serious shortages of doctors and nurses, especially in remote areas, which was aggravated even more through the decentralisation reform process. On this point, it is recognised that the situation in Kenya is less affected, because, in addition to having more personnel, there is the advantage of having the personnel management still centralised, the government can allocate the staff more strategically throughout the country. However for this same reason, there seems to be some negative effects in terms of the relevance of the services to the specific conditions of each local area. In Kenya, it was observed that there is a tendency for technical staff to prefer receiving general training provided by the CG, rather than local area focused training to improve specific skills required to tackle the specific issues of the local area where they are currently serving. This is understandable in some sense because they are expected to be transferred to another province or back to the headquarters at any time, thus they consider it more important to have general knowledge for their future career development.

**(3) Agricultural extension**

As for agricultural extension services, it has been considered that this type of service, when it is meant for poor small farmers, should be provided by the government. However in Africa, it has not been functioning effectively at all in reality, and thus it has seldom been appreciated by the farmers. This problem was due to all the difficult realities surrounding this sector in which: the number of extension officers is extremely limited while the area that they have to serve is huge and the number of target farmers is too many; and the support measures for their operation such as transport to access the communities are hopeless. Basically, this situation has not changed even after the introduction of the decentralisation reforms.

Furthermore when compared to other sectors such as health and education, while the allocation of personnel and funds has progressed for these two sectors under the decentralisation reforms, the same did not occur in this sector. In addition, the degree of discretion in the use of the grants is low, and control over staff performance by the LG is not sufficient. In this way, the noteworthy outcomes of the decentralisation reforms have not been recognised in this sector yet (Dege Consult et al., 2007a, p. 89).

In these circumstances, a program for the privatisation of agricultural extension services called "NAADS" has been introduced in Uganda [66]. The program is designed to organise farmers, strengthen their negotiation capacities, and connect them with private sector consultants/services to enable them to receive technology transfers through contracts. In Uganda, in the areas where NAADS has been

[66] A similar program is being introduced in Tanzania.

introduced, the number of farmers benefiting from these extension services is increasing, and it is appreciated that this system has had a positive impact on the target farmers' technological innovations. However, on the other hand, this service mechanism is considerably expensive, thus its evaluation is complex from the cost benefit perspective. In any case, it requires more time to be able to fully evaluate the outcomes of these types of efforts (Dege Consult et al., 2007a, p. 89).

### 2-5-9 Between the ideal of D by D and the reality — decentralisation and sector administration

Although the principles of D by D are being strongly advocated in Uganda and Tanzania, the reality is that they are not pursuing it 100 % this way. Actually, the government services are made up of a combination of devolved, delegated and deconcentrated services together with some functions still with centralised characteristics. In fact, while the services that should be operated within a limited area like garbage collection and solid waste management are administered by the respective LGs independently, for those which require a wider scope like education, health, and agricultural extension, though they are operated under the basic principle of decentralisation, the CG still has the final responsibility for control to achieve the national standards and national strategy. In these cases, the reality is that while specific development projects and service delivery operations are handled by LGs, policy decisions, strategy formulation, standards setting, and quality control are made by the CG, which also maintains a grip on these by means of conditional grants as well as its personnel appointment authority (Dege and Consult et al., 2007a, p. 87).

Yet, one should not simply criticise these phenomena as unhealthy situation just because it looks against the principle of D by D (For further analysis of this point, refer to Chapter 3).

On the other hand, the decentralisation reforms in Uganda as well as in Tanzania are still under way and remain to be further consolidated. Under the decentralisation reforms, the sector ministries have devolved significant portions of their functions and budget authority to the LGs. However this devolution only extended up to the Higher LG (District) levels and their Technical Departments in particular. As has been reiterated in other parts of this report, the lower level LGs as well as the local councils (councilors) still have problems in their capacities, and thus are not regarded yet as being fully reliable entities. These local councils and lower level LGs who are supposed to assume essential roles within the Country's local autonomy are not yet able to perform their primary function.

However, there are also some encouraging examples emerging in this regard such as Uganda's LC3s. Being a lower level to the LGs, it is being confirmed that some of the LC3s have considerably improved their capacity, functions and roles, including those of the councilors.

In any case, each country is facing a fundamental need to seek the most appropriate CG-LG system for their own country, with the best mix and most appropriate balance between the national

strategy and the principles of decentralisation/local autonomy. Each sector is also required to pursue the best way and balance as to how far to integrate their plans with the cross-sectoral local development plan (LGCDG, LGDP).

As can be seen in this chapter, some ten years have passed since Uganda and Tanzania started implementation of their decentralisation reforms, and a variety of outcomes are beginning to emerge, while many challenges have been identified to overcome as well. On the other hand, the comparison of these experiences with that of Kenya which has maintained a rather centralised system so far but with some arguments towards decentralisation, gives us interesting implications and understanding regarding the characteristics between the decentralised and the centralised government systems in the African context.

Chapter 3 further analyses the experiences of these three countries from the perspective of the improvement of service delivery, and extracts the lessons learned as well as important factors that influence the success of the reforms and the eventual improvement of service delivery. In addition, based on the above-mentioned analyses, attempts will be made to elaborate a "Systemic Analysis Framework" to be utilised for the analysis of the local administration systems and decentralisation reforms of a target country to enable a better understanding of the real picture.